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CALIFORNIA GAMBLING CONTROL COMMISSION
MODIFIED TEXT OF PROPOSED REGULATIONS
SURRENDER AND ABANDONMENT OF STATE GAMBLING LICENSES; REACTIVATION OF
EXPIRED STATE GAMBLING LICENSE
CGCC-GCA-2010-01-R

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS.
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

CHAPTER 1. GENERAL PROVISIONS.

Section 12002. General Definitions.

Unless otherwise specified, the definitions in Business and Professions Code section 19805, supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the Penal Code (commencing with section 330), shall govern the construction of this division. As used in this division:

- (a) "BCII" means the Bureau of Criminal Identification and Information in the California Department of Justice.
- (b) "Bureau" means the Bureau of Gambling Control in the California Department of Justice. For the filing of any information, reports or forms, Bureau refers to the Sacramento office of the Bureau of Gambling Control.
- (c) "California Games" means controlled games that feature a rotating player-dealer position, as described in Penal Code section 330.11.
- (d) "Commission" means the California Gambling Control Commission.
- (e) "Conviction" means a plea or verdict of guilty or a plea of *nolo contendere*, irrespective of a subsequent order of expungement under the provisions of Penal Code section 1203.4, 1203.4a, or 1203.45, or a certificate of rehabilitation under the provisions of Penal Code section 4852.13. Any plea entered pursuant to Penal Code section 1000.1 does not constitute a conviction for

1 purposes of Business and Professions Code section 19859, subdivisions (c) or (d) unless a
2 judgment of guilty is entered pursuant to Penal Code section 1000.3.

3 (f) "Deadly weapon" means any weapon, the possession or concealed carrying of which is
4 prohibited by Penal Code section 12020.

5 (g) "Executive Director" means the executive officer of the Commission, as provided in
6 Business and Professions Code section 19816 or his or her designee. If the Executive Director
7 position is vacant, the "Executive Director" means the officer or employee who shall be so
8 designated by the Commission.

9 (h) "Gambling Control Act" or "Act" means Chapter 5 (commencing with section 19800) of
10 Division 8 of the Business and Professions Code.

11 (i) "Registrant" means a person having a valid registration issued by the Commission.

12 (j) "Surrender" means to voluntarily give up all legal rights and interests in a license, permit,
13 registration, or approval.

14 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), and 19854, Business and
15 Professions Code. Reference: Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions
16 Code.

17

18 **CHAPTER 6. GAMBLING LICENSES AND APPROVALS FOR GAMBLING ESTABLISHMENTS AND**
19 **OWNERS; PORTABLE PERSONAL KEY EMPLOYEE LICENSES.**

20

21 **ARTICLE 2. GAMBLING LICENSES.**

22 **Section 12345. License Renewals; Processing Times.**

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

25 (1) A completed "Application for State Gambling License, CGCC-030," as referred to in
26 paragraph (1) of subsection (a) of Section 12342.

27 (2) A nonrefundable application fee in the amount specified in subsection (a) of Section
28 12008 for a gambling license.

29 (b) Each person whose name is required to be endorsed upon the license shall submit a
30 separate application for renewal of that person's license, together with the application fee
31 specified in subsection (a) of Section 12008.

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1 (c) All applications for renewal of gambling licenses for a particular gambling enterprise
2 shall be submitted together as a single package to the California Gambling Control Commission.

3 (d) If, after a review of an application for renewal of a gambling license, the Bureau
4 determines that further investigation is needed, the applicant shall submit an additional sum of
5 money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated
6 investigation and processing costs, in accordance with Business and Professions Code section
7 19867.

8 (e) Except as provided in subsection (f), renewal gambling license applications submitted
9 pursuant to subsection (a) of this section shall be processed within the following timeframes:

10 (1) An application for renewal of a gambling license shall be filed by the owner licensee with
11 the Commission no later than 120 days prior to the expiration of the current license.

12 (2) The maximum time within which the Commission shall notify the applicant in writing
13 that an application or a resubmitted application is complete and accepted for initial processing by
14 the Commission, or that an application or a resubmitted application is deficient and identifying
15 what specific additional information is required, is 10 days after receipt of the application. For
16 the purposes of this section, "application" means the Application for State Gambling License,
17 CGCC-030 referred to in paragraph (1) of subsection (a) of Section 12342. An application is not
18 complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a
19 gambling license.

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

23 (4) The Bureau shall submit its written report concerning the renewal application, which may
24 include a recommendation pursuant to Business and Professions Code section 19826, subdivision
25 (a), to the Commission no later than 45 days prior to the expiration of the current license, unless
26 that application is filed with the Commission less than the 120 days prior to the expiration of the
27 current license.

28 (f) The processing times specified in paragraphs (2) through and including (4) of subsection
29 (e) may be exceeded in any of the following instances:

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

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

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

5 (g) An application for license renewal that was not submitted at least 120 days in advance of
6 the expiration of the existing license shall be subject to the same timeframes as specified in
7 paragraphs (2) through (4) of subsection (e). However, if the Bureau and the Commission
8 cannot complete their review and approval of the application prior to the expiration of the
9 existing license due to the late submittal of the renewal application, the gambling enterprise shall
10 cease all gambling operations on the expiration date of the license. Gambling operations shall
11 not resume until the renewal application is approved by the Commission.

12 (h) If a licensee has not submitted a complete renewal application, including all required fees
13 and deposits, within 10 days after the expiration date of the current license, the license shall be
14 deemed abandoned. A abandoned license shall be subject to the provisions of subsection (b) of
15 Section 12347.

16 Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19951, Business and Professions Code.
17 Reference: Sections 19826, 19851, 19868, 19876, and 19951, Business and Professions Code.

18
19 **Section 12347. State Gambling License; Surrender; Abandonment.**

20 (a) An owner-licensee may propose to surrender a state gambling license at any time prior to
21 expiration. In order to propose the surrender of a license, the owner-licensee must submit a
22 written request to the Commission. A proposed surrender shall be agendized for consideration at
23 the next available Commission meeting. Each proposed surrender shall be considered on its
24 merits by the Commission. A proposed surrender is not effective unless and until the surrender
25 is accepted by the Commission. A proposed surrender may be rejected if the Commission
26 determines that acceptance would not be in the public interest, for example, if the owner licensee
27 is currently under investigation or if disciplinary action has been initiated.

28 (b) A state gambling license that has been surrendered or abandoned after the effective date
29 of this section is subject to the following:

30 (1) The license cannot be reactivated, reinstated, reissued, or renewed.

1 (2) The gambling enterprise associated with that license is no longer eligible to conduct any
2 gambling operation under that license.

3 (3) ~~The license holder may not sell the gambling business.~~

4 OPTION FOR COMMISSION DISCUSSION: (3) The Commission shall not approve an
5 application for a state gambling license from an applicant who obtained a gambling enterprise
6 for which the prior owner licensee's license was determined by the Commission to have been
7 surrendered or abandoned.

8 (4) Business and Professions Code section 19963 precludes that cardroom from being
9 reopened in that jurisdiction ~~in~~ or in any other jurisdiction. For example, if the local gambling
10 ordinance of City A allows one cardroom to operate, and the state license to operate that
11 cardroom is abandoned, no cardroom shall be eligible to operate in City A so long as Business
12 and Professions Code section 19963 remains in effect.

13 Note: Authority cited: Sections 19811, 19824, 19840, 19841, Business and Professions Code. Reference: Sections
14 19823, 19851, 19876, 19877, 19963, Business and Professions Code.

15
16 **Section 12348. State Gambling Licenses: Prior Surrender or Abandonment.**

17 (a) A state gambling license that was valid as of December 31, 1999, or that was issued
18 pursuant to an application on file with the department prior to September 1, 2000, and that, ~~prior~~
19 ~~to the effective date of this section,~~ was surrendered or expired without being renewed prior to
20 the effective date of this section, shall be eligible for reinstatement in accordance with the
21 following guidelines:

22 (1) The applicant seeking to reinstate the license must be the last holder of the license that he
23 or she is seeking to reinstate ~~licensed owner of a gambling establishment that had a licensed~~
24 ~~owner as of December 31, 1999, or whose owner had an application on file prior to September 1,~~
25 ~~2000.~~

26 (2) The applicant shall notify the Commission within 30 days of the effective date of this
27 section of the intent to apply for reinstatement of the license.

28 (3) The applicant shall submit all applicable forms for an initial application required pursuant
29 to Section 12342, all fees and deposits required for an initial application required by Section
30 12341 and Title 11, California Code of Regulations, Section 2037, and all documentation
31 required by subsection (b) within 12 months of the effective date of this section.

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1 (b) The following documentation shall be required of any applicant applying to reinstate a
2 state gambling license under this section:

3 (1) A copy of the last license issued by the state, or other documentation satisfactory to the
4 Commission, authorizing the applicant to operate the gambling establishment, which may
5 include either a provisional license or a state gambling license. For a corporation or partnership,
6 the applicant must also demonstrate that it is the same entity as was previously licensed to
7 operate the gambling establishment.

8 (2) A written document addressing the circumstances under which the previous license was
9 surrendered, abandoned, or allowed to expire without being renewed, as well as the applicant's
10 prior efforts, if any, to have the license renewed.

11 (3) A copy of the current applicable local gambling ordinance.

12 (4) An opinion from the chief legal officer of the local jurisdiction, dated no earlier than the
13 effective date of this section, certifying that the reopening of the gambling establishment is
14 authorized by and consistent with the local gambling ordinance.

15 (5) A copy of a formal resolution or other evidence satisfactory to the Commission, adopted
16 by the applicable city council, board of supervisors, or other local governing authority, dated no
17 earlier than the effective date of this section, which clearly states a willingness to issue a local
18 license to the applicant, contingent upon issuance of a state license.

19 (6) A statement signed by the chief law enforcement officer of the local jurisdiction, dated no
20 earlier than the effective date of this section, confirming that he or she supports the reopening of
21 the gambling establishment.

22 (7) An economic feasibility study that demonstrates to the satisfaction of the Commission
23 that the proposed gambling establishment will be economically viable, and that the owners have
24 sufficient resources to make the gambling establishment successful and to fully comply with all
25 requirements of the local ordinance, the Act, applicable state regulations, and all local, state, and
26 federal tax laws.

27 (c) In making the determination to grant or deny a request to reactivate a license pursuant to
28 this section, the Commission shall consider, but is not limited to considering, the following:

29 (1) Generally, whether issuance of the license is inimical to public health, safety, or welfare,
30 and whether issuance of the license will undermine public trust that the gambling operations with

1 respect to which the license would be issued are free from criminal and dishonest elements and
2 would be conducted honestly.

3 (2) The circumstances under which the previous license was surrendered, abandoned, or
4 allowed to expire without being renewed. Among other things, the Commission may consider,
5 in its discretion, any or all of the following:

6 (A) The presence or absence of any extenuating circumstances.

7 (B) Information which indicates an attempt to avoid adverse action arising from potential
8 misconduct as a licensee.

9 (C) A voluntary decision to relinquish the prior license.

10 (D) The applicant's prior efforts, if any, to have the license reissued or reactivated.

11 (3) In the case of a corporation or partnership, changes in the legal status or composition of
12 the licensed entity.

13 (4) The potential impact a reopened gambling establishment may have on the incidence of
14 problem gambling.

15 (5) The potential impact on the local economy, including revenues to the local jurisdiction
16 and the number of jobs that may be created.

17 (6) The economic impact on cardrooms located within a 20 statute mile radius.

18 (d) The gambling establishment to be reopened must be located in the same local jurisdiction
19 in which it was previously licensed.

20 (e) No temporary licenses shall be issued to any applicant under this section.

21 (f) A gambling license meeting the qualifications of subsection (a) shall be considered
22 abandoned if the time limits imposed by paragraphs (2), ~~and (3), and (4)~~ of subsection (a) are not
23 met. An abandoned license shall be subject to the provisions of subsection (b) of Section 12347.

24 Note: Authority cited: Sections 19800, 19811, 19824, 19840, 19841 and 19963, Business and Professions Code.
25 Reference: Sections 19811, 19823, 19824, 19851, 19856, 19860, 19862, 19864, 19865, 19873, 19876, 19960 and
26 19963, Business and Professions Code.

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