

ADVISORY NOTICE

APPROVED REGULATIONS REGARDING: PORTABLE PERSONAL KEY EMPLOYEE LICENSES

(CGCC-GCA-2009-08-R)

On April 13, 2010, the Office of Administrative Law approved regulations that formally establish the system for issuance of portable personal key employee licenses. The approved regulations were filed with the Secretary of State on April 13, 2010, and became effective May 13, 2010.

Summary of the Regulatory Action

These regulations fully implement a portable personal key employee license program. A portable personal key employee license entitles the holder to work as a key employee in **any** key employee position at **any** gambling establishment, provided the key employee terminates employment with one gambling enterprise before commencing work for another. In addition, the regulation implements a procedure for individuals applying for a key employee license to also apply for an interim key employee license, in order to begin working while their background investigation is pending.

With the approval of these regulations, new forms are now required for applicants for a portable personal key employee license, and a process has been established for key employees to notify the Commission when leaving one gambling establishment to work in another establishment.

Background

The requirement that the Commission issue a portable personal key employee license was established in the Gambling Control Act by SB 730 (Florez, Chapter 438, Statutes of 2007). Prior to the enactment of SB 730, the Gambling Control Act (Act)¹ required that licenses issued to key employees be for specified positions only and that those licenses be endorsed on the owner's gambling license.² Key employee renewal applications were also required to be included with those of the gambling establishment, in a single package. In addition, the Act required that the key employee's license application fee be assessed against the gambling license issued to the owner of the gambling establishment.³ SB 730 provided that key employee licenses are independent of the gambling establishment employer's license by creating a portable key employee license that can be used from job-to-job. *As a result, key employees are now responsible for maintaining their own licenses, including the submission of the initial and renewal applications, and the payment of all fees.*

The Commission implemented a portable personal key employee license pilot program in 2008; however, several regulatory changes were required to fully implement the program. Consequently, these new regulations were developed to formalize and make permanent the pilot program.

¹ Business and Professions Code, section 19800 et seq.

² Business and Professions Code, section 19951, subdivision (a), as written prior to SB 730.

³ Business and Professions Code, section 19951, subdivision (b), as written prior to SB 730.

May 20, 2010

Interim Portable Personal Key Employee Process

Previously, an individual working in a corporate-owned cardroom could begin working as a key employee immediately upon hiring, as long as the necessary license applications were filed within 30 days after becoming a key employee. Individuals working in non-corporate-owned cardrooms were permitted to assume the duties of a key employee if they held a valid work permit and were required to file the necessary license applications within 30 days after becoming a key employee.

After the effective date of the new Section 12354, an individual working in *any* cardroom may immediately begin working as an interim key employee, as long as an “Application for an Interim Key Employee License, CGCC-035 (New 08/09),” is filed within 10 days and the individual holds a valid work permit. In addition, the interim key employee must submit an “Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 08/09),” within 30 days of assuming a key employee position.

Both the “Application for an Interim Key Employee License, CGCC-035 (New 08/09),” and the “Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 08/09),” are available on the Commission’s Web site.

Sections Affected

This regulatory action amends regulations in Chapters 1 and 6 of Division 18 of Title 4 of the California Code of Regulations to separate the key employee license requirements from the gambling license requirements for owner-licensees. This regulatory action also creates a new Article 3 in Chapter 6, entitled “Portable Personal Key Employee License.” Article 3 includes new Sections 12350, 12351, 12352, 12353, 12354, and 12355, describing the requirements for interim, initial, renewal, and replacement portable personal key employee licenses, including the required forms, documentation, and processing times. The application fees are included in Section 12008. Several existing sections have been combined and renumbered to provide consistency and to provide additional section numbers for future regulations. Other sections were renumbered and amended to conform to the separation of key employee license requirements from the gambling license requirements.

Information

A copy of the recently approved regulations is attached. For additional information, please see the Commission’s Web site at:

http://www.cgcc.ca.gov/?pageID=2009_proposed_gambling_control_act_regulations.

Questions, Concerns, Suggestions

Please contact Joni Perrin in the Commission’s Licensing Division at (916) 263-0456 with any inquiries concerning the licensing process. Inquiries concerning the rulemaking process for the adoption of these regulations may be directed to lawsandregs@cgcc.ca.gov.