

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

5 CALIFORNIA CODE OF REGULATIONS
 6 TITLE 4. BUSINESS REGULATIONS.
 7 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.
 8
 9

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

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

13 **§ 12200.9. Review and Approval of Proposition Player Contracts.**

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

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

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

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

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

30 (2) Prior to December 7, 2003, each primary owner providing proposition player services at a
 31 gambling establishment on the date that these regulations originally became effective (November
 32 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player
 33 Services (BGC-APP-030 (Rev. ~~11/07~~05/09)), which is hereby incorporated by reference.

Deleted text indicated by ~~strikethrough~~; Added text indicated with underline

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

2 (A) A completed Application for Contract Approval to Provide Proposition Player Services
3 (BGC-APP-030 (Rev. ~~11/07~~05/09)); ~~which is hereby incorporated by reference.~~

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

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

8 (D) A playing book form that specifically addresses all of the requirements of Section
9 12200.13.

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

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

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

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

30 (c) The term of any proposition player contract shall not exceed ~~one~~two years and shall not
31 be extended or renewed without the prior approval of the Bureau. No amendment changing any

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

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

9

10 **§ 12200.10A. Expedited Review and Approval of Proposition Player Contracts.**

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

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

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

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

23 (b) If an application for contract approval is submitted as an expedited contract request and
24 the Bureau determines that it does not meet the criteria, the primary owner or designee and the
25 house shall be notified within three (3) business days of the Bureau's decision. Any contract that
26 is not processed through the expedited review and approval process shall be treated as a new
27 contract request and reviewed and approved or disapproved as otherwise provided by Section
28 12200.9(a).

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

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

1 (BGC-APP-030 (Rev. ~~11/07~~05/09)), referenced in Section 12200.9.

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

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

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

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

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

11 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections
12 19951 and 19984, Business and Professions Code.

13

14 **§ 12200.11. Extension of Proposition Player Contracts.**

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

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

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

20 (3) An executed copy of the contract.

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

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

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

31 (c) As soon as is practicable after determining that any application for approval of a

1 proposition player contract extension is complete and that the contract extension appears to
2 qualify for approval, but in no event more than 75 days from receipt of the application, the
3 Bureau shall submit the contract extension to the Commission for review and comment. The
4 Commission shall provide the Bureau with comments, if any, within 15 days of receipt of the
5 contract extension.

6 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections
7 19951 and 19984, Business and Professions Code.

8

9 **§ 12200.13. Playing Book.**

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

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

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

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

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

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

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

29 (D) Beginning and ending balances.

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

31 (F) The printed full name and badge number of the proposition player, which includes

1 owners, supervisors, and/or players.

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

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

4 (I) The name of the primary owner.

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

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

13 (A) Processing fee of \$75.

14 (B) Sample playing book form.

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

18 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
19 19984, Business and Professions Code.

20

21 **ARTICLE 2. REGISTRATION.**

22 **§ 12203.2. Temporary Player Registration: Application; Criteria.**

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

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

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

3 (c) Neither the application in its entirety, nor the results of the review of the applicant's
4 criminal history up until the date of issuance of the temporary registration, discloses any of the
5 following:

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

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

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

11 (B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9
12 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part
13 1 of the Penal Code.

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

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

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

18 (3) The applicant has had an application for a gambling license, work permit, proposition
19 player registration, proposition player license, gambling business registration, or gambling
20 business license denied.

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

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

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

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

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

30 (e) The application and other information obtained during the review does not disclose any
31 factor indicating that approval of the temporary registration may, in the judgment of the

1 Executive Director, present a danger to the public or to the reputation of controlled gambling or
2 proposition playing in this state.

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

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

8

9 **§ 12205.1. Transition to Licensing.**

10 (a) As expeditiously as possible in light of available program resources, the Bureau shall
11 summon persons registered as primary owners, owners, supervisors, players, and other
12 employees for the purpose of applying for licenses under this chapter. The registration of any
13 registrant that fails or refuses to submit, ~~as applicable, an Request for Conversion of a Third~~
14 ~~Party Proposition Player Services Registration to a License (CGCC-437 (Rev.~~
15 ~~04/08))~~Application for Third Party Proposition Player Services License for Business Entities and
16 Owners (CGCC-433, (New 05/09)) or an Application for Third-Party Proposition Player
17 Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), which
18 ~~is~~are hereby incorporated by reference, including any fees to the Commission within 30 days of
19 receiving a summons from the Bureau shall expire by operation of law on the following day.
20 Prior to and during review of a request to convert a registration to a license, a registration shall
21 remain valid and may be renewed by the registrant as necessary, upon application and approval
22 of renewal of registration as provided in Section 12203A.

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

26 (c) If the registration expires by operation of law, the former registrant shall submit a new, as
27 ~~applicable, Request for Conversion of a Third Party Proposition Player Services Registration to a~~
28 ~~License (CGCC-437 (Rev. 04/08))~~Application for Third Party Proposition Player Services
29 License for Business Entities and Owners (CGCC-433, (New 05/09)) or an Application for
30 Third-Party Proposition Player Services License for Supervisors, Players or Other Employees
31 (CGCC-434, (New 05/09)) and a new nonrefundable application fee as specified in paragraph

1 (1), and the applicable additional fee specified in paragraph (3), (4), or (5) of subsection (d) of
 2 Section 12008.

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

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

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

10 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
 11 19984, Business and Professions Code.

12

13 **ARTICLE 3. LICENSING.**

14 **§ 12218. Request to Convert Registration to License.**

15 (a) A request to convert a registration to a license shall be submitted to the Commission only
 16 in response to a written summons from the Bureau to a primary owner pursuant to Section
 17 12205.1. Each primary owner's request shall be accompanied by the requests of all affiliated
 18 owners, supervisors, players, and other employees.

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

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

24 (1) ~~A completed Request for Conversion of a Third Party Proposition Player Services~~
 25 ~~Registration to a License (CGCC 437 (Rev. 04/08))~~ As applicable, an Application for Third Party
 26 Proposition Player Services License for Business Entities and Owners (CGCC-433, (New
 27 05/09)) or an Application for Third-Party Proposition Player Services License for Supervisors,
 28 Players or Other Employees (CGCC-434, (New 05/09)), referenced in Section 12205.1.

29 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
 30 143 (Rev. 05/08), referenced in Section 12342 of this division.

31 (3) The applicable nonrefundable application fee in the amount specified in subsection (d) of

1 [Section 12008.](#)

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

4 ~~(3)~~(5) The supplemental information package as defined in Section 12200(b).

5 ~~(4)~~(6) 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(c).

8 ~~(5)~~(7) A copy of the summons issued by the Bureau.

9 (d) Nothing in this chapter shall require the Commission or Bureau to divulge to the
10 requester any confidential information received from any law enforcement agency or any
11 information received from any person with assurances that the information would be maintained
12 as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any
13 information that might reveal the identity of any source of information or jeopardize the safety of
14 any person.

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

17

18 **§ 12218.7. Processing Times – Request to Convert Registration to License.**

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

21 (a) The maximum time within which the Commission shall notify the applicant in writing
22 that a request or a resubmitted request is complete and accepted for initial processing by the
23 Commission, or that a request or a resubmitted request is deficient and identifying what specific
24 additional information is required, is 20 days after receipt of the request. For the purposes of this
25 section, “request” means the ~~Request for Conversion of a Third Party Proposition Player~~
26 ~~Services Registration to a License (CGCC 437 (Rev. 04/08))~~[Application for Third Party](#)
27 [Proposition Player Services License for Business Entities and Owners \(CGCC-433, \(New](#)
28 [05/09\)\)](#) or [Application for Third-Party Proposition Player Services License for Supervisors,](#)
29 [Players or Other Employees \(CGCC-434, \(New 05/09\)\)](#), referenced in Section 12205.1. A
30 request is not complete unless accompanied by *both* a copy of the summons from the Bureau
31 setting a deadline for filing the request with the Commission and the supplemental information

1 package required by Section 12218(c)(~~35~~) for review by the Bureau pursuant to subsection (c)
2 for persons affiliated with the primary owner to whom the summons was addressed. The
3 Commission shall not review the supplemental information for completeness.

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

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

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

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

24 Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section
25 19984, Business and Professions Code.

26
27 **§ 12218.8. License Renewals.**

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

29 **(1) As applicable, a completed Application for Third Party Proposition Player Services**
30 **License for Business Entities and Owners (CGCC-433, (New 05/09)) or an Application for**
31 **Third-Party Proposition Player Services License for Supervisors, Players or Other Employees**

1 (CGCC-434, (New 05/09)), referenced in Section 12205.1.

2 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
3 143 (Rev. 05/08), referenced in Section 12342 of this division.

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

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

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

12 (1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice
13 must submit a supplemental package pursuant to Section 12200(b)(27) and a sum of money that,
14 in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation
15 and processing costs, in accordance with Business and Professions Code sections 19867 and
16 19984.

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

20
21 **§ 12218.9. Processing of Applications for Renewal License.**

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

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

27 (2) The maximum time within which the Commission shall notify the applicant in writing
28 that an application or a resubmitted application is complete and accepted for initial processing by
29 the Commission, or that an application or a resubmitted application is deficient and identifying
30 what specific additional information is required, is 10 working days after receipt of the
31 application. For the purposes of this section, "application" means the Application for Third Party
32 Proposition Player Services License as specified in paragraph (1) of subsection (a) of Section

1 12218.8.

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

5 (4) If the Bureau conducts an investigation, it shall submit a written report concerning the
6 renewal application to the Commission no later than 45 days prior to the expiration of the current
7 license.

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

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

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

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

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

17
18
19 **CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.**

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

21 **§ 12220.13. Playing Book.**

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

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

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

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

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

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

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

10 (D) Beginning and ending balances.

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

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

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

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

16 (I) The name of the primary owner.

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

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

25 (A) Processing fee of \$75.

26 (B) Sample playing book form.

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

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

1 **§ 12220.18. Revocation.**

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

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

7 (b) Any act or omission by the registrant that would disqualify the registrant from obtaining
8 registration under this chapter. Any act or omission by the licensee that would disqualify the
9 licensee from obtaining licensing under this chapter.

10 (c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive
11 activities in connection with controlled gambling, including any violation of laws related to
12 cheating.

13 (d) The registrant or licensee failed or refused to comply with the requirements of Section
14 ~~12200.16~~ 12220.16 (Inspections and Investigations).

15 (e) The registrant or licensee failed or refused to comply with the requirements of Section
16 ~~12200.14~~ 12220.14 (Organization Chart and Employee Report).

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

19 (g) The registrant or licensee committed, attempted, or conspired to commit any
20 embezzlement or larceny against a gambling business registrant or licensee or proposition player
21 registrant or licensee or against a holder of a state gambling license, or on the premises of a
22 gambling establishment.

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

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

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

31 (k) The registrant or licensee made wagers that were not specifically authorized by the game

1 rules approved by the Bureau.

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

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

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

10

11 **§ 12220.23. Exclusion.**

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

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

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

31

32

ARTICLE 2. REGISTRATION.**§ 12225.1. Transition to Licensing.**

(a) The Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The Bureau shall summon primary owners, owners, supervisors, players, and other employees as expeditiously as possible in light of available program resources. The registration of any registrant that fails or refuses to submit ~~a Request for Conversion of a Gambling Business Registration to a License (CGCC-537 (Rev. 04/08))~~, as applicable, an Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or an Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)) which ~~is~~are hereby incorporated by reference, including any fees to the Commission within 30 days of receiving a summons from the Bureau shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration.

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

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

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

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

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

1 **ARTICLE 3. LICENSING.**

2 **§ 12233. Request to Convert Registration to License.**

3 (a) A request to convert a registration to a license shall be submitted to the Commission only
4 in response to a written summons from the Bureau to a primary owner pursuant to Section
5 12225.1. Each primary owner's request shall be accompanied by the requests of all affiliated
6 owners, supervisors, players, and other employees.

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

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

12 (1) A completed ~~Request for Conversion of a Gambling Business Registration to a License~~
13 ~~(CGCC-537 (Rev. 04/08))~~ Application for Gambling Business License for Business Entities and
14 Owners (CGCC-533, (New 05/09)) or an Application for Gambling Business License for
15 Supervisor, Player or Other Employee (CGCC-534, (New 05/09)) referenced in Section 12225.1.

16 (2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-
17 143 (Rev. 05/08), referenced in Section 12342 of this division.

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

20 ~~(2)~~(4) Two 2x2 inch color passport-style photographs of a requester that is an individual
21 taken no more than one year before submission of the request to the Commission.

22 ~~(3)~~(5) The supplemental information package as defined in Section 12220.

23 ~~(4)~~(6) A sum of money that, in the judgment of the Chief of the Bureau, will be adequate to
24 pay the anticipated investigation and processing costs, in accordance with Business and
25 Professions Code section 19867.

26 ~~(5)~~(7) A copy of the summons issued by the Bureau.

27 (d) Nothing in this chapter shall require the Commission or Bureau to divulge to the
28 requester any confidential information received from any law enforcement agency or any
29 information received from any person with assurances that the information would be maintained
30 as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any
31 information that might reveal the identity of any source of information or jeopardize the safety of

Deleted text indicated by ~~strikeout~~; Added text indicated with underline.

1 any person.

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

4

5 **§ 12235. Processing Times - Request to Convert Registration to License.**

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

8 (a) The maximum time within which the Commission shall notify the applicant in writing
9 that a request or a resubmitted request is complete and accepted for initial processing by the
10 Commission, or that a request or a resubmitted requested is deficient and identifying what
11 specific additional information is required, is 20 days after receipt of the request. For the
12 purposes of this section, "request" means the form ~~Request for Conversion of a Gambling~~
13 ~~Business Registration to a License (CGCC-537 (Rev. 04/08))~~Application for Gambling Business
14 License for Business Entities and Owners (CGCC-533, (New 05/09)) or an Application for
15 Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New
16 05/09)) referenced in Section 12225.1. A request is not complete unless accompanied by both a
17 copy of the summons from the Bureau setting a deadline for filing the request with the
18 Commission and the supplemental information package required by Section 12233(c)(3) for
19 review by the Bureau pursuant to subsection (c) for persons affiliated with the primary owner to
20 whom the summons was addressed. The Commission shall not review the supplemental
21 information for completeness.

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

25 (c) The Bureau shall review the supplemental information package submitted for
26 completeness and notify the applicant of any deficiencies in the supplemental information
27 package, or that the supplemental information package is complete, within 45 days of the date
28 that the request and supplemental information package are received by the Bureau from the
29 Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental
30 information package as complete, the Bureau may, pursuant to Business and Professions Code
31 section 19866, require the requester to submit additional information.

Deleted text indicated by ~~strikeout~~; Added text indicated with underline.

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

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

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

13
14 **§ 12238. License Renewals.**

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

16 (1) As applicable, a completed Application for Gambling Business License for Business
17 Entities and Owners (CGCC-533, (New 05/09)) or an Application for Gambling Business
18 License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in
19 Section 12225.1.

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

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

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

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

30 (1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice
31 must submit a supplemental package pursuant to Section 12220(b)(27) and a sum of money that,

1 in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation
2 and processing costs, in accordance with Business and Professions Code sections 19867.

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

6
7 **§ 12239. Processing of Applications for Renewal License.**

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

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

13 (2) The maximum time within which the Commission shall notify the applicant in writing
14 that an application or a resubmitted application is complete and accepted for initial processing by
15 the Commission, or that an application or a resubmitted application is deficient and identifying
16 what specific additional information is required, is 10 working days after receipt of the
17 application. For the purposes of this section, "application" means the Application for Gambling
18 Business License as specified in paragraph (1) of subsection (a) of Section 12238.

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

22 (4) If the Bureau conducts an investigation, it shall submit a written report concerning the
23 renewal application to the Commission no later than 45 days prior to the expiration of the current
24 license.

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

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

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

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

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

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Deleted text indicated by ~~strikeout~~; Added text indicated with underline.