

1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 FINAL TEXT OF PROPOSED REGULATIONS
3 **THIRD-PARTY PROPOSITION PLAYER SERVICES AND GAMBLING BUSINESS LICENSE RENEWAL**
4 CGCC-GCA-2009-07-R
5

6 **CHAPTER 2.1. THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES:**
7 **REGISTRATION; LICENSING.**

8 **ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.**

9 **§ 12200.9. Review and Approval of Proposition Player Contracts.**

10 (a)(1) Proposition player services shall not be provided except pursuant to a written
11 proposition player contract approved in advance by the Bureau. Provision of proposition player
12 services by any person subject to registration or licensing under this chapter, or engagement of
13 proposition player services by the holder of a state gambling license, without a contract as
14 required by this section is a violation of this section. The Bureau shall approve a proposition
15 player contract only if all the following requirements have been satisfied:

16 (A) The contract is consistent with this regulation and the Act.

17 (B) The contract does not provide for controlled gambling that will be conducted in a manner
18 that is inimical to the public health, safety, or welfare.

19 (C) The contract will not create or enhance the dangers of unsuitable, unfair, or illegal
20 practices, methods, or activities in the conduct of controlled gambling or in the carrying on of the
21 business and related financial arrangements.

22 (D) The contract will not undermine public trust that the controlled gambling operations
23 covered by the contract will be conducted honestly, by reason of the existence or perception of
24 any collusive arrangement between any party to the contract and the holder of a state gambling
25 license, or otherwise.

26 (2) Prior to December 7, 2003, each primary owner providing proposition player services at a
27 gambling establishment on the date that these regulations originally became effective (November
28 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player
29 Services (BGC-APP-030 (Rev. ~~11/07~~ 05/09)), which is hereby incorporated by reference.

30 (3) A complete application for contract approval shall include all of the following:

31 (A) A completed Application for Contract Approval to Provide Proposition Player Services

1 (BGC-APP-030 (Rev. ~~11/07~~ 05/09), ~~which is hereby incorporated by reference.~~

2 (B) A completed Appointment of Designated Agent for Owners and Proposition Players
3 (BGC-APP-031 (Rev. 11/07)), which is hereby incorporated by reference.

4 (C) An executed copy of the contract that specifically addresses all of the requirements of
5 Section 12200.7.

6 (D) A playing book form that specifically addresses all of the requirements of Section
7 12200.13.

8 (E) A ~~five hundred dollar (\$500)~~ \$1000 nonrefundable application fee.

9 (F) The deposit as required by Title 11, California Code of Regulations, Section
10 2037(a)(2)(A). The Bureau may require an additional sum to be deposited to pay the final costs
11 of the review and approval or disapproval of the contract. Any money received as a deposit in
12 excess of the costs incurred in the review and approval or disapproval of the contract will be
13 refunded and an itemized accounting will be provided to the primary owner, or primary owner's
14 designee.

15 (4) The Bureau shall notify the applicant, in writing, within ten working days of receiving the
16 application that the application or resubmitted application is complete or incomplete. If an
17 application is incomplete, the Bureau shall request, in writing, any information, fees, or
18 documentation needed to complete the application. Unless extended by the Bureau for further
19 investigation up to 90 days or with the consent of the applicant, review and approval or
20 disapproval of a proposition player contract shall be completed within 90 days of receiving a
21 completed application and notice thereof shall be sent via United States mail to the applicant or
22 the applicant's designee within ten ~~(10)~~ days of the Bureau's decision. Notice of disapproval of
23 the contract or amendments shall specify the cause.

24 (b) An executed copy of the currently effective contract, and all amendment(s) thereto, and a
25 copy of all Bureau notices that approved the contract and any amendment shall be maintained at
26 the gambling establishment and shall be provided for review or copying upon request by any
27 representative of the Commission or Bureau.

28 (c) The term of any proposition player contract shall not exceed ~~one~~ two years and shall not
29 be extended or renewed without the prior approval of the Bureau. No amendment changing any
30 of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of
31 subsection (b) thereof, may become effective during the term of a proposition player contract

1 without the prior written approval of the Bureau. If any amendment is made to a proposition
2 player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7,
3 both parties to the contract shall notify the Commission and Bureau in writing of the amendment
4 within ~~10~~ ten days of the execution thereof by the parties to the contract.

5 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections
6 19951 and 19984, Business and Professions Code.

7

8 **§ 12200.10A. Expedited Review and Approval of Proposition Player Contracts.**

9 (a) In lieu of the procedure specified in Section 12200.9, the Bureau shall provide an
10 expedited review process of an application for contract approval if all of the following conditions
11 exist:

12 (1) Proposition player services were provided in the gambling establishment at any time
13 during the 60 days preceding the application pursuant to a contract that was previously approved
14 by the Bureau and that has been terminated in whole or in part.

15 (2) The proposed contract is between the house and a different primary owner than the
16 previous contract under which proposition player services were provided in the gambling
17 establishment.

18 (3) The terms of the proposed contract are substantially identical to the contract previously
19 approved by the Bureau under which proposition player services were provided in the gambling
20 establishment at any time during the 60 days preceding the application.

21 (b) If an application for contract approval is submitted as an expedited contract request and
22 the Bureau determines that it does not meet the criteria, the primary owner or designee and the
23 house shall be notified within three ~~(3)~~ business days of the Bureau's decision. Any contract that
24 is not processed through the expedited review and approval process shall be treated as a new
25 contract request and reviewed and approved or disapproved as otherwise provided by subsection
26 (a) of Section 12200.9(a).

27 (c) The Bureau shall complete the expedited review and approval of a contract within five ~~(5)~~
28 business days of receiving all of the following:

29 (1) A completed Application for Contract Approval to Provide Proposition Player Services
30 (BGC-APP-030 (Rev. ~~11/07~~ 05/09)), referenced in Section 12200.9.

31 (2) A completed Appointment of Designated Agent for Owners and Proposition Players
32 (BGC-APP-031 (Rev. 11/07)), referenced in Section 12200.9.

1 (3) An executed copy of the contract that specifically addresses all the requirements of
2 Section 12200.7.

3 (4) A playing book form that specifically addresses all the requirements of Section 12200.13.

4 (5) A ~~five hundred dollar (\$500)~~ \$1000 nonrefundable application fee.

5 (6) An expedited processing fee of ~~one hundred and fifty dollars (\$150)~~ \$150 and a sum of
6 money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated
7 processing costs in accordance with Business and Professions Code section 19867.

8 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections
9 19951 and 19984, Business and Professions Code.

10

11 **§ 12200.11. Extension of Proposition Player Contracts.**

12 (a) An application for approval of a contract to continue proposition player services shall
13 include all of the following:

14 (1) A completed Application for Contract Approval to Provide Proposition Player Services
15 (BGC-APP-030 (Rev. ~~11/07~~ 05/09)), referenced in ~~subsection (e) of~~ Section 12200.9.

16 (2) A ~~five hundred dollar (\$500)~~ \$1000 nonrefundable application fee.

17 (3) An executed copy of the contract.

18 (4) A completed playing book form for three non-consecutive sessions of play that occurred
19 during the ten ~~(10)~~ days preceding the submission of the application for contract extension.

20 (5) A deposit in such amount as, in the judgment of the Chief of the Bureau, will be sufficient
21 to pay the anticipated processing costs. The Bureau may require an additional sum to be
22 deposited to pay the final costs of the review and approval or disapproval of the contract. Any
23 money received as a deposit in excess of the costs incurred in the review and approval or
24 disapproval of the contract will be refunded and an itemized accounting will be provided to the
25 primary owner, or primary owner's designee.

26 (b) The application shall be submitted to the Bureau no later than 90 days prior to the date
27 that the current contract is scheduled to expire.

28 (c) As soon as is practicable after determining that any application for approval of a
29 proposition player contract extension is complete and that the contract extension appears to
30 qualify for approval, but in no event more than 75 days from receipt of the application, the
31 Bureau shall submit the contract extension to the Commission for review and comment. The
32 Commission shall provide the Bureau with comments, if any, within 15 days of receipt of the

1 contract extension.

2 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections
3 19951 and 19984, Business and Professions Code.

4

5 **§ 12200.13. Playing Book.**

6 (a) The primary owner shall be responsible for assuring that its players maintain accurate,
7 complete, and up-to-date playing books for all sessions of play worked in conformity with
8 regulations of the Commission. The information in the playing-book record shall be transferred
9 to the primary owner, or a supervisor designated by the primary owner at the end of each session
10 of play. The primary owner shall maintain this information in English at a single location in the
11 State of California, and shall maintain the original playing book records in the State of
12 California, for at least five ~~(5)~~ years. The location or locations where the records of this
13 information and the original playing book records are maintained, and any change therein, shall
14 be disclosed to the Commission and Bureau by written notice, mailed or delivered within five ~~(5)~~
15 business days after establishing or changing such a location.

16 (b) The playing book shall be prepared and maintained as follows:

17 (1) The playing book form shall be reviewed and approved or disapproved during the review
18 of the contract by the Bureau.

19 (2) Each form in the playing book shall be recorded in ink and include, but not be limited to,
20 the following information:

21 (A) Sequential numbers. Any unused form shall be voided and maintained in the playing
22 book.

23 (B) The name of the gambling establishment where play occurred.

24 (C) The date and approximate time when play occurred.

25 (D) Beginning and ending balances.

26 (E) Individual identification of all fills and credits affecting the balance.

27 (F) The printed full name and badge number of the proposition player, which includes
28 owners, supervisors, and/or players.

29 (G) The table number assigned by the gambling establishment.

30 (H) The specific name of the Bureau-approved gaming activity.

31 (I) The name of the primary owner.

32 (3) The form for each session of play shall be time-stamped, dated, and signed under penalty

1 of perjury by the person who prepared it and shall include a declaration in the following form: “I
2 declare under penalty of perjury under the laws of the State of California that the foregoing is
3 true and correct.”

4 (c)(1) To amend a playing book form during a contract period, a Request for Approval of
5 Playing Book form (BGC-App 036 (New 05/09)), which is hereby incorporated by reference,
6 must be completed and submitted to the Bureau for prior approval along with the following to
7 constitute a complete request:

8 (A) Processing fee of \$75.

9 (B) Sample playing book form that complies with this section.

10 (2) Review and approval or disapproval of an amended playing book form shall be completed
11 within 30 days of receiving a completed request. Written notices shall be sent to the applicant or
12 the applicant’s designee.

13 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
14 19984, Business and Professions Code.

16 **ARTICLE 2. REGISTRATION.**

17 **§ 12203.2. Temporary Player Registration: Application; Criteria.**

18 The Executive Director shall, within 15 days of receiving a complete application, issue a
19 temporary player registration valid for 60 days (or 150 days if Family Code section 17520
20 applies) if all of the following requirements are met:

21 (a) The applicant has applied for a temporary player registration by completing the
22 Commission’s regular registration application form, requesting issuance of a temporary
23 registration by checking the appropriate box on the application form, and submitting with the
24 application a nonrefundable temporary registration fee specified in paragraph (2) of subsection
25 (d) of Section 12008, in addition to the regular registration fee specified in paragraph (1) of
26 subsection (d) of Section 12008.

27 (b) The applicant has supplied to the Commission all the documentation and fees required for
28 a regular registration.

29 (c) Neither the application in its entirety, nor the results of the review of the applicant’s
30 criminal history up until the date of issuance of the temporary registration, discloses any of the
31 following:

32 (1) The applicant has been convicted of any felony.

1 (2) The applicant has, within the ten-~~(10)~~ year period immediately preceding the submission
2 of the application, been convicted of any of the following offenses, not including convictions
3 which have been expunged or dismissed as provided by law:

4 (A) A misdemeanor involving a firearm or other deadly weapon.

5 (B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9
6 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part
7 1 of the Penal Code.

8 (C) A misdemeanor involving a violation of an ordinance of any city, county, or city and
9 county, which pertains to gambling or gambling-related activities.

10 (D) A misdemeanor involving violations of the Act.

11 (E) A misdemeanor involving dishonesty or moral turpitude.

12 (3) The applicant has had an application for a gambling license, work permit, proposition
13 player registration, proposition player license, gambling business registration, or gambling
14 business license denied.

15 (4) The applicant has had a gambling license, work permit, proposition player registration,
16 proposition player license, gambling business registration, or gambling business license revoked.

17 (5) The applicant is disqualified under the Act or other provisions of law from holding a
18 temporary registration.

19 (d) The review of the applicant's criminal history has resulted in one of the following:

20 (1) A response has been received from the BCII or Federal authorities that is consistent with
21 a finding that the applicant has not sustained any disqualifying criminal convictions, or,

22 (2) No response from the BCII or Federal authorities has been received within the time
23 period set forth in subsection-~~(a)(2)~~ (b) of Section 12203.3.

24 (e) The application and other information obtained during the review does not disclose any
25 factor indicating that approval of the temporary registration may, in the judgment of the
26 Executive Director, present a danger to the public or to the reputation of controlled gambling or
27 proposition playing in this state.

28 (f) The applicant is not ineligible under Business and Professions Code section 19859,
29 subdivisions (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby
30 expressly made applicable to applications for temporary player registrations.

31 Note: Authority cited: Sections 19840, 19841, 19951(a) and 19984, Business and Professions Code. Reference:
32 Sections 19951 and 19984, Business and Professions Code.

1 **§ 12205.1. Transition to Licensing.**

2 (a) As expeditiously as possible in light of available program resources, the Bureau shall
3 summon persons registered as primary owners, owners, supervisors, players, and other
4 employees for the purpose of applying for licenses under this chapter. The registration of any
5 registrant that fails or refuses to submit ~~a Request for Conversion of a Third Party Proposition~~
6 ~~Player Services Registration to a License (CGCC-437 (Rev. 04/08))~~ the applicable Application
7 for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-
8 433, (New 05/09)) or Application for Third-Party Proposition Player Services License for
9 Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), which ~~is~~ are hereby
10 incorporated by reference, including any fees to the Commission within 30 days of receiving a
11 summons from the Bureau shall expire by operation of law on the following day. Prior to and
12 during review of a request to convert a registration to a license, a registration shall remain valid
13 and may be renewed by the registrant as necessary, upon application and approval of renewal of
14 registration as provided in Section 12203A.

15 (b) Any person who became affiliated with a primary owner following receipt of a summons
16 from the Bureau shall apply for registration pursuant to this chapter and shall be called forward
17 by the Bureau expeditiously.

18 (c) If the registration expires by operation of law, the former registrant shall submit ~~a~~ the
19 applicable new ~~Request for Conversion of a Third Party Proposition Player Services Registration~~
20 ~~to a License (CGCC-437 (Rev. 04/08))~~ Application for Third Party Proposition Player Services
21 License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-
22 Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-
23 434, (New 05/09)) and a new nonrefundable application fee as specified in paragraph (1), and the
24 applicable additional fee specified in paragraph (3), (4), or (5) of subsection (d) of Section
25 12008.

26 ~~(d) The transition to licensing for registrations approved prior to April 30, 2004, shall be~~
27 ~~completed no later than July 1, 2008.~~

28 ~~(e) Except as provided in subsection (c), a request to convert a registration to a license shall~~
29 ~~require only payment of a sum of money that, in the judgment of the Chief of the Bureau, will be~~
30 ~~adequate to pay the anticipated investigation and processing costs, in accordance with Business~~
31 ~~and Professions Code sections 19867 and 19984(e).~~

1 ~~(f) If a license is issued, it will expire as provided in Section 12218.13 (Term of License).~~

2 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
3 19984, Business and Professions Code.

4
5 **ARTICLE 3. LICENSING.**

6 **§ 12218. Request to Convert Registration to License.**

7 (a) A request to convert a registration to a license shall be submitted to the Commission only
8 in response to a written summons from the Bureau to a primary owner pursuant to Section
9 12205.1. Each primary owner's request shall be accompanied by the requests of all affiliated
10 owners, supervisors, players, and other employees.

11 (b) The request to convert a registration to a license shall designate whether the license is
12 requested as a primary owner, owner, supervisor, player, or other employee. The request shall be
13 signed by the individual requester or, if the requester is a business entity, by the chief executive
14 officer or other designated officer of the business entity.

15 (c) The request to convert a registration to a license shall include all of the following:

16 (1) ~~A completed Request for Conversion of a Third Party Proposition Player Services~~
17 ~~Registration to a License (CGCC-437 (Rev. 04/08))~~ A completed Application for Third Party
18 Proposition Player Services License for Business Entities and Owners (CGCC-433, (New
19 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors,
20 Players or Other Employees (CGCC-434, (New 05/09)), referenced in Section 12205.1.

21 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
22 143 (Rev. 05/08), referenced in Section 12342 of this division.

23 (3) The applicable nonrefundable application fee in the amount specified in subsection (d) of
24 Section 12008.

25 ~~(2)~~(4) Two 2x2 inch color passport-style photographs of a requester that is an individual
26 taken no more than one year before submission of the request to the Commission.

27 ~~(3)~~(5) The supplemental information package as defined in subsection (b) of Section
28 12200(b).

29 ~~(4)~~(6) A sum of money that, in the judgment of the Chief of the Bureau, will be adequate to
30 pay the anticipated investigation and processing costs, in accordance with Business and
31 Professions Code sections 19867 and 19984, subdivision (c).

32 ~~(5)~~(7) A copy of the summons issued by the Bureau.

1 (d) Nothing in this chapter shall require the Commission or Bureau to divulge to the
2 requester any confidential information received from any law enforcement agency or any
3 information received from any person with assurances that the information would be maintained
4 as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any
5 information that might reveal the identity of any source of information or jeopardize the safety of
6 any person.

7 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section
8 19984, Business and Professions Code.

9
10 **§ 12218.7. Processing Times – Request to Convert Registration to License.**

11 A request to convert a registration to license submitted pursuant to this chapter shall be
12 processed within the following timeframes:

13 (a) The maximum time within which the Commission shall notify the applicant in writing
14 that a request or a resubmitted request is complete and accepted for initial processing by the
15 Commission, or that a request or a resubmitted request is deficient and identifying what specific
16 additional information is required, is 20 days after receipt of the request. For the purposes of this
17 section, “request” means the ~~Request for Conversion of a Third Party Proposition Player~~
18 ~~Services Registration to a License (CGCC-437 (Rev. 04/08))~~ Application for Third Party
19 Proposition Player Services License for Business Entities and Owners (CGCC-433, (New
20 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors,
21 Players or Other Employees (CGCC-434, (New 05/09)), referenced in Section 12205.1. A
22 request is not complete unless accompanied by *both* a copy of the summons from the Bureau
23 setting a deadline for filing the request with the Commission and the supplemental information
24 package required by paragraph (5) of subsection (c) of Section 12218~~(e)(3)~~ for review by the
25 Bureau pursuant to subsection (c) for persons affiliated with the primary owner to whom the
26 summons was addressed. The Commission shall not review the supplemental information for
27 completeness.

28 (b) A request and the supplemental information package shall be forwarded by the
29 Commission to the Bureau for processing within ten-~~(10)~~ days of the date that the Commission
30 determines that the request is complete.

31 (c) The Bureau shall review the supplemental information package submitted for
32 completeness and notify the applicant of any deficiencies in the supplemental information

1 package, or that the supplemental information package is complete, within 45 days of the date
2 that the request and supplemental information package are received by the Bureau from the
3 Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental
4 information package as complete, the Bureau may, pursuant to Business and Professions Code
5 section 19866, require the requester to submit additional information.

6 (d) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent
7 practicable, submit its recommendation to the Commission within 180 days after the date the
8 Bureau is in receipt of both the completed request pursuant to subsection (b) and the completed
9 supplemental information package pursuant to subsection (c). If the Bureau has not concluded
10 its investigation within 180 days, then it shall inform the applicant and the Commission in
11 writing of the status of the investigation and shall also provide the applicant and the Commission
12 with an estimated date on which the investigation may reasonably be expected to be concluded.

13 (e) The Commission shall grant or deny the request within 120 days after receipt of the final
14 written recommendation of the Bureau concerning the request, except that the Commission may
15 notify the applicant in writing that additional time, not to exceed 30 days, is needed.

16 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
17 19984, Business and Professions Code.

18 19 § 12218.8. License Renewals.

20 (a) Each application for the renewal of a license shall be accompanied by all of the following:

21 (1) A completed Application for Third Party Proposition Player Services License for
22 Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party
23 Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434,
24 (New 05/09)), referenced in Section 12205.1.

25 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
26 143 (Rev. 05/08), referenced in Section 12342 of this division.

27 (3) The applicable nonrefundable application fee in the amount specified in subsection (d) of
28 Section 12008.

29 (b) Each owner whose name is required to be endorsed upon the license of the primary owner
30 shall submit a separate application for renewal of that individual's or entity's license, together
31 with the application fee specified in subsection (a).

32 (c) The Bureau may conduct an investigation of a primary owner and each owner whose

1 name is required to be endorsed upon the license of the primary owner; and any licensed
2 supervisor, player, or other employee identified in the notice issued by the Bureau.

3 (1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice
4 must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section
5 12200 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to
6 pay the anticipated investigation and processing costs, in accordance with Business and
7 Professions Code sections 19867 and 19984.

8 Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, 19851, 19867, 19951(a) and 19984, Business
9 and Professions Code. Reference: Sections 19851, 19867, 19876, 19951(a) and 19984, Business and Professions
10 Code.

11
12 **§ 12218.9. Processing of Applications for Renewal License.**

13 (a) Except as provided in subsection (b), renewal license applications submitted pursuant to
14 Section 12218.8 shall be processed within the following timeframes:

15 (1) An application for renewal of a license shall be filed by the primary owner, owner,
16 supervisor, player, and other employee with the Commission no later than 120 days prior to the
17 expiration of the current license.

18 (2) The maximum time within which the Commission shall notify the applicant in writing
19 that an application or a resubmitted application is complete and accepted for initial processing by
20 the Commission, or that an application or a resubmitted application is deficient and identifying
21 what specific additional information is required, is ten working days after receipt of the
22 application. For the purposes of this section, "application" means the Application for Third Party
23 Proposition Player Services License as specified in paragraph (1) of subsection (a) of Section
24 12218.8.

25 (3) An application for a license shall be forwarded by the Commission to the Bureau for
26 processing within five working days of the date that the Commission deems the application is
27 complete.

28 (4) If the Bureau conducts an investigation, it shall submit a written report concerning the
29 renewal application to the Commission no later than 45 days prior to the expiration of the current
30 license, unless that application is filed with the Commission less than the 120 days prior to the
31 expiration of the current license.

32 (b) The processing times specified in paragraphs (2) through (4) of subsection (a) may be

1 exceeded in any of the following instances:

2 (1) The applicant has agreed to an extension of the time.

3 (2) The number of licenses to be processed exceeds by 15 percent the number processed in
4 the same calendar quarter in the preceding year.

5 (3) The Commission or Bureau must rely on another public or private entity for all or part of
6 the processing, and the delay is caused by that other entity.

7 Note: Authority cited: Sections 19824, 19826, 19840, 19841, 19868, 19870, 19876 and 19984, Business and
8 Professions Code. Reference: Sections 19868, 19876 and 19984, Business and Professions Code.

9
10 **CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.**

11 **ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.**

12 **§ 12220.13. Playing Book.**

13 (a) The primary owner shall be responsible for assuring that its players maintain accurate,
14 complete, and up-to-date playing books for all sessions of play worked in conformity with
15 regulations of the Commission. The information in the playing-book record shall be transferred
16 to the primary owner, or a supervisor designated by the primary owner at the end of each session
17 of play. The primary owner shall maintain this information in English at a single location in the
18 State of California, and shall maintain the original playing book records in the State of California
19 for at least five ~~(5)~~ years. The location or locations where the records of this information and the
20 original playing book records are maintained, and any change therein, shall be disclosed to the
21 Commission and Bureau by written notice, mailed or delivered within five ~~(5)~~ business days
22 after establishing or changing such a location.

23 (b) The playing book shall be prepared and maintained as follows:

24 (1) The playing book form shall be reviewed and approved or disapproved by the Bureau
25 during the review of the primary owner's registration or license application.

26 (2) Each form in the playing book shall be recorded in ink and include, but not be limited to,
27 the following information:

28 (A) Sequential numbers. Any unused form shall be voided and maintained in the playing
29 book.

30 (B) The name of the gambling establishment where play occurred.

31 (C) The date and approximate time when play occurred.

32 (D) Beginning and ending balances.

1 (E) Individual identification of all fills and credits affecting the balance.

2 (F) The printed full name and badge number of the player, which includes owners,
3 supervisors, and/or players.

4 (G) The table number assigned by the gambling establishment.

5 (H) The specific name of the Bureau-approved gaming activity.

6 (I) The name of the primary owner.

7 (3) The form for each session of play shall be time-stamped, dated, and signed under penalty
8 of perjury by the person who prepared it and shall include a declaration in the following form: "I
9 declare under penalty of perjury under the laws of the State of California that the foregoing is
10 true and correct."

11 (c)(1) A Request for Approval of Playing Book form (BGC-App 036 (New 03/09)),
12 referenced in Section 12200.13, must be completed and submitted to the Bureau for prior
13 approval along with the following to constitute a complete request for initial approval or to
14 amend the playing book form:

15 (A) Processing fee of \$75.

16 (B) Sample playing book form that complies with this section.

17 (2) Review and approval or disapproval of an amended playing book form shall be completed
18 within 30 days of receiving a completed request. Written notices shall be sent to the applicant or
19 the applicant's designee.

20 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
21 Sections 19805 and 19853(a)(3), Business and Professions Code.

22

23 **§ 12220.18. Revocation.**

24 The Commission may revoke a registration or license, upon any of the following grounds,
25 after a hearing conducted pursuant to the same procedures applicable to the revocation of a
26 gambling establishment license:

27 (a) The registrant or licensee committed, attempted to commit, or conspired to commit any
28 acts prohibited by the Act or this chapter.

29 (b) Any act or omission by the registrant that would disqualify the registrant from obtaining
30 registration under this chapter. Any act or omission by the licensee that would disqualify the
31 licensee from obtaining licensing under this chapter.

32 (c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive

1 activities in connection with controlled gambling, including any violation of laws related to
2 cheating.

3 (d) The registrant or licensee failed or refused to comply with the requirements of Section
4 ~~12200.16~~ 12220.16 (Inspections and Investigations).

5 (e) The registrant or licensee failed or refused to comply with the requirements of Section
6 ~~12200.14~~ 12220.14 (Organization Chart and Employee Report).

7 (f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry
8 by the Bureau or the Commission.

9 (g) The registrant or licensee committed, attempted, or conspired to commit any
10 embezzlement or larceny against a gambling business registrant or licensee or proposition player
11 registrant or licensee or against a holder of a state gambling license, or on the premises of a
12 gambling establishment.

13 (h) The registrant or licensee has been lawfully excluded from being present upon the
14 premises of any licensed gambling establishment for any reason relating to cheating or any
15 violation of the Act by the registrant or licensee.

16 (i) The registrant or licensee buys or sells chips other than to or from the house, except for
17 exchanging with a patron chips of one denomination for chips of another denomination.

18 (j) The registrant or licensee lends money or chips to gambling establishment patrons or
19 proposition players, except for exchanging with a patron chips of one denomination for chips of
20 another denomination.

21 (k) The registrant or licensee made wagers that were not specifically authorized by the game
22 rules approved by the Bureau.

23 (l) Any owner knowingly permitted one or more of the owner's supervisors or players to
24 commit any act described in subsections (a) through (k), inclusive.

25 (m) Any owner knew, or failed to implement reasonable oversight procedures that would
26 have apprised the owner, that one or more of the registrants or licensees was in violation of one
27 or more provisions of this chapter or of the Act and failed or refused to take action to prevent the
28 recurrence of the violation or violations.

29 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
30 Section 19853(a)(3), Business and Professions Code.

31

32

1 **§ 12220.23. Exclusion.**

2 (a) In order to promote the purposes of the Act to provide for effective regulation of
3 gambling enterprises, owner-licensees of gambling establishments shall notify the Commission
4 and Bureau of, and may exclude from the gambling establishment, any person that the owner-
5 licensee reasonably believes is conducting a gambling business within the gambling
6 establishment without having been registered or licensed under this chapter. An owner-licensee
7 acting under this section shall notify the Commission and Bureau in writing of any such
8 unregistered or unlicensed person and of any such exclusion, including the identity of the
9 excluded individuals and entity if known, within ten-~~(10)~~ business days following the exclusion.
10 Upon receiving such notice of an unregistered or unlicensed person, the Commission shall notify
11 the person in writing of the registration and license requirement of this chapter and shall notify
12 all owner-licensees of the name of the unregistered or unlicensed person, if known and may
13 condition any subsequent registration or license of the person under this chapter or Chapter 2.1
14 of this division upon a 60 to 90 day suspension of registration or license or payment of a civil
15 penalty under Business and Professions Code section 19930, subdivision (c), or both.

16 (b) An owner-licensee of a gambling establishment may exclude any registered or licensed
17 gambling business and shall notify the Commission and Bureau in writing within five-~~(5)~~ days
18 following the exclusion.

19 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
20 Sections 19853(a)(3) and 19930, Business and Professions Code.

21

22 **ARTICLE 2. REGISTRATION.**

23 **§ 12225.1. Transition to Licensing.**

24 (a) The Bureau shall summon persons registered as primary owners, owners, supervisors,
25 players, and other employees for the purpose of applying for licenses under this chapter. The
26 Bureau shall summon primary owners, owners, supervisors, players, and other employees as
27 expeditiously as possible in light of available program resources. The registration of any
28 registrant that fails or refuses to submit ~~a Request for Conversion of a Gambling Business~~
29 ~~Registration to a License (CGCC-537 (Rev. 04/08))~~ the applicable Application for Gambling
30 Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application
31 for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New
32 05/09)), which ~~is~~ are hereby incorporated by reference, including any fees to the Commission

1 within 30 days of receiving a summons from the Bureau shall expire by operation of law on the
2 following day. Prior to and during review of a request to convert a registration to a license, a
3 registration shall remain valid and may be renewed by the registrant as necessary, upon
4 application and approval of renewal of registration.

5 (b) If the registration expires by operation of law, the former registrant shall submit a new
6 ~~request to convert a registration to a license~~ Application for Gambling Business License for
7 Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business
8 License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)) and a new
9 nonrefundable application fee as specified in paragraph (1), and the applicable additional fee
10 specified in paragraph (3), (4), or (5), of subsection (e) of Section 12008.

11 ~~(e) The transition from registration to licensing for applications approved prior to April 30,~~
12 ~~2004, shall be completed no later than July 1, 2008.~~

13 ~~(d) Except as provided for in subsection (b), a request to convert a registration to a license~~
14 ~~shall require only payment of a sum of money that in the judgment of the Chief of the Bureau,~~
15 ~~will be adequate to pay the anticipated investigation and processing costs, in accordance with~~
16 ~~Business and Professions Code section 19867.~~

17 ~~(e) If a license is issued, it will expire as provided in Section 12237 (Term of License).~~

18 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
19 Sections 19853(a)(3) and 19867, Business and Professions Code.

20 21 **ARTICLE 3. LICENSING.**

22 **§ 12233. Request to Convert Registration to License.**

23 (a) A request to convert a registration to a license shall be submitted to the Commission only
24 in response to a written summons from the Bureau to a primary owner pursuant to Section
25 12225.1. Each primary owner's request shall be accompanied by the requests of all affiliated
26 owners, supervisors, players, and other employees.

27 (b) The request to convert a registration to a license shall designate whether the license is
28 requested as a primary owner, owner, supervisor, player, or other employee. The request shall be
29 signed by the individual requester or, if the requester is a business entity, by the chief executive
30 officer or other designated officer of the business entity.

31 (c) The request to convert a registration to a license shall include all of the following:

32 (1) A completed ~~Request for Conversion of a Gambling Business Registration to a License~~

1 ~~(CGCC-537 (Rev. 04/08))~~ Application for Gambling Business License for Business Entities and
2 Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for
3 Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section
4 12225.1.

5 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
6 143 (Rev. 05/08), referenced in Section 12342 of this division.

7 (3) The applicable nonrefundable application fee in the amount specified in subsection (e) of
8 Section 12008.

9 ~~(2)~~(4) Two 2x2 inch color passport-style photographs of a requester that is an individual
10 taken no more than one year before submission of the request to the Commission.

11 ~~(3)~~(5) The supplemental information package as defined in Section 12220.

12 ~~(4)~~(6) A sum of money that, in the judgment of the Chief of the Bureau, will be adequate to
13 pay the anticipated investigation and processing costs, in accordance with Business and
14 Professions Code section 19867.

15 ~~(5)~~(7) A copy of the summons issued by the Bureau.

16 (d) Nothing in this chapter shall require the Commission or Bureau to divulge to the
17 requester any confidential information received from any law enforcement agency or any
18 information received from any person with assurances that the information would be maintained
19 as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any
20 information that might reveal the identity of any source of information or jeopardize the safety of
21 any person.

22 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
23 Sections 19853(a)(3) and 19867, Business and Professions Code.

24

25 **§ 12235. Processing Times - Request to Convert Registration to License.**

26 A request to convert a registration to license submitted pursuant to this chapter shall be
27 processed within the following timeframes:

28 (a) The maximum time within which the Commission shall notify the applicant in writing
29 that a request or a resubmitted request is complete and accepted for initial processing by the
30 Commission, or that a request or a resubmitted requested is deficient and identifying what
31 specific additional information is required, is 20 days after receipt of the request. For the
32 purposes of this section, "request" means the form ~~Request for Conversion of a Gambling~~

1 ~~Business Registration to a License (CGCC-537 (Rev. 04/08))~~ Application for Gambling Business
2 License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for
3 Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New
4 05/09)), referenced in Section 12225.1. A request is not complete unless accompanied by both a
5 copy of the summons from the Bureau setting a deadline for filing the request with the
6 Commission and the supplemental information package required by paragraph (3) of subsection
7 (c) of Section 12233~~(e)(3)~~ for review by the Bureau pursuant to subsection (c) for persons
8 affiliated with the primary owner to whom the summons was addressed. The Commission shall
9 not review the supplemental information for completeness.

10 (b) A request and the supplemental information package shall be forwarded by the
11 Commission to the Bureau for processing within ten-~~(10)~~ days of the date that the Commission
12 determines that the request is complete.

13 (c) The Bureau shall review the supplemental information package submitted for
14 completeness and notify the applicant of any deficiencies in the supplemental information
15 package, or that the supplemental information package is complete, within 45 days of the date
16 that the request and supplemental information package are received by the Bureau from the
17 Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental
18 information package as complete, the Bureau may, pursuant to Business and Professions Code
19 section 19866, require the requester to submit additional information.

20 (d) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent
21 practicable, submit its recommendation to the Commission within 180 days after the date the
22 Bureau is in receipt of both the completed request pursuant to subsection (b) and the completed
23 supplemental information package pursuant to subsection (c). If the Bureau has not concluded
24 its investigation within 180 days, then it shall inform the applicant and the Commission in
25 writing of the status of the investigation and shall also provide the applicant and the Commission
26 with an estimated date on which the investigation may reasonably be expected to be concluded.

27 (e) The Commission shall grant or deny the request within 120 days after receipt of the final
28 written recommendation of the Bureau concerning the request, except that the Commission may
29 notify the applicant in writing that additional time, not to exceed 30 days, is needed.

30 Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference:
31 Sections 19853(a)(3) and 19868, Business and Professions Code.

32

1 **§ 12238. License Renewals.**

2 (a) Each application for the renewal of a license shall be accompanied by all of the following:

3 (1) A completed Application for Gambling Business License for Business Entities and
4 Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for
5 Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section
6 12225.1.

7 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
8 143 (Rev. 05/08), referenced in Section 12342 of this division.

9 (3) As applicable, the nonrefundable application fee in the amount specified in subsection (e)
10 of Section 12008.

11 (b) Each owner whose name is required to be endorsed upon the license of the primary owner
12 shall submit a separate application for renewal of that individual's or entity's license, together
13 with the application fee specified in subsection (a).

14 (c) The Bureau may conduct an investigation of a primary owner and each owner whose
15 name is required to be endorsed upon the license of the primary owner; and any licensed
16 supervisor, player, or other employee identified in the notice issued by the Bureau.

17 (1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice
18 must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section
19 12220 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to
20 pay the anticipated investigation and processing costs, in accordance with Business and
21 Professions Code section 19867.

22 Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, 19851, 19853, 19867 and 19951(a), Business
23 and Professions Code. Reference: Sections 19851, 19853, 19867, 19876 and 19951(a), Business and Professions
24 Code.

25
26 **§ 12239. Processing of Applications for Renewal License.**

27 (a) Except as provided in subsection (b), renewal license applications submitted pursuant to
28 Section 12237 shall be processed within the following timeframes:

29 (1) An application for renewal of a license shall be filed by the primary owner, owner,
30 supervisor, player, and other employee with the Commission no later than 120 days prior to the
31 expiration of the current license.

32 (2) The maximum time within which the Commission shall notify the applicant in writing

1 that an application or a resubmitted application is complete and accepted for initial processing by
2 the Commission, or that an application or a resubmitted application is deficient and identifying
3 what specific additional information is required, is ten working days after receipt of the
4 application. For the purposes of this section, "application" means the Application for Gambling
5 Business License as specified in paragraph (1) of subsection (a) of Section 12238.

6 (3) An application for a license shall be forwarded by the Commission to the Bureau for
7 processing within five working days of the date that the Commission determines that the
8 application is complete.

9 (4) If the Bureau conducts an investigation, it shall submit a written report concerning the
10 renewal application to the Commission no later than 45 days prior to the expiration of the current
11 license, unless that application is filed with the Commission less than 120 days prior to the
12 expiration of the current license.

13 (b) The processing times specified in paragraphs (2) through (4) of subsection (a) may be
14 exceeded in any of the following instances:

15 (1) The applicant has agreed to an extension of the time.

16 (2) The number of licenses to be processed exceeds by 15 percent the number processed in
17 the same calendar quarter in the preceding year.

18 (3) The Commission or Bureau must rely on another public or private entity for all or part of
19 the processing, and the delay is caused by that other entity.

20 Note: Authority cited: Sections 19824, 19826, 19840, 19841, 19853, 19868, 19870 and 19876, Business and
21 Professions Code. Reference: Sections 19853, 19868 and 19876, Business and Professions Code.