California
Gambling Laws and Regulations

2011 Edition

Including relevant sections of the Business and Professions Code, Government Code, Penal Code, California Code of Regulations and Tribal Gaming Regulations

The statutes and regulations included in this publication are current as of January 1, 2011

PREFACE

The California Gambling Control Commission is pleased to provide the 2011 edition of California gambling law. This book is intended to be a resource for government officials, members of the regulated industry, and members of the public to easily find the statutes and regulations governing gambling in California.

The information presented in this publication is current, according to our best effort, as of January 1, 2011. For the most up-to-date statutes in effect, see www.leginfo.ca.gov. Any regulations that went into effect after January 1, 2011, can be found at ccr.oal.ca.gov. Commission regulations can also be found at www.cgcc.ca.gov, and Bureau of Gambling Control regulations can be found at ag.ca.gov/gambling.

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The California Gambling Control Commission would like to acknowledge Commission staff Shannon George for her efforts and hard work in compiling this data into one resource book.

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The regulations included in this document are current as of January 1, 2011. For the most current version of California Gambling Control Commission regulations, see the Commission website at www.cgcc.ca.gov. For the most current version of the Bureau of Gambling Control regulations, see the Bureau website at www. ag.ca.gov/gambling.

Statutes

THE GAMBLING CONTROL ACT

BUSINESS AND PROFESSIONS CODE, DIVISION 8, CHAPTER 5

ARTICLE 1. GENERAL PROVISIONS

19800. SHORT TITLE

This chapter shall be known, and may be cited, as the "Gambling Control Act."

19801. LEGISLATIVE FINDINGS AND DECLARATIONS

The Legislature hereby finds and declares all of the following:

(a) State law prohibits commercially operated lotteries, banked or percentage games, and gambling machines, and strictly regulates pari-mutuel wagering on horse racing. To the extent that state law categorically prohibits certain forms of gambling and prohibits gambling devices, nothing herein shall be construed, in any manner, to reflect a legislative intent to relax those prohibitions.

(b) The State of California has permitted the operation of gambling establishments for more than 100 years. Gambling establishments were first regulated by the State of California pursuant to legislation which was enacted in 1984. Gambling establishments currently employ more than 20,000 people in the State of California, and contribute more than one hundred million dollars ($100,000,000) in taxes and fees to California's government. Gambling establishments are lawful enterprises in the State of California, and are entitled to full protection of the laws of this state.

(c) Gambling can become addictive and is not an activity to be promoted or legitimized as entertainment for children and families.

(d) Unregulated gambling enterprises are inimical to the public health, safety, welfare, and good order. Accordingly, no person in this state has a right to operate a gambling enterprise except as may be expressly permitted by the laws of this state and by the ordinances of local governmental bodies.

(e) It is the policy of this state that gambling activities that are not expressly prohibited or regulated by state law may be prohibited or regulated by local government. Moreover, it is the policy of this state that no new gambling establishment may be opened in a city, county, or city and county in which a gambling establishment was not operating on and before January 1, 1984, except upon the affirmative vote of the electors of that city, county, or city and county.

(f) It is not the purpose of this chapter to expand opportunities for gambling, or to create any right to operate a gambling enterprise in this state or to have a financial interest in any gambling enterprise. Rather, it is the purpose of this chapter to regulate businesses that offer otherwise lawful forms of gambling games.

(g) Public trust that permissible gambling will not endanger public health, safety, or welfare requires that comprehensive measures be enacted to ensure that gambling is free from criminal and corruptive elements, that it is conducted honestly and competitively, and that it is conducted in suitable locations.

(h) Public trust and confidence can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities related to the operation of lawful gambling establishments and the manufacture and distribution of permissible gambling equipment.

(i) All gambling operations, all persons having a significant involvement in gambling operations, all establishments where gambling is conducted, and all manufacturers, sellers, and distributors of gambling equipment must be licensed and regulated to protect the public health, safety, and general welfare of the residents of this state as an exercise of the police powers of the state.

(j) To ensure that gambling is conducted honestly, competitively, and free of criminal and corruptive elements, all licensed gambling establishments in this state must remain open to the general public and the access of the general public to licensed gambling activities must not be restricted in any manner, except as provided by the Legislature. However, subject to state and federal prohibitions against discrimination, nothing herein shall be construed to preclude exclusion of unsuitable persons from licensed gambling establishments in the exercise of reasonable business judgment.

(k) In order to effectuate state policy as declared herein, it is necessary that gambling establishments, activities, and equipment be licensed, that persons participating in those activities be licensed or registered, that certain transactions, events, and processes involving gambling establishments and owners of gambling establishments be subject to prior approval or permission, that unsuitable persons not be permitted to associate with gambling activities or gambling establishments, and that gambling activities take place only in suitable locations. Any license or permit issued, or other approval granted pursuant to this chapter, is declared to be a revocable privilege, and no holder acquires any vested right therein or thereunder.

(l) The location of lawful gambling premises, the hours of operation of those premises, the number of tables permitted in those premises, and wagering limits in permissible games conducted in those premises are proper subjects for regulation by local governmental bodies. However, consideration of those same subjects by a state regulatory agency, as specified in this chapter, is warranted when local governmental

regulation respecting those subjects is inadequate or the regulation fails to safeguard the legitimate interests of residents in other governmental jurisdictions.

(m) The exclusion or ejection of certain persons from gambling establishments is necessary to effectuate the policies of this chapter and to maintain effectively the strict regulation of licensed gambling.

(n) Records and reports of cash and credit transactions involving gambling establishments may have a high degree of usefulness in criminal and regulatory investigations and, therefore, licensed gambling operators may be required to keep records and make reports concerning significant cash and credit transactions.

19802. Further Legislative Findings and Declarations

The Legislature further finds and declares as follows:

Appropriate regulation of banking and percentage games or of gambling devices consistent with public safety and welfare would require, at a minimum, all of the following safeguards:

(a) The creation of an adequately funded gambling control commission with comprehensive powers to establish minimum standards and technical specifications for gambling equipment and devices.

(b) The creation of an adequately funded law enforcement capability within state government to inspect, test, and evaluate gambling equipment and devices and modifications thereto.

(c) An appropriation by the Legislature to sufficiently fund a full-time commission and law enforcement capability with responsibilities commensurate with the expanded scope of gambling.

(d) The enactment of necessary regulations setting forth standards and procedures for the licensing of persons connected with the manufacture, sale, and distribution of equipment and devices in this state.

(e) The enactment of standards related to the trustworthiness and fairness of equipment and devices, upon the commission’s recommendation to the Legislature.

(f) The enactment of statutory provisions governing the importation, transportation, sale, and disposal of equipment and devices, upon the commission’s recommendation to the Legislature.

(g) The enactment of statutes providing for appropriate inspection and testing of equipment and devices, upon the commission’s recommendation to the Legislature.

19803. Legislative Intent; City and County Authority; Responsibility of Local Law Enforcement Agencies

(a) It is the intent of the Legislature, in enacting this chapter, to provide uniform, minimum standards of regulation of permissible gambling activities and the operation of lawful gambling establishments.

(b) Nothing in this chapter shall be construed to preclude any city, county, or city and county from prohibiting any gambling activity, from imposing more stringent local controls or conditions upon gambling than are imposed by this chapter or by the commission, from inspecting gambling premises to enforce applicable state and local laws, or from imposing any local tax or license fee, if the prohibition, control, condition, inspection, tax, or fee is not inconsistent with this chapter. Nothing in this chapter shall be construed to affect the responsibility of local law enforcement agencies to enforce the laws of this state, including this chapter.

19804. Action for Declaratory or Injunctive Relief or Relief by Extraordinary Writ

(a) In any action for declaratory or injunctive relief, or for relief by way of any extraordinary writ, other than an action initiated pursuant to Section 19932, wherein the construction, application, or enforcement of this chapter, or any regulation adopted pursuant thereto, or any order of the department or the commission issued pursuant thereto, is called into question, a court shall not grant any preliminary or permanent injunction, or any peremptory writ of mandate, certiorari, or prohibition, in connection therewith, except as follows:

(1) Upon proof by clear and convincing evidence that the department or the commission is abusing or threatens to abuse its discretion.

(2) Upon proof by clear and convincing evidence that the department or the commission is exceeding or threatens to exceed its jurisdiction.

(b) No temporary injunction or other provisional order shall issue to restrain, stay, or otherwise interfere with any action by the department or the commission, except upon a finding by the court, based on clear and convincing evidence, that the public interest will not be prejudiced thereby, and, except for preliminary injunctions, no order may be effective for more than 15 calendar days, except by stipulation of the department or commission. No preliminary order may be effective for more than 45 days, except by stipulation of the department or commission.

(c) This section does not relieve a petitioner's obligation to exhaust administrative remedies.

(d) In an action for relief of any nature wherein the construction, application, or enforcement of this chapter, or any regulation adopted pursuant thereto, or any order

of the department or commission issued pursuant thereto, is called into question, the party filing the pleading shall furnish a copy thereof to the department and to the commission. The copy shall be furnished by the party filing the pleading within 10 business days after filing.

19805. Definitions

As used in this chapter, the following definitions shall apply:

(a) "Affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

(b) "Applicant" means any person who has applied for, or is about to apply for, a state gambling license, a key employee license, a registration, a finding of suitability, a work permit, a manufacturer's or distributor's license, or an approval of any act or transaction for which the approval or authorization of the commission or department is required or permitted under this chapter.

(c) "Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the department finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

(d) "Chief" means the head of the entity within the department that is responsible for fulfilling the obligations imposed upon the department by this chapter.

(e) "Commission" means the California Gambling Control Commission.

(f) "Controlled gambling" means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game.

(g) "Controlled game" means any controlled game, as defined by subdivision (e) of Section 337j of the Penal Code.

(h) "Department" means the Department of Justice.

(i) "Director" means any director of a corporation or any person performing similar functions with respect to any organization.

(j) "Finding of suitability" means a finding that a person meets the qualification criteria described in subdivisions (a) and (b) of Section 19857, and that the person would not be disqualified from holding a state gambling license on any of the grounds specified in Section 19859.

(k) "Game" and "gambling game" means any controlled game.

(l) "Gambling" means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game

(m) “Gambling enterprise” means a natural person or an entity, whether individual, corporate, or otherwise, that conducts a gambling operation and that by virtue thereof is required to hold a state gambling license under this chapter.

(n) "Gambling enterprise employee" means any natural person employed in the operation of a gambling enterprise, including, without limitation, dealers, floor personnel, security employees, countroom personnel, cage personnel, collection personnel, surveillance personnel, data-processing personnel, appropriate maintenance personnel, waiters and waitresses, and secretaries, or any other natural person whose employment duties require or authorize access to restricted gambling establishment areas.

(o) "Gambling establishment," "establishment," or "licensed premises" except as otherwise defined in Section 19812, means one or more rooms where any controlled gambling or activity directly related thereto occurs.

(p) "Gambling license" or "state gambling license" means any license issued by the state that authorizes the person named therein to conduct a gambling operation.

(q) "Gambling operation" means exposing for play one or more controlled games that are dealt, operated, carried on, conducted, or maintained for commercial gain.

(r) "Gross revenue" means the total of all compensation received for conducting any controlled game, and includes interest received in payment for credit extended by an owner licensee to a patron for purposes of gambling, except as provided by regulation.

(s) "Hours of operation” means the period during which a gambling establishment is open to conduct the play of controlled games within a 24-hour period. In determining whether there has been expansion of gambling relating to “hours of operation,” the department shall consider the hours in the day when the local ordinance permitted the gambling establishment to be open for business on January 1, 1996, and compare the current ordinance and the hours during which the gambling establishment may be open for business. The fact that the ordinance was amended to permit gambling on a day, when gambling was not permitted on January 1, 1996, shall not be considered in

determining whether there has been gambling in excess of that permitted by Section 19961.

(t) "House" means the gambling enterprise, and any owner, shareholder, partner, key employee, or landlord thereof.

(u) "Independent agent," except as provided by regulation, means any person who does either of the following:

(1) Collects debt evidenced by a credit instrument.

(2) Contracts with an owner licensee, or an affiliate thereof, to provide services consisting of arranging transportation or lodging for guests at a gambling establishment.

(v) “Initial license” means the license first issued to a person authorizing that person to commence the activities authorized by that license.

(w) "Institutional investor" means any retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees, any investment company registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), any collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, any closed-end investment trust, any chartered or licensed life insurance company or property and casualty insurance company, any banking and other chartered or licensed lending institution, any investment advisor registered under the Investment Advisors Act of 1940 (15 U.S.C. Sec. 80b-1 et seq.) acting in that capacity, and other persons as the commission may determine for reasons consistent with the policies of this chapter.

(x) "Key employee" means any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate gambling operations, including, without limitation, pit bosses, shift bosses, credit executives, cashier operations supervisors, gambling operation managers and assistant managers, managers or supervisors of security employees, or any other natural person designated as a key employee by the department for reasons consistent with the policies of this chapter.

(y) "Key employee license" means a state license authorizing the holder to be associated with a gambling enterprise as a key employee.

(z) “License” means a gambling license, key employee license, or any other license issued by the commission pursuant to this chapter or regulations adopted pursuant to the chapter.

(aa) "Licensed gambling establishment" means the gambling premises encompassed by a state gambling license.

(ab) "Limited partnership" means a partnership formed by two or more persons having as members one or more general partners and one or more limited partners.

(ac) "Limited partnership interest" means the right of a general or limited partner to any of the following:

(1) To receive from a limited partnership any of the following:

(A) A share of the revenue.

(B) Any other compensation by way of income.

(C) A return of any or all of his or her contribution to capital of the limited partnership.

(2) To exercise any of the rights provided under state law.

(ad) "Owner licensee" means an owner of a gambling enterprise who holds a state gambling license.

(ae) "Person," unless otherwise indicated, includes a natural person, corporation, partnership, limited partnership, trust, joint venture, association, or any other business organization.

(af) "Player" means a patron of a gambling establishment who participates in a controlled game.

(ag) “Player-dealer” and “controlled game featuring a player-dealer position” refer to a position in a controlled game, as defined by the approved rules for that game, in which seated player participants are afforded the temporary opportunity to wager against multiple players at the same table, provided that this position is rotated amongst the other seated players in the game.

(ah) "Publicly traded racing association" means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) whose stock is publicly traded.

(ai) "Qualified racing association" means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) that is a wholly owned subsidiary of a corporation whose stock is publicly traded.

(aj) “Renewal license” means the license issued to the holder of an initial license that authorizes the license to continue beyond the expiration date of the initial license.

(ak) "Work permit" means any card, certificate, or permit issued by the commission, or by a county, city, or city and county, whether denominated as a work permit, registration card, or otherwise, authorizing the holder to be employed as a gambling enterprise employee or to serve as an independent agent. A document issued by any governmental authority for any employment other than gambling is not a valid work permit for the purposes of this chapter.

19806. Lotteries and Gaming; Unlawful conduct; Construction of Chapter

Nothing in this chapter shall be construed in any way to permit or authorize any conduct made unlawful by Chapter 9 (commencing with Section 319) of, or Chapter 10 (commencing with Section 330) of, Title 9 of Part 1 of the Penal Code, or any local ordinance.

19807. Venue

Except as otherwise provided in this chapter, whenever the department or commission is a defendant or respondent in any proceeding, or when there is any legal challenge to regulations issued by the commission or department, venue for the proceeding shall be in the County of Sacramento, the City and County of San Francisco, the County of Los Angeles, or the County of San Diego.

Article 2. Administration

19810. Division of Gambling Control; Exercise of Authority by Attorney General or Designee

Except as otherwise provided in this chapter, any power or authority of the department described in this chapter may be exercised by the Attorney General or any other person as the Attorney General may delegate.

19811. California Gambling Control Commission; Members; Powers; Jurisdiction

(a) There is in state government the California Gambling Control Commission, consisting of five members appointed by the Governor, subject to confirmation by the Senate. The California Gambling Control Commission shall succeed to all of the powers of the former California Gambling Control Board.

(b) Jurisdiction, including jurisdiction over operation and concentration, and supervision over gambling establishments in this state and over all persons or things having to do with the operations of gambling establishments is vested in the commission.

19812. Commission Members; Eligibility; Qualifications

(a) Each member of the commission shall be a citizen of the United States and a resident of this state.

(b) No Member of the Legislature, no person holding any elective office in state, county, or local government, and no officer or official of any political party is eligible for appointment to the commission.

(c) No more than three of the five members of the commission shall be members of the same political party.

(d) A person is ineligible for appointment to the commission if, within two years prior to appointment, the person, or any partnership or corporation in which the person is a principal, was employed by, retained by, or derived substantial income from, any gambling establishment. For the purposes of this subdivision, "gambling establishment" means one or more rooms wherein any gaming within the meaning of Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code, or any controlled game within the meaning of Section 337j of the Penal Code, is conducted, whether or not the activity occurred in California.

(e) One member of the commission shall be a certified public accountant or a person with experience in banking or finance, one member shall be an attorney and a member of the State Bar of California with regulatory law experience, one member shall have a background in law enforcement and criminal investigation, one member shall have a background in business with at least five years of business experience or alternatively five years of governmental experience, and one member shall be from the public at large.

19813. Commission Members; Appointment; Terms; Vacancies; Removal

(a) Of the members initially appointed, two shall be appointed for a term of two years, two shall be appointed for a term of three years, and one shall be appointed for a term of four years. After the initial terms, the term of office of each member of the commission is four years.

(b) The Governor shall appoint the members of the commission, subject to confirmation by the Senate, and shall designate one member to serve as chairperson. The initial appointments shall be made within three months of the operative date of this section. Thereafter, vacancies shall be filled within 60 days of the date of the vacancy by the Governor, subject to confirmation by the Senate.

(c) The Governor may remove any member of the commission for incompetence, neglect of duty, or corruption upon first giving him or her a copy of the charges and an opportunity to be heard.

19814. Commission Members; Oath of Office; Pecuniary Interest in or Doing Business with Licensee

(a) During their terms of office, the members of the commission shall not engage in any other business, vocation, or employment.

(b) Before entering upon the duties of his or her office, the chief and each member of the commission shall subscribe to the constitutional oath of office and, in addition, swear that he or she is not, and during his or her term of office shall not be, pecuniarily interested in, or doing business with, any person, business, or organization holding a gambling license.

19815. Members of commission; Salary

(a) The members of the commission shall receive the salary provided for by Section 11553.5 of the Government Code.

(b) The chairperson of the commission shall receive the salary provided for by Section 11553 of the Government Code.

19816. Executive Director and Deputy Executive Director; Eligibility; Salary; Duties; Staff

(a) The commission shall have an executive director appointed by the commission. A person is ineligible for appointment as executive director or deputy executive director if, within two years prior to appointment, the person, or any partnership or corporation in which the person is a principal, was employed by, retained by, or derived substantial income from, any gambling establishment, whether or not a controlled gambling establishment.

(b) The executive director shall receive the annual salary established by the commission and approved by the Department of Personnel Administration. The executive director shall be the commission's executive officer and shall carry out and execute the duties as specified by law and by the commission.

(c) The commission may appoint other staff and clerical personnel as necessary to carry out its duties under this chapter.

19817. Gaming Policy Advisory Committee; Members; Meetings; Recommendations

The commission shall establish and appoint a Gaming Policy Advisory Committee of 10 members. The committee shall be composed of representatives of controlled gambling licensees and members of the general public in equal numbers. The executive director shall, from time to time, convene the committee for the purpose of discussing matters of controlled gambling regulatory policy and any other relevant gambling-related issue. The recommendations concerning gambling policy made by the

committee shall be presented to the commission, but shall be deemed advisory and not binding on the commission in the performance of its duties or functions. The committee may not advise the commission on Indian gaming.

19818. Commission Investigation; Tax on Revenue; Regulation of Advertising; Report

(a) The commission shall investigate the following matters:

(1) The consequences, benefits, and disadvantages of imposing a state tax on revenue generated by licensed gambling establishments.

(2) Regulation of advertising for the purpose of limiting exposure of children to materials promoting gambling.

(b) The commission shall report its findings to the Legislature and the Governor no later than January 1, 2005.

19819. Commission Office; Record of Votes; Meetings; Disclosure of Documents

(a) The commission shall establish and maintain a general office for the transaction of its business in Sacramento. The commission may hold meetings at any place within the state when the interests of the public may be better served.

(b) A public record of every vote shall be maintained at the commission's principal office.

(c) A majority of the membership of the commission is a quorum of the commission. The concurring vote of three members of the commission shall be required for any official action of the commission or for the exercise of any of the commission's duties, powers, or functions.

(d) Except as otherwise provided in this chapter, Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code applies to meetings of the commission. Notwithstanding Section 11125.1 of the Government Code, documents, which are filed with the commission by the department for the purpose of evaluating the qualifications of an applicant, are exempt from disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

19820. Attorneys; Appointment; Representation by Attorney General

The commission may employ not more than eight attorneys. Nothing in this section shall be deemed to exempt the commission from the operation of Section 11040, 11042, or 11043 of the Government Code.

19821. Commission; Meetings; Record or Proceedings; Files and Records; Disclosure of Information

(a) The commission shall cause to be made and kept a record of all proceedings at regular and special meetings of the commission. These records shall be open to public inspection.

(b) The commission shall maintain a file of all applications for licenses under this chapter, together with a record of all actions taken with respect to those applications. The file and record shall be open to public inspection.

(c) The department and commission may maintain any other files and records as they deem appropriate. Except as provided in this chapter, the records of the department and commission are exempt from disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

(d) Except as necessary for the administration of this chapter, no commissioner and no official, employee, or agent of the commission or the department, having obtained access to confidential records or information in the performance of duties pursuant to this chapter, shall knowingly disclose or furnish the records or information, or any part thereof, to any person who is not authorized by law to receive it. A violation of this subdivision is a misdemeanor.

(e) Notwithstanding subdivision (k) of Section 1798.24 of the Civil Code, a court shall not compel disclosure of personal information in the possession of the department or the commission to any person in any civil proceeding wherein the department or the commission is not a party, except for good cause and upon a showing that the information cannot otherwise be obtained. Nothing herein shall be construed to authorize the disclosure of personal information that would otherwise be exempt from disclosure.

19822. State or Local Governmental Agency; Files, Records, and Reports; Availability to Department; Inspection by Commission

(a) All files, records, reports, and other information in possession of any state or local governmental agency that are relevant to an investigation by the department conducted pursuant to this chapter shall be made available to the department as requested. However, any tax information received from a governmental agency shall be used solely for effectuating the purposes of this chapter. To the extent that the files, records, reports, or information described in this section are confidential or otherwise privileged from disclosure under any law or exercise of discretion, they shall not lose that confidential or privileged status for having been disclosed to the department.

(b) All files, records, reports, and other information pertaining to gambling matters in the possession of the department shall be open at all times to inspection by the members of the commission.

19823. Commission; Responsibilities; Licenses, Approvals, and Permits; Unqualified or Disqualified Persons

(a) The responsibilities of the commission include, without limitation, all of the following:

(1) Assuring that licenses, approvals, and permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(2) Assuring that there is no material involvement, directly or indirectly, with a licensed gambling operation, or the ownership or management thereof, by unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(b) For the purposes of this section, "unqualified person" means a person who is found to be unqualified pursuant to the criteria set forth in Section 19857, and "disqualified person" means a person who is found to be disqualified pursuant to the criteria set forth in Section 19859.

19824. Commission; Powers

The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of this chapter, including, without limitation, the power to do all of the following:

(a) Require any person to apply for a license, permit, registration, or approval as specified in this chapter, or regulations adopted pursuant to this chapter.

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. The commission may condition, restrict, discipline, or take action against the license of an individual owner endorsed on the license certificate of the gambling enterprise whether or not the commission takes action against the license of the gambling enterprise.

(c) Approve or disapprove transactions, events, and processes as provided in this chapter.

(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities.

(e) Take actions deemed to be reasonable to ensure that gambling activities take place only in suitable locations.

(f) Grant temporary licenses, permits, or approvals on appropriate terms and conditions.

(g) Institute a civil action in any superior court against any person subject to this chapter to restrain a violation of this chapter. An action brought against a person pursuant to this section does not preclude a criminal action or administrative proceeding against that person by the Attorney General or any district attorney or city attorney.

(h) Issue subpoenas to compel attendance of witnesses and production of documents and other material things at a meeting or hearing of the commission or its committees, including advisory committees.

19824.5. Oaths

The executive director and members of the commission may administer oaths and certify official acts in connection with the business of the commission.

19825. Administrative Adjudication

The commission may require that any matter that the commission is authorized or required to consider in a hearing or meeting of an adjudicative nature regarding the denial, suspension, or revocation of a license, permit, or a finding of suitability, be heard and determined in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

19826. Department Responsibilities

The department shall have all of the following responsibilities:

(a) To investigate the qualifications of applicants before any license, permit, or other approval is issued, and to investigate any request to the commission for any approval that may be required pursuant to this chapter. The department may recommend the denial or the limitation, conditioning, or restriction of any license, permit, or other approval.

(b) To monitor the conduct of all licensees and other persons having a material involvement, directly or indirectly, with a gambling operation or its holding company, for the purpose of ensuring that licenses are not issued or held by, and that there is no direct or indirect material involvement with, a gambling operation or holding company

by ineligible, unqualified, disqualified, or unsuitable persons, or persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling, including any activity prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

(d) To investigate complaints that are lodged against licensees, or other persons associated with a gambling operation, by members of the public.

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

(f) To adopt regulations reasonably related to its functions and duties as specified in this chapter.

(g) Approve the play of any controlled game, including placing restrictions and limitations on how a controlled game may be played. The department shall make available to the public the rules of play and the collection rates of each gaming activity approved for play at each gambling establishment on the Attorney General's Web site. Actual costs incurred by the department to review and approve game rules shall be reimbursed to the department by the licensee making the request.

19827. Department; Powers; Investigations

(a) The department has all powers necessary and proper to enable it to carry out fully and effectually the duties and responsibilities of the department specified in this chapter. The investigatory powers of the department include, but are not limited to, all of the following:

(1) Upon approval of the chief, and without notice or warrant, the department may take any of the following actions:

(A) Visit, investigate, and place expert accountants, technicians, and any other person, as it may deem necessary, in all areas of the premises wherein controlled gambling is conducted for the purpose of determining compliance with the rules and regulations adopted pursuant to this chapter.

(B) Visit, inspect, and examine all premises where gambling equipment is manufactured, sold, or distributed.

(C) Inspect all equipment and supplies in any gambling establishment or in any premises where gambling equipment is manufactured, sold, or distributed.

(D) Summarily seize, remove, and impound any equipment, supplies, documents, or records from any licensed premises for the purpose of examination and inspection. However, upon reasonable demand by the licensee or the licensee's authorized representative, a copy of all documents and records seized shall be made and left on the premises.

(E) Demand access to, and inspect, examine, photocopy, and audit all papers, books, and records of an owner licensee on the gambling premises in the presence of the licensee or his or her agent.

(2) Except as provided in paragraph (1), upon obtaining an inspection warrant pursuant to Section 1822.60 of the Code of Civil Procedure, the department may inspect and seize for inspection, examination, or photocopying any property possessed, controlled, bailed, or otherwise held by any applicant, licensee, or any intermediary company, or holding company.

(3) The department may investigate, for purposes of prosecution, any suspected criminal violation of this chapter. However, nothing in this paragraph limits the powers conferred by any other law on agents of the department who are peace officers.

(4) The department may do both of the following:

(A) Issue subpoenas to require the attendance and testimony of witnesses and the production of books, records, documents, and physical materials.

(B) Administer oaths, examine witnesses under oath, take evidence, and take depositions and affidavits or declarations. Notwithstanding Section 11189 of the Government Code, the department, without leave of court, may take the deposition of any applicant or any licensee. Sections 11185 and 11191 of the Government Code do not apply to a witness who is an applicant or a licensee.

(b) (1) Subdivision (a) shall not be construed to limit warrantless inspections except as required by the California Constitution or the United States Constitution.

(2) Subdivision (a) shall not be construed to prevent entries and administrative inspections, including seizures of property, without a warrant in the following circumstances:

(A) With the consent of the owner, operator, or agent in charge of the premises.

(B) In situations presenting imminent danger to health and safety.

(C) In situations involving inspection of conveyances where there is reasonable cause to believe that the mobility of the conveyance makes it impractical to obtain a warrant, or in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking.

(D) In accordance with this chapter.

(E) In all other situations where a warrant is not constitutionally required.

19828. Applicant, Licensee, or Registrant Communication or Document; Privilege; Release or Disclosure

(a) Without limiting any privilege that is otherwise available under law, any communication or publication from, or concerning, an applicant, licensee, or registrant, in oral, written, or any other form, is absolutely privileged and so shall not form a basis for imposing liability for defamation or constitute a ground for recovery in any civil action, under any of the following circumstances:

(1) It was made or published by an agent or employee of the department or commission in the proper discharge of official duties or in the course of any proceeding under this chapter.

(2) It was required to be made or published to the department or commission, or any of their agents or employees, by law, regulation, or subpoena of the department or the commission.

(3) It was, in good faith, made or published to the department or the commission for the purpose of causing, assisting, or aiding an investigation conducted pursuant to this chapter.

(b) If any document or communication provided to the department or the commission contains any information that is privileged pursuant to Division 8 (commencing with Section 900) of the Evidence Code, or any other provision of law, that privilege is not waived or lost because the document or communication is disclosed to the department or the commission or to any of their agents or employees.

(c) The department, the commission, and their agents and employees shall not release or disclose any information, documents, or communications provided by an applicant, licensee, or other person, that are privileged pursuant to Division 8 (commencing with Section 900) of the Evidence Code, or any other provision of law, without the prior written consent of the holder of the privilege, or pursuant to lawful court order after timely notice of the proceedings has been given to the holder of the privilege. An application to a court for an order requiring the department or the commission to release any information declared by law to be confidential shall be made only upon motion made in writing on not less than 10-business days' notice to the department or the commission, and to all persons who may be affected by the entry of the order.

19829. District Attorneys and State and Local Law Enforcement Agencies; Report to Department

Every district attorney, and every state and local law enforcement agency, shall furnish to the department, on forms prepared by the department, all information obtained during the course of any substantial investigation or prosecution of any person, as determined by the department, if it appears that a violation of any law related to gambling has occurred, including any violation of Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

19830. Gambling Control Fund; Investigative Account

There is an investigative account within the Gambling Control Fund. All funds received for the purpose of paying expenses incurred by the department for investigation of an application for a license or approval under this chapter shall be deposited in the account. Expenses may be advanced from the investigative account to the department by the chief.

Article 3. Regulations

19840. Adoption; Consideration of Cardroom Size

The commission may adopt regulations for the administration and enforcement of this chapter. To the extent appropriate, regulations of the commission and the department shall take into consideration the operational differences of large and small establishments.

19841. Content Requirements

The regulations adopted by the commission shall do all of the following:

(a) With respect to applications, registrations, investigations, and fees, the regulations shall include, but not be limited to, provisions that do all of the following:

(1) Prescribe the method and form of application and registration.

(2) Prescribe the information to be furnished by any applicant, licensee, or registrant concerning, as appropriate, the person's personal history, habits, character, associates, criminal record, business activities, organizational structure, and financial affairs, past or present.

(3) Prescribe the information to be furnished by an owner licensee relating to the licensee's gambling employees.

(4) Require fingerprinting or other methods of identification of an applicant, licensee, or employee of a licensee.

(5) Prescribe the manner and method of collection and payment of fees and issuance of licenses.

(b) Provide for the approval of game rules and equipment by the department to ensure fairness to the public and compliance with state laws.

(c) Implement the provisions of this chapter relating to licensing and other approvals.

(d) Require owner licensees to report and keep records of transactions, including transactions as determined by the department, involving cash or credit. The regulations may include, without limitation, regulations requiring owner licensees to file with the department reports similar to those required by Sections 5313 and 5314 of Title 31 of the United States Code, and by Sections 103.22 and 103.23 of Title 31 of the Code of Federal Regulations, and any successor provisions thereto, from financial institutions, as defined in Section 5312 of Title 31 of the United States Code and Section 103.11 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(e) Provide for the receipt of protests and written comments on an application by public agencies, public officials, local governing bodies, or residents of the location of the gambling establishment or future gambling establishment.

(f) Provide for the disapproval of advertising by licensed gambling establishments that are determined by the department to be deceptive to the public. Regulations adopted by the commission for advertising by licensed gambling establishments shall be consistent with the advertising regulations adopted by the California Horse Racing Board and the Lottery Commission. Advertisement that appeals to children or adolescents or that offers gambling as a means of becoming wealthy is presumptively deceptive.

(g) Govern all of the following:

(1) The extension of credit.

(2) The cashing, deposit, and redemption of checks or other negotiable instruments.

(3) The verification of identification in monetary transactions.

(h) Prescribe minimum procedures for adoption by owner licensees to exercise effective control over their internal fiscal and gambling affairs, which shall include, but not be limited to, provisions for all of the following:

(1) The safeguarding of assets and revenues, including the recording of cash and evidences of indebtedness.

(2) Prescribing the manner in which compensation from games and gross revenue shall be computed and reported by an owner licensee.

(3) The provision of reliable records, accounts, and reports of transactions, operations, and events, including reports to the department.

(i) Provide for the adoption and use of internal audits, whether by qualified internal auditors or by certified public accountants. As used in this subdivision, "internal audit" means a type of control that operates through the testing and evaluation of other controls and that is also directed toward observing proper compliance with the minimum standards of control prescribed in subdivision (h).

(j) Require periodic financial reports from each owner licensee.

(k) Specify standard forms for reporting financial conditions, results of operations, and other relevant financial information.

(l) Formulate a uniform code of accounts and accounting classifications to ensure consistency, comparability, and effective disclosure of financial information.

(m) Prescribe intervals at which the information in subdivisions (j) and (k) shall be furnished to the department.

(n) Require audits to be conducted, in accordance with generally accepted auditing standards, of the financial statements of all owner licensees whose annual gross revenues equal or exceed a specified sum. However, nothing herein shall be construed to limit the department's authority to require audits of any owner licensee. Audits, compilations, and reviews provided for in this subdivision shall be made by independent certified public accountants licensed to practice in this state.

(o) Restrict, limit, or otherwise regulate any activity that is related to the conduct of controlled gambling, consistent with the purposes of this chapter.

(p) Define and limit the area, games, hours of operation, number of tables, wagering limits, and equipment permitted, or the method of operation of games and equipment, if the commission, upon the recommendation of, or in consultation with, the department, determines that local regulation of these subjects is insufficient to protect the health, safety, or welfare of residents in geographical areas proximate to a gambling establishment.

(q) Prohibit gambling establishments from cashing checks drawn against any federal, state, or county fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments. However, a gambling establishment shall not be prohibited from cashing any payroll checks or checks for the delivery of goods or services that are drawn against a federal, state, or county fund.

(r) Provide for standards, specifications, and procedures governing the manufacture, distribution, including the sale and leasing, inspection, testing, location, operation, repair, and storage of gambling equipment, and for the licensing of persons engaged in the business of manufacturing, distributing, including the sale and leasing, inspection, testing, repair, and storage of gambling equipment.

(s) By December 31, 2011, provide procedures, criteria, and timelines for the processing and approval of applications for the licensing, temporary or interim licensing, or findings of suitability for receivers, trustees, beneficiaries, executors, administrators, conservators, successors in interest, or security interest holders for a gambling enterprise so that gambling enterprises may operate continuously in cases including, but not limited to, the death, insolvency, foreclosure, receivership, or incapacity of a licensee.

19842. Play of Game or Manner of Play; Prohibitions; Construction; Emergency Regulations Prohibited

(a) The commission shall not prohibit, on a statewide basis, the play of any game or restrict the manner in which any game is played, unless the commission, in a proceeding pursuant to this article, finds that the game, or the manner in which the game is played, violates a law of the United States, a law of this state, or a local ordinance.

(b) Nothing in this section shall be construed to limit the powers of the commission in a proceeding against a licensee pursuant to Article 10 (commencing with Section 19930).

(c) No regulation prohibiting a game or the manner in which a game is played shall be deemed to be an emergency regulation.

19843. Placement of Wager on Controlled Game by Person at Table

The commission shall not prohibit, on a statewide basis, the placing of a wager on a controlled game by a person at a gaming table, if the person is present at the table and

actively participating in the hand with a single-seated player upon whose hand the wagers are placed.

19844. Exclusion or Ejection of Individuals from Gaming Establishments

(a) The commission shall, by regulation, provide for the formulation of a list of persons who are to be excluded or ejected from any gambling establishment. The list may include any person whose presence in the establishment is determined by the commission to pose a threat to the interests of this state or to controlled gambling, or both.

(b) In making the determination described in subdivision (a), the commission may consider, but is not limited to considering, any of the following:

(1) Prior conviction of a crime that is a felony in this state or under the laws of the United States, a crime involving moral turpitude, or a violation of the gambling laws of this or any other state.

(2) The violation of, or conspiracy to violate, the provisions of this chapter relating to the failure to disclose an interest in a gambling establishment for which the person is required to obtain a license, or the willful evasion of fees.

(3) A notorious or unsavory reputation that would adversely affect public confidence and trust that the gambling industry is free from criminal or corruptive elements.

(4) An order of exclusion or ejection from a racing enclosure issued by the California Horse Racing Board.

(c) The commission shall distribute the list of persons who are to be excluded or ejected from any gambling establishment to all owner licensees and shall provide notice to any persons included on the list.

(d) The commission shall adopt regulations establishing procedures for hearing of petitions by persons who are ejected or excluded from licensed premises pursuant to this section or pursuant to Section 19845.

(e) The commission may revoke, limit, condition, or suspend the license of an owner, or fine an owner licensee, if that licensee knowingly fails to exclude or eject from the gambling establishment of that licensee any person included on the list of persons to be excluded or ejected.

19845. Removal of Persons from Licensed Premises; Reasons

(a) A licensee may remove from his or her licensed premises any person who, while on the premises:

(1) Is a disorderly person, as defined by Section 647 of the Penal Code.

(2) Interferes with a lawful gambling operation.

(3) Solicits or engages in any act of prostitution.

(4) Begs, is boisterous, or is otherwise offensive to other persons.

(5) Commits any public offense.

(6) Is intoxicated.

(7) Is a person who the commission, pursuant to regulation, has determined should be excluded from licensed gambling establishments in the public interest.

(b) Nothing in this section shall be deemed, expressly or impliedly, to preclude a licensee from exercising the right to deny access to or to remove any person from its premises or property for any reason the licensee deems appropriate.

19846. Civil Liability

(a) Notwithstanding any other provision of law and except as provided in subdivision (b), a gambling enterprise that ejects or excludes an individual based upon Section 19844 or 19845 is not subject to civil liability for a mistake as to the grounds for ejecting or excluding a person if the ejection or exclusion was based upon a reasonable and good faith belief, after a reasonable investigation, that these sections applied to the individual in question.

(b) Notwithstanding subdivision (a), a gambling enterprise may not be relieved from liability for any damages arising from the means of ejection or exclusion.

Article 4. Licensing

19850. State Gambling License, Key Employee License, or Work Permit; Requirements; Violation

Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain,

a valid state gambling license, key employee license, or work permit, as specified in this chapter. In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

19850.5. Remote Caller Bingo; Card-Minding Devices; Applicability of Law

Notwithstanding Section 19850 or any other provision of law, this chapter shall apply to both of the following:

(a) The operation, regulation, and enforcement of remote caller bingo, as defined in paragraph (1) of subdivision (t) of Section 326.3 of the Penal Code, to the extent expressly made applicable by Section 326.3 of the Penal Code. No requirement contained in this chapter shall apply to remote caller bingo unless expressly made applicable by Section 326.3 of the Penal Code.

(b) The regulation of card-minding devices as provided in subdivision (p) of Section 326.5 of the Penal Code, to the extent expressly made applicable by Section 326.5 of the Penal Code. No requirement contained in this chapter shall apply to card-minding devices unless expressly made applicable by Section 326.5 of the Penal Code.

19850.6. Remote Caller Bingo; Card-Minding Devices; Commission Regulations; Emergency Regulations

(a) In order to avoid delays in implementing the California Remote Caller Bingo Act, including implementing remote caller bingo, testing and certifying card-minding devices, and to avoid disruption of fundraising efforts by nonprofit organizations, the Legislature finds and declares that it is necessary to provide the commission with a limited exemption from normal rulemaking procedural requirements. The commission is directed to adopt appropriate emergency regulations as soon as possible, the initial regulatory action to be filed with the Office of Administrative Law no later than May 1, 2009. It is the intent of the Legislature to provide the commission with full authority and sufficient flexibility to adopt all needed regulations. These regulations may be adopted in a series of regulatory actions. Subsequent regulatory actions may amend or repeal earlier regulatory actions, as necessary, to reflect program experience and concerns of the regulated public.

(b) The commission shall adopt emergency regulations concerning remote caller bingo and concerning card-minding devices no later than May 1, 2009. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the commission is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code, but shall otherwise be subject to the review and approval of the Office of Administrative Law.

(c) Notwithstanding any other law, all emergency regulations adopted by the commission pursuant to this section before July 1, 2009, shall remain in effect until December 31, 2011, except to the extent that the commission exercises its power to adopt, amend, or repeal these regulations in whole or in part.

19851. Owner of Gambling Enterprise; State Gambling License; Expiration

(a) The owner of a gambling enterprise shall apply for and obtain a state gambling license. The owner of a gambling enterprise shall be known as the owner-licensee.

(b) Other persons who also obtain a state gambling license as required by this chapter, shall not receive a separate license certificate, but the license of every such person shall be endorsed on the license certificate that is issued to the owner of the gambling enterprise.

19852. Owner Not Natural Person; Eligibility for State Gambling License; Individual Licenses

Except as provided in Section 19852.2, an owner of a gambling enterprise that is not a natural person shall not be eligible for a state gambling license unless each of the following persons individually applies for and obtains a state gambling license:

(a) If the owner is a corporation, then each officer, director, and shareholder, other than a holding or intermediary company, of the owner. The foregoing does not apply to an owner that is either a publicly traded racing association or a qualified racing association.

(b) If the owner is a publicly traded racing association, then each officer, director, and owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the publicly traded corporation.

(c) If the owner is a qualified racing association, then each officer, director, and shareholder, other than an institutional investor, of the subsidiary corporation and any owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the publicly traded corporation.

(d) If the owner is a partnership, then every general and limited partner of, and every trustee or person, other than a holding or intermediary company, having or acquiring a direct or beneficial interest in, that partnership owner.

(e) If the owner is a trust, then the trustee and, in the discretion of the commission, any beneficiary and the trustor of the trust.

(f) If the owner is a limited liability company, every officer, manager, member, or owner.

(g) If the owner is a business organization other than a corporation, partnership, trust, or limited liability company, then all those persons as the commission may require, consistent with this chapter.

(h) Each person who receives, or is to receive, any percentage share of the revenue earned by the owner from gambling activities.

(i) Every employee, agent, guardian, personal representative, lender, or holder of indebtedness of the owner who, in the judgment of the commission, has the power to exercise a significant influence over the gambling operation.

19852.2. Limited Partnership with Interest in Racetrack Card Club

(a) Notwithstanding Section 19852 or any other provision of law to the contrary, and solely for the purpose of the licensure of a card club located on the grounds of a racetrack that is owned by a limited partnership that also owns the racetrack, the commission, in its discretion, may exempt from the licensing requirements of this chapter:

(1) The limited partners in a limited partnership that holds interest in a holding company if all of the following criteria are met:

(A) The limited partners of the limited partnership in the aggregate directly hold at least 95 percent of the interest in the holding company.

(B) The limited partner is one of the following:

(i) An "institutional investor" as defined in subdivision (s) of Section 19805.

(ii) An "employee benefit plan" as defined in Section 1002(3) of Title 29 of the United States Code.

(iii) An investment company that manages a state university endowment.

(2) Other limited partners in a limited partnership described in paragraph (1), if the partners do not number more than five and each partner indirectly owns one percent or less of the shares of the interest in the holding company.

(b) Nothing in this section shall be construed to limit the licensure requirements for a general partner of a limited partnership or a limited partner that is not specifically described in this section.

19853. Registration, Finding of Suitability, or Gambling License; Requirement of Certain Persons or Corporations

(a) The commission, by regulation or order, may require that the following persons register with the commission, apply for a finding of suitability as defined in subdivision (i) of 19805, or apply for a gambling license:

(1) Any person who furnishes any services or any property to a gambling enterprise under any arrangement whereby that person receives payments based on earnings, profits, or receipts from controlled gambling.

(2) Any person who owns an interest in the premises of a licensed gambling establishment or in real property used by a licensed gambling establishment.

(3) Any person who does business on the premises of a licensed gambling establishment.

(4) Any person who is an independent agent of, or does business with, a gambling enterprise as a ticket purveyor, a tour operator, the operator of a bus program, or the operator of any other type of travel program or promotion operated with respect to a licensed gambling establishment.

(5) Any person who provides any goods or services to a gambling enterprise for compensation that the commission finds to be grossly disproportionate to the value of the goods or services provided.

(6) Every person who, in the judgment of the commission, has the power to exercise a significant influence over the gambling operation.

(b) The department may conduct any investigation it deems necessary to determine whether a publicly traded corporation is, or has, engaged in activities specified in paragraph (2), (3), or (4) of subdivision (a), and shall report its findings to the commission. If a publicly traded corporation is engaged in activities described in paragraphs (2), (3), or (4) of subdivision (a), the commission may require the corporation and the following other persons to apply for and obtain a license or finding of suitability:

(1) Any officer or director.

(2) Any owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the corporation.

19854. Key Employee License; Qualifications

(a) Every key employee shall apply for and obtain a key employee license.

(b) No person may be issued a key employee license unless the person would qualify for a state gambling license.

(c) A key employee license shall entitle the holder to work as a key employee in any key employee position at any gambling establishment provided that the key employee terminates employment with one gambling establishment before commencing work for another.

(d) The commission shall establish a program for portable personal licenses for key employees as well as a process by which valid key employee licenses then in effect shall be converted to personal portable licenses. The commission may, as part of that process, establish a fee to be paid by a key employee when seeking a personal portable license. The commission shall seek to implement the requirements imposed by this subdivision on or before July 1, 2008.

19855. License Required Prior to Activity; Period to File Application

Except as otherwise provided by statute or regulation, every person who, by statute or regulation, is required to hold a state license shall obtain the license prior to engaging in the activity or occupying the position with respect to which the license is required. Every person who, by order of the commission, is required to apply for a gambling license or a finding of suitability shall file the application within 30 calendar days after receipt of the order.

19856. License Issuance; Burden of Proving Qualifications; Considerations

(a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.

(b) An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling.

(c) In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

19857. License Issuance; Applicant Qualifications

No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is all of the following:

(a) A person of good character, honesty, and integrity.

(b) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto.

(c) A person that is in all other respects qualified to be licensed as provided in this chapter.

19858. License to Own Gambling Establishment; Financial Interest in Prohibited Forms of Gambling

(a) Except as provided in subdivision (b), a person shall be deemed to be unsuitable to hold a state gambling license to own a gambling establishment if the person, or any partner, officer, director, or shareholder of the person, has any financial interest in any business or organization that is engaged in any form of gambling prohibited by Section 330 of the Penal Code, whether within or without this state.

(b) Subdivision (a) does not apply to a publicly traded racing association, a qualified racing association, or any person who is licensed pursuant to subdivision (b) or (c) of Section 19852.

19858.5. License to Own Gambling Establishment; Limited Financial Interest in Another Gambling Business

Notwithstanding Section 19858, the commission may, pursuant to this chapter, deem an applicant or licensee suitable to hold a state gambling license even if the applicant or licensee has a financial interest in another business that conducts lawful gambling outside the state that, if conducted within California, would be unlawful, provided that an applicant or licensee may not own, either directly or indirectly, more than a 1 percent interest in, or have control of, that business.

19859. License Denial; Applicant Disqualification

The commission shall deny a license to any applicant who is disqualified for any of the following reasons:

(a) Failure of the applicant to clearly establish eligibility and qualification in accordance with this chapter.

(b) Failure of the applicant to provide information, documentation, and assurances required by this chapter or requested by the Chief, or failure of the applicant to reveal any fact material to qualification, or the supplying of information that is untrue or misleading as to a material fact pertaining to the qualification criteria.

(c) Conviction of a felony, including a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.

(d) Conviction of the applicant for any misdemeanor involving dishonesty or moral turpitude within the 10-year period immediately preceding the submission of the application, unless the applicant has been granted relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code; provided, however, that the granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a limitation on the discretion of the commission under Section 19856 or affect the applicant's burden under Section 19857.

(e) Association of the applicant with criminal profiteering activity or organized crime, as defined by Section 186.2 of the Penal Code.

(f) Contumacious defiance by the applicant of any legislative investigatory body, or other official investigatory body of any state or of the United States, when that body is engaged in the investigation of crimes relating to gambling; official corruption related to gambling activities; or criminal profiteering activity or organized crime, as defined by Section 186.2 of the Penal Code.

(g) The applicant is less than 21 years of age.

19860. License Denial; Establishment in Location without Required Ordinance

(a) The commission shall deny a gambling license with respect to any gambling establishment that is located in a city, county, or city and county that does not have an ordinance governing all of the following matters:

(1) The hours of operation of gambling establishments.

(2) Patron security and safety in and around the gambling establishments.

(3) The location of gambling establishments.

(4) Wagering limits in gambling establishments.

(5) The number of gambling tables in each gambling establishment and in the jurisdiction.

(b) In any city, county, or city and county in which the local gambling ordinance does not govern the matters specified in subdivision (a), any amendment to the ordinance to govern those matters is not subject to Section 19961, provided that a local election is required to add these matters, and the ordinance only provides for private clubs by vote of the people, and that the ordinance is amended to contain these matters on or before July 1, 2000.

19861. Denial of License; Establishment Not Open to Public

Notwithstanding subdivision (i) of Section 19801, the commission shall not deny a license to a gambling establishment solely because it is not open to the public, provided that all of the following are true: (a) the gambling establishment is situated in a local jurisdiction that has an ordinance allowing only private clubs, and the gambling establishment was in operation as a private club under that ordinance on December 31, 1997, and met all applicable state and local gaming registration requirements; (b) the gambling establishment consists of no more than five gaming tables; (c) video recordings of the entrance to the gambling room or rooms and all tables situated therein are made during all hours of operation by means of closed circuit television cameras, and these recordings are retained for a period of 30 days and are made available for review by the department or commission upon request; and (d) the gambling establishment is open to members of the private club and their spouses in accordance with membership criteria in effect as of December 31, 1997.

A gambling establishment meeting these criteria, in addition to the other requirements of this chapter, may be licensed to operate as a private club gambling establishment until November 30, 2003, or until the ownership or operation of the gambling establishment changes from the ownership or operation as of January 1, 1998, whichever occurs first. Operation of the gambling establishments after this date shall only be permitted if the local jurisdiction approves an ordinance, pursuant to Sections 19961 and 19962, authorizing the operation of gambling establishments that are open to the public. The commission shall adopt regulations implementing this section. Prior to the commission's issuance of a license to a private club, the department shall ensure that the ownership of the gambling establishment has remained constant since January 1, 1998, and the operation of the gambling establishment has not been leased to any third party.

19862. License Denial; Consideration by Commission; Additional Grounds

(a) In addition to other grounds stated in this chapter, the commission may deny a gambling license for any of the following reasons:

(1) If issuance of the license with respect to the proposed gambling establishment or expansion would tend unduly to create law enforcement problems in a city, county, or city and county other than the city, county, or

city and county that has regulatory jurisdiction over the applicant's premises.

(2) If an applicant fails to conduct an economic feasibility study that demonstrates to the satisfaction of the commission that the proposed gambling establishment will be economically viable, and that the owners have sufficient resources to make the gambling establishment successful. The commission shall hold a public hearing for the purpose of reviewing the feasibility study. All papers, studies, projections, pro formas, and other materials filed with the commission pursuant to an economic feasibility study are public records and shall be disclosed to all interested parties.

(3) If issuance of the license is sought in respect to a new gambling establishment, or the expansion of an existing gambling establishment, that is to be located or is located near an existing school, an existing building used primarily as a place of worship, an existing playground or other area of juvenile congregation, an existing hospital, convalescence facility, or near another similarly unsuitable area, as determined by regulation of the commission, which is located in a city, county, or city and county other than the city, county, or city and county that has regulatory jurisdiction over the applicant's gambling premises.

(b) For the purposes of this section, "expansion" means an increase of 25 percent or more in the number of authorized gambling tables in a gambling establishment, based on the number of gambling tables for which a license was initially issued pursuant to this chapter.

19863. Publicly Traded or Qualified Racing Association; Gaming Establishment

A publicly traded racing association or a qualified racing association shall be allowed to operate only one gaming establishment, and the gaming establishment shall be located on the same premises as the entity's racetrack.

19864. State License Application; Forms; Content

(a) Application for a state license or other commission action shall be made on forms furnished by the commission.

(b) The application for a gambling license shall include all of the following:

(1) The name of the proposed licensee.

(2) The name and location of the proposed gambling establishment.

(3) The gambling games proposed to be conducted.

(4) The names of all persons directly or indirectly interested in the business and the nature of the interest.

(5) A description of the proposed gambling establishment and operation.

(6) Any other information and details the commission may require in order to discharge its duty properly.

19865. Supplemental Forms; Content

The department shall furnish to the applicant supplemental forms, which the applicant shall complete and file with the department. These supplemental forms shall require, but shall not be limited to requiring, complete information and details with respect to the applicant's personal history, habits, character, criminal record, business activities, financial affairs, and business associates, covering at least a 10-year period immediately preceding the date of filing of the application. Each applicant shall submit two sets of fingerprints, using "live scan" or other prevailing, accepted technology, or on forms provided by the department. The department may submit one fingerprint card to the United States Federal Bureau of Investigation.

19866. Information Disclosure by Applicant

An applicant for licensing or for any approval or consent required by this chapter, shall make full and true disclosure of all information to the department and the commission as necessary to carry out the policies of this state relating to licensing, registration, and control of gambling.

19867. Deposit; Costs and Charges of Investigation; Refund; Accounting

(a) An application for a license or a determination of suitability shall be accompanied by the deposit of a sum of money that, in the judgment of the chief, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of the application. The chief shall adopt a schedule of costs and charges of investigation for use as guidelines in fixing the amount of any required deposit under this section. The schedule shall distinguish between initial and renewal licenses with respect to costs and charges.

(b) During an investigation, the chief may require an applicant to deposit any additional sums as are required by the department to pay final costs and charges of the investigation.

(c) Any money received from an applicant in excess of the costs and charges incurred in the investigation or the processing of the application shall be refunded pursuant to regulations adopted by the department. At the conclusion of the investigation, the chief

shall provide the applicant a written, itemized accounting of the costs and charges thereby incurred.

19868. INVESTIGATION; COMMENCEMENT; CONCLUSION; DENIAL WITHOUT PREJUDICE

(a) Within a reasonable time after the filing of an application and any supplemental information the department may require, and the deposit of any fee required pursuant to Section 19867, the department shall commence its investigation of the applicant and, for that purpose, may conduct any proceedings it deems necessary. To the extent practicable, all applications shall be acted upon within 180 calendar days of the date of submission of a completed application. If an investigation has not been concluded within 180 days after the date of submission of a completed application, the department shall inform the applicant in writing of the status of the investigation and shall also provide the applicant with an estimated date on which the investigation may reasonably be expected to be concluded.

(b) If denial of the application, or approval of the license with restrictions or conditions on the license, is recommended, the chief shall prepare and file with the commission his or her written reasons upon which the recommendation is based.

(1) Prior to filing his or her recommendation with the commission, the chief shall meet with the applicant, or the applicant's duly authorized representative, and inform him or her generally of the basis for any proposed recommendation that the application be denied, restricted, or conditioned.

(2) Not less than 10 business days prior to the meeting of the commission at which the application is to be considered, the department shall deliver to the applicant a summary of the chief's final report and recommendation.

(3) This section neither requires the department to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained confidential, and nor to divulge any information that might reveal the identity of any informer or jeopardize the safety of any person.

(c) If a restriction or condition on the license is recommended, the chief shall prepare and file with the commission his or her written reasons upon which the recommendation is based.

(1) Prior to filing his or her recommendation with the commission, and not less than 10 business days prior to the meeting of the commission at which the

application is to be considered, the chief shall inform the applicant in writing generally of the basis for any proposed recommendation that the application be restricted or conditioned, including the legal and factual grounds on which the recommendation is based.

(2) This section does not require the department to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained confidential, or to divulge any information that might reveal the identity of any informer or jeopardize the safety of any person.

(d) A recommendation of denial of an application shall be without prejudice to a new and different application filed in accordance with applicable regulations.

19869. Request for Withdrawal of Application; Denial; Grant with Prejudice; Fee Refund

A request for withdrawal of any application may be made at any time prior to final action upon the application by the chief by the filing of a written request to withdraw with the commission. For the purposes of this section, final action by the department means a final determination by the chief regarding his or her recommendation on the application to the commission. The commission shall not grant the request unless the applicant has established that withdrawal of the application would be consistent with the public interest and the policies of this chapter. If a request for withdrawal is denied, the department may go forward with its investigation and make a recommendation to the commission upon the application, and the commission may act upon the application as if no request for withdrawal had been made. If a request for withdrawal is granted with prejudice, the applicant thereafter shall be ineligible to renew its application until the expiration of one year from the date of the withdrawal. Unless the commission otherwise directs, no fee or other payment relating to any application is refundable by reason of withdrawal of an application.

19870. Commission Authority to Deny or Grant License; Restrictions; Statement of Reasons; Petition

(a) The commission, after considering the recommendation of the chief and any other testimony and written comments as may be presented at the meeting, or as may have been submitted in writing to the commission prior to the meeting, may either deny the application or grant a license to an applicant who it determines to be qualified to hold the license.

(b) When the commission grants an application for a license or approval, the commission may limit or place restrictions thereon as it may deem necessary in the public interest, consistent with the policies described in this chapter.

(c) When an application is denied, the commission shall prepare and file a detailed statement of its reasons for the denial.

(d) All proceedings at a meeting of the commission relating to a license application shall be recorded stenographically or by audio or video recording.

(e) A decision of the commission denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be reviewed by petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to any judicial proceeding described in the foregoing sentence, and the court may grant the petition only if the court finds that the action of the commission was arbitrary and capricious, or that the action exceeded the commission's jurisdiction.

19871. Commission Meeting; Conduct

(a) The commission meeting described in Section 19870 shall be conducted in accordance with regulations of the commission and as follows:

(1) Oral evidence shall be taken only upon oath or affirmation.

(2) Each party shall have all of the following rights:

(A) To call and examine witnesses.

(B) To introduce exhibits relevant to the issues of the case.

(C) To cross-examine opposing witnesses on any matters relevant to the issues, even though the matter was not covered on direct examination.

(D) To impeach any witness, regardless of which party first called the witness to testify.

(E) To offer rebuttal evidence.

(3) If the applicant does not testify in his or her own behalf, he or she may be called and examined as if under cross-examination.

(4) The meeting need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a finding, if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might

make improper the admission of that evidence over objection in a civil action.

(b) Nothing in this section confers upon an applicant a right to discovery of the department's investigative reports or to require disclosure of any document or information the disclosure of which is otherwise prohibited by any other provision of this chapter.

19872. Ex Parte Communications

(a) No member of the commission may communicate ex parte, directly or indirectly, with any applicant, or any agent, representative, or person acting on behalf of an applicant, upon the merits of an application for a license, permit, registration, or approval while the application is pending disposition before the department or the commission.

(b) No applicant, or any agent, representative, or person acting on behalf of an applicant, and no person who has a direct or indirect interest in the outcome of a proceeding to consider an application for a license, permit, registration, or approval may communicate ex parte, directly or indirectly, with any member of the commission, upon the merits of the application while the application is pending disposition before the department.

(c) No employee or agent of the department, applicant, or any agent, representative, or person acting on behalf of an applicant, and no person who has a direct or indirect interest in the outcome of a proceeding to consider an application for a license, permit, registration, or approval may communicate ex parte, directly or indirectly, with any member of the commission, upon the merits of the application, while the application is pending disposition before the commission.

(d) The receipt by a member of the commission of an ex parte communication prohibited by this section may provide the basis for disqualification of that member or the denial of the application. The commission shall adopt regulations to implement this subdivision.

(e) For the purposes of this subdivision, "ex parte" means a communication without notice and opportunity for all parties to participate in the communication.

(f) Nothing in this section precludes a communication made on the record at a public hearing on a properly agendized matter.

19873. License Assignment or Transfer

No license may be assigned or transferred either in whole or in part.

19874. License Issue and Delivery; Terms and Conditions

Subject to subdivision (b) of Section 19851, the commission shall issue and deliver to the applicant a license entitling the applicant to engage in the activity for which the license is issued, together with an enumeration of any specific terms and conditions of the license if both of the following conditions have been met:

(a) The commission is satisfied that the applicant is eligible and qualified to receive the license.

(b) All license fees required by statute and by regulations of the commission have been paid.

19875. Owner's Gambling License; Posting

An owner's gambling license shall be posted at all times in a conspicuous place in the area where gambling is conducted in the establishment for which the license is issued until it is replaced by a succeeding license.

19876. License Renewal; Application; Fees; Penalties

(a) Subject to the power of the commission to deny, revoke, suspend, condition, or limit any license, as provided in this chapter, a license shall be renewed biennially.

(b) An application for renewal of a gambling license shall be filed by the owner licensee or key employee with the commission no later than 120 calendar days prior to the expiration of the current license. The commission shall act upon any application for renewal prior to the date of expiration of the current license. Upon renewal of any owner license, the commission shall issue an appropriate renewal certificate or validating device or sticker.

(c) Notwithstanding the provisions of subdivision (b), if an owner licensee has submitted an application for renewal prior to the original expiration date of the current license and the commission is unable to act on the application prior to expiration date, the commission may extend the current license for up to 180 days.

(d) Unless the commission determines otherwise, renewal of an owner's gambling license shall be deemed to effectuate the renewal of every other gambling license endorsed thereon.

(e) In addition to the penalties provided by law, any owner licensee who deals, operates, carries on, conducts, maintains, or exposes for play any gambling game after the expiration date of the gambling license is liable to the state for all license fees and penalties that would have been due upon renewal.

(f) If an owner licensee fails to renew the gambling license as provided in this chapter, the commission may order the immediate closure of the premises and a cessation of all gambling activity therein until the license is renewed.

(g) If an owner licensee submits an application for renewal of the gambling license after the deadline set in subdivision (b) but before the original expiration date of the license, the commission may assess reasonable delinquency fees not to exceed three times the usual application fee.

19877. Failure to File Renewal Application; Surrender of License

The failure of an owner licensee to file an application for renewal before the date specified in this chapter may be deemed a surrender of the license. A license has not been renewed within the meaning of this section until all required renewal fees have been paid.

19878. Contract with or Employment of Person Denied License or with a Suspended or Revoked License or an Application Withdrawn with Prejudice

(a) Neither an owner licensee, nor a California affiliate of an owner licensee, shall enter into, without prior approval of the commission, any contract or agreement with a person who is denied a license, or whose license is suspended or revoked by the commission, or with any business enterprise under the control of that person, after the date of receipt of notice of the commission's action.

(b) An owner licensee or an affiliate of the owner licensee shall not employ, without prior approval of the commission, any person in any capacity for which he or she is required to be licensed, if the person has been denied a license, or if his or her license has been suspended or revoked after the date of receipt of notice of the action by the commission. Neither an owner licensee, nor a California affiliate of an owner licensee, without prior approval of the commission, shall enter into any contract or agreement with a person whose application has been withdrawn with prejudice, or with any business enterprise under the control of that person, for the period of time during which the person is prohibited from filing a new application for licensure.

(c) (1) If an employee who is required to be licensed pursuant to this chapter fails to apply for a license within the time specified by regulation, is denied a license, or has his or her license revoked by the commission, the employee shall be terminated in any capacity in which he or she is required to be licensed and he or she shall not be permitted to exercise a significant influence over the gambling operation, or any part thereof, upon being notified of that action.

(2) If an employee who is required to be licensed pursuant to this chapter has his or her license suspended, the employee shall be suspended in any capacity in which he or she is required to be licensed and shall not be permitted to exercise a significant influence over the gambling operation, or any part thereof, during the period of suspension, upon being notified of that action.

(3) If the owner licensee designates another employee to replace the employee whose employment was terminated, the owner licensee shall promptly notify the department and shall require the newly designated employee to apply for a license.

(d) An owner licensee or an affiliate of the owner licensee shall not pay to a person whose employment has been terminated pursuant to subdivision (c) any remuneration for any service performed in any capacity in which the person is required to be licensed except for amounts due for services rendered before the date of receipt of notice of the commission's action. Neither an owner licensee, nor an affiliate thereof, during the period of suspension, shall pay to a person whose employment has been suspended pursuant to subdivision (c), any remuneration for any service performed in any capacity in which the person is required to be licensed, except for amounts due for services rendered before the date of receipt of notice of the commission's action.

(e) Except as provided in subdivision (c), a contract or agreement for the provision of services or property to an owner licensee or an affiliate thereof, or for the conduct of any activity at a gambling establishment, which is to be performed by a person required by this chapter or by regulations adopted pursuant to this chapter, to be licensed, shall be terminated upon a suspension or revocation of the person's license.

(f) In any case in which a contract or agreement for the provision of services or property to an owner licensee or an affiliate thereof, or for the conduct of any activity at a gambling establishment, is to be performed by a person required by this chapter or by regulations adopted by the commission to be licensed, the contract shall be deemed to include a provision for its determination without liability on the part of the owner licensee or its duly registered holding company upon a suspension or revocation of the person's license. In any action brought by the department or commission to terminate a contract pursuant to subdivision (c) or (e), it shall not be a defense that the agreement does not expressly include the provision described in this subdivision, and the lack of express inclusion of the provision in the agreement shall not be a basis for enforcement of the contract by a party thereto.

19879. License Application Denial; Interest in Business Entity

With regard to a person who has had his or her application for a license denied by the commission, all of the following shall apply:

(a) Except as provided in subdivision (c), the person shall not be entitled to profit from his or her investment in any business entity that has applied for or been granted a state license.

(b) The person shall not retain his or her interest in a business entity described in subdivision (a) beyond that period prescribed by the commission.

(c) The person shall not accept more for his or her interest in a business entity described in subdivision (a) than he or she paid for it, or the market value on the date of the denial of the license or registration, whichever is higher.

(d) Nothing in this section shall be construed as a restriction or limitation on the powers of the commission specified in this chapter.

ARTICLE 5. LICENSING OF CORPORATIONS

19880. ELIGIBILITY REQUIREMENTS

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license as the owner of a gambling enterprise, a corporation shall comply with all of the following requirements:

(a) Maintain an office of the corporation in the gambling establishment.

(b) Comply with all of the requirements of the laws of this state pertaining to corporations.

(c) Maintain, in the corporation's principal office in California or in the gambling establishment, a ledger that meets both of the following conditions:

(1) At all times reflects the ownership of record of every class of security issued by the corporation.

(2) Is available for inspection by the department at all reasonable times without notice.

(d) Supply supplemental forms and information, in accordance with Section 19865, with the initial license application, and thereafter only on request, to the department, which shall include, but not be limited to, all of the following:

(1) The organization, financial structure, and nature of the business to be operated, including the names, personal and criminal history, and fingerprints of all officers and directors, and the names, addresses, and number of shares held by all stockholders of record.

(2) The rights and privileges acquired by the holders of different classes of authorized securities, including debentures.

(3) The terms on which securities are to be offered.

(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.

(5) The extent of the equity security holdings in the corporation of all officers, directors, and underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.

(6) The amount of remuneration to persons other than directors and officers in excess of one hundred thousand dollars ($100,000) per annum.

(7) Bonus and profit-sharing arrangements.

(8) Management, consultant, and service contracts related to the operation of controlled gaming.

(9) Options existing, or to be created, in respect of their securities or other interests.

(10) Financial statements for at least three fiscal years preceding the year of registration, or, if the corporation has not been in existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally accepted accounting principles and audited by a licensee of the California Board of Accountancy.

(11) Any further financial data that the department, with the approval of the commission, may deem necessary or appropriate for the protection of the state.

(12) An annual profit-and-loss statement and an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after that return is filed with the Internal Revenue Service.

19881. Articles of Incorporation; Purposes to Include Conduct of Controlled Gambling

(a) No corporation is eligible to receive a license to own a gambling enterprise unless the conduct of controlled gambling is among the purposes stated in its articles of incorporation and the articles of incorporation have been submitted to and approved by the commission.

(b) The Secretary of State shall not accept for filing any articles of incorporation of any corporation that include as a stated purpose the conduct of controlled gambling, or any amendment thereto, or any amendment that adds this purpose to articles of incorporation already filed, unless the articles have, or amendment has, been approved by the commission.

19881.5. Articles of Incorporation; Statements of Limited Partnership; Entity Filings

The commission may delegate to staff the approval of articles of incorporation, statements of limited partnership, and other entity filings that are required to specifically state that gambling is one of the purposes for which the business entity is formed.

19882. Owner of Security; License Denial; Sale of Security; Violation; Statement on Security

(a) If at any time the commission denies a license to, or revokes the license of, an individual owner of any security issued by a corporation that applies for or holds an owner license, the commission shall immediately notify the individual and the corporation of that fact. The owner of the security shall sell the security for an amount not greater than fair market value, within 60 calendar days of the denial or revocation. Upon a showing of due diligence, the commission may extend the time for selling the security.

(b) Beginning upon the date when the commission serves notice of the denial upon the corporation, it is unlawful for the denied security owner to do any of the following:

(1) Receive any dividend, income, or interest upon any security described in subdivision (a), except dividends equal to the good faith estimate of the owner's personal share of any income tax due on the ownership interest until the date of the sale, as determined in writing by an independent certified public accountant, or as may be necessary to protect the election of the gambling enterprise to be treated as an "S corporation" under Subchapter S (commencing with Section 1361) of Chapter 1 of Subtitle A of the Internal Revenue Code.

(2) Exercise, directly or through any trustee or nominee, any voting right conferred by any security described in subdivision (a).

(3) Receive any remuneration in any form from the corporation for services rendered or for any other purpose.

(c) Every security issued by a corporate owner licensee shall bear a statement, on both sides of the certificate evidencing the security, of the restrictions imposed by this section.

19883. Individual License; Corporate Owner-Licensee; Removal of Corporate Officer or Director

(a) To the extent required by this chapter, officers and directors, shareholders, lenders, holders of evidence of indebtedness, underwriters, agents, or employees of a corporate owner licensee shall be licensed individually. The corporation shall require these persons to apply for a gambling license, and shall notify the department of every change of corporate officers, directors, or key employees within 10 business days after the change. An officer, director, or key employee who is required to apply for a license shall apply for the license within 30 calendar days after he or she becomes an officer, director, or key employee.

(b) The corporation shall immediately remove any officer or director required to apply for a license from any office or directorship if any of the following apply to that officer or director:

(1) He or she fails to apply for the license within 30 calendar days after becoming an officer or director.

(2) He or she is denied a license.

(3) His or her license is revoked.

(c) If the license of any officer or director is suspended, the corporation, immediately and for the duration of the suspension, shall suspend that officer or director.

(d) If any shareholder who is required to apply for a gambling license fails to apply for the license within the time required, the shareholder shall be deemed to have been denied a license for purposes of subdivision (b) of Section 19882.

(e) If any person, other than an officer, director, or shareholder, who is required to apply for a gambling license fails to do so, the failure may be deemed to be a failure of the corporate owner licensee to require the application.

Article 6. Licensing of Partnerships and Limited Liability Companies

19890. Eligibility Requirements; Partnerships

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license to own a gambling enterprise, a partnership shall comply with all of the following requirements:

(a) Be registered as may be required under the laws of this state.

(b) Maintain an office of the partnership in the gambling establishment.

(c) Comply with all of the requirements of the laws of this state pertaining to partnerships.

(d) Maintain an ongoing ledger in an office of the partnership in California that shall meet both of the following conditions:

(1) At all times reflects the ownership of all interests in the partnership.

(2) Be available for inspection by the department at all reasonable times without notice.

(e) Supply the following supplemental forms and information in accordance with Section 19865 with the initial license application, and thereafter upon request, to the department, which shall include, but not be limited to, all of the following:

(1) The organization, financial structure, and nature of the business to be operated, including the name, address, personal history, interest, and fingerprints of each partner and manager.

(2) The rights, privileges, and relative priorities of any partners as to the return of contributions to capital, and the right to receive income, accept losses, and incur liabilities.

(3) The terms on which partnership interests are to be offered.

(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.

(5) The extent of the holding in the limited partnership of all underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.

(6) The remuneration to persons other than general partners in excess of one hundred thousand dollars ($100,000) per annum.

(7) Bonus and profit-sharing arrangements.

(8) Management, consulting, and service contracts related to the operation of controlled gambling.

(9) Options existing or to be created.

(10) Financial statements for at least three fiscal years preceding the year of registration, or, if the partnership has not been in existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally

accepted accounting principles and audited by a licensee of the California Board of Accountancy in accordance with generally accepted auditing standards.

(11) Any further financial data that the department reasonably deems necessary or appropriate for the protection of the state.

(12) An annual profit-and-loss statement and an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after the return is filed with the Internal Revenue Service.

19890.5. Eligibility Requirements; Limited Liability Companies

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license to own a gambling enterprise, a limited liability company shall comply with all of the following requirements:

(a) Be registered to do business in California.

(b) Maintain an office in the gambling establishment.

(c) Comply with all of the requirements of the laws of this state pertaining to a limited liability company.

(d) Maintain an ongoing ledger in an office of the limited liability company in California that shall meet both of the following conditions:

(1) At all times reflects the ownership, membership, and management interests.

(2) Be available for inspection by the department at all reasonable times without notice.

(e) Supply the following supplemental forms and information in accordance with Section 19865 with the initial license application, and thereafter upon request, to the department, which shall include, but not be limited to:

(1) The organization, financial structure, and nature of the business to be operated, including the names, personal and criminal history, and fingerprints of all members and manager, and the name, address, and interest of each owner, member, and manager.

(2) The rights, privileges, and relative priorities of any members as to the return of contributions to capital, and the right to receive income, accept losses, and incur liabilities.

(3) The terms on which membership interests are to be offered.

(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.

(5) The extent of the holding in the limited liability company of all underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.

(6) The remuneration to persons other than managers or members in excess of one hundred thousand dollars ($100,000) per annum.

(7) Bonus and profit-sharing arrangements.

(8) Management, consulting, and service contracts related to the operation of controlled gambling.

(9) Options existing or to be created.

(10) Financial statements for at least three fiscal years preceding the year of application, or, if the limited liability company has not been in existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally accepted accounting principles and audited by a licensee of the California Board of Accountancy in accordance with generally accepted auditing standards.

(11) Any further financial data that the department reasonably deems necessary or appropriate for the protection of the state.

(12) An annual profit-and-loss statement and an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after the return is filed with the Internal Revenue Service.

19891. Certificate of Limited Partnership; Purposes to Include Conduct of Gambling

No limited partnership is eligible to receive a license to own a gambling enterprise unless the conduct of gambling is among the purposes stated in the certificate of limited partnership.

19892. Approval of Sale or Transfer of Interest; License Denial to Interest Owner

(a) The purported sale, assignment, transfer, pledge, or other disposition of any interest in a partnership or limited liability company that holds a gambling license, or

the grant of an option to purchase the interest, is void unless approved in advance by the commission.

(b) If at any time the commission denies a license to, or revokes the license of, an individual owner of any interest described in subdivision (a), the commission shall immediately notify the individual and the partnership or limited liability company of that fact. The individual denied a license, or whose license is revoked, shall sell his or her interest in an amount not greater than fair market value, within 60 calendar days of the denial or revocation. Upon a showing of due diligence, the commission may extend the time for selling the security.

(c) Beginning upon the date when the commission serves a notice of denial upon the limited partnership or limited liability company, it is unlawful for the denied owner of the interest to do any of the following:

(1) Receive any share of the revenue or interest upon the partnership or limited liability company interest, except distributions equal to the good faith estimate of the owner's personal share of any income tax due on the ownership interest until the date of the sale as determined in writing by an independent certified public accountant.

(2) Exercise, directly or through any trustee or nominee, any voting right conferred by that interest.

(3) Receive any remuneration in any form from the partnership, for services rendered or for any other purpose.

(d) Every certificate of limited partnership of any limited partnership or limited liability company holding a gambling license shall contain a statement of the restrictions imposed by this section.

19893. Individual Licenses; Application Period

To the extent required by this chapter, general partners, limited partners, lenders, members, managers, holders of evidence of indebtedness, underwriters, agents, or employees of a partnership or limited liability company that holds or applies for a license to own a gambling enterprise shall be licensed individually. The partnership or limited liability company shall require these persons to apply for and obtain a gambling license. A person who is required to be licensed by this section as a partner, manager, or member shall not hold that position until he or she secures the required approval of, or a temporary license issued by, the commission. A person who is required to be licensed pursuant to a decision of the commission shall apply for a license within 30 days after the commission requests him or her to do so.

ARTICLE 7. RESTRICTIONS ON CERTAIN TRANSACTIONS

19900. ENFORCEMENT OF SECURITY INTERESTS; REGULATIONS; COMPLIANCE AND APPROVAL

(a) Except as may be provided by regulation of the commission, the following security interests shall not be enforced without the prior approval of the commission and compliance with regulations adopted pursuant to subdivision (b):

(1) In a security issued by a corporation that is a holder of a gambling license in this state.

(2) In a security issued by a holding company that is not a publicly traded corporation.

(3) In a security issued by a partnership, limited partnership, or limited liability company that is a holder of a gambling license in this state.

(b) The commission shall adopt regulations establishing the procedure for the enforcement of a security interest. Any remedy provided by the regulations for the enforcement of the security interest is in addition to any other remedy provided by law.

19901. AGREEMENTS WITH LICENSEE

It is unlawful for any person to sell, purchase, lease, hypothecate, borrow or loan money, or create a voting trust agreement or any other agreement of any sort to, or with, any licensee in connection with any controlled gambling operation licensed under this chapter or with respect to any portion of the gambling operation, except in accordance with the regulations of the commission.

19902. CONTRACTS TO SELL OR LEASE PROPERTY OR INTEREST IN PROPERTY

When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall not specify a closing date for the transaction that is earlier than the expiration of 90 calendar days after the submission of the completed application for approval for licensing. Any provision of a contract that specifies an earlier closing date is void for all purposes, but the invalidity does not affect the validity of any other provision of the contract.

19903. CONTRACTS TO SELL OR LEASE PROPERTY; REQUIRED CONTRACT PROVISION

When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall contain a provision satisfactory to the commission regarding responsibility for the payment of any fees due pursuant to any subsequent deficiency determinations made

under this chapter that shall encompass any period of time before the closing date of the transaction.

19904. Disposition of or Option to Purchase Security; Void Unless Approved

The purported sale, assignment, transfer, pledge, or other disposition of any security issued by a corporation that holds a gambling license, or the grant of an option to purchase that security, is void unless approved in advance by the commission.

19905. Extension or Redemption of Credit

Every owner licensee that is involved in a transaction for the extension or redemption of credit by the licensee, or for the payment, receipt, or transfer of coin, currency, or other monetary instruments, as specified by the commission, in an amount, denomination, or amount and denomination, or under circumstances prescribed by regulations, and any other participant in the transaction, as specified by the commission, shall, if required by regulation, make and retain a record of, or file with the department a report on, the transaction, at the time and in the manner prescribed by regulations.

Article 8. Work Permits

19910. Legislative Findings

The Legislature finds that to protect and promote the health, safety, good order, and general welfare of the inhabitants of this state, and to carry out the policy declared by this chapter, it is necessary that the department ascertain and keep itself informed of the identity, prior activities, and present location of all gambling enterprise employees and independent agents in the State of California, and when appropriate to do so, recommend to the commission for approval persons for employment in gambling establishments as provided in this article.

19911. Eligibility; Age

No person under the age of 21 years shall be eligible for a work permit and no permit shall be issued to a person under the age of 21 years.

19912. Work Permit Application; Issuance or Denial; Procedures

(a) (1) A person shall not be employed as a gambling enterprise employee, or serve as an independent agent, except as provided in paragraph (2), unless he or she is the holder of one of the following:

(A) A valid work permit issued in accordance with the applicable ordinance or regulations of the county, city, or city and county in which his or her duties are performed.

(B) A work permit issued by the commission pursuant to regulations adopted by the commission for the issuance and renewal of work permits. A work permit issued by the commission shall be valid for two years.

(2) An independent agent is not required to hold a work permit if he or she is not a resident of this state and has registered with the department in accordance with regulations.

(b) A work permit shall not be issued by any city, county, or city and county to any person who would be disqualified from holding a state gambling license for the reasons specified in subdivisions (a) to (g), inclusive, of Section 19859.

(c) The department may object to the issuance of a work permit by a city, county, or city and county for any cause deemed reasonable by the department, and if the department objects to issuance of a work permit, the work permit shall be denied.

(1) The commission shall adopt regulations specifying particular grounds for objection to issuance of, or refusal to issue, a work permit.

(2) The ordinance of any city, county, or city and county relating to issuance of work permits shall permit the department to object to the issuance of any permit.

(3) Any person whose application for a work permit has been denied because of an objection by the department may apply to the commission for an evidentiary hearing in accordance with regulations.

(d) Application for a work permit for use in any jurisdiction where a locally issued work permit is not required by the licensing authority of a city, county, or city and county shall be made to the commission, and may be granted or denied for any cause deemed reasonable by the commission. If the commission denies the application, it shall include in its notice of denial a statement of facts upon which it relied in denying the application. Upon receipt of an application for a work permit, the commission may issue a temporary work permit for a period not to exceed 120 days, pending completion of the background investigation by the department and official action by the commission with respect to the work permit application.

(e) An order of the commission denying an application for, or placing restrictions or conditions on, a work permit, including an order declining to issue a work permit following review pursuant to paragraph (3) of subdivision (c), may be reviewed in accordance with subdivision (e) of Section 19870.

19913. Order of Summary Suspension; Content; Hearing

(a) The commission may issue an order summarily suspending a person's work permit, whether issued by a city, county, or city and county, or by the commission, upon a finding that the suspension is necessary for the immediate preservation of the public peace, health, safety, or general welfare. The order is effective when served upon the holder of the permit.

(b) The order of summary suspension shall state facts upon which the finding of necessity for the suspension is based. For the purposes of this section, the order of summary suspension shall be deemed an accusation.

(c) An order of summary suspension shall be signed by at least three members of the commission.

(d) The person whose work permit is summarily suspended has a right to a hearing to commence not more than 30 calendar days from the date of service of the suspension.

19914. Revocation of Permit; Grounds; Hearing

(a) The commission may revoke a work permit or, if issued by the licensing authority of a city, county, or city and county, notify the authority to revoke it, and the licensing authority shall revoke it, if the commission finds, after a hearing, that a gambling enterprise employee or independent agent has failed to disclose, misstated, or otherwise misled the department or the commission with respect to any fact contained in any application for a work permit, or if the commission finds that the employee or independent agent, subsequent to being issued a work permit, has done any of the following:

(1) Committed, attempted, or conspired to do any acts prohibited by this chapter.

(2) Engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, or knowingly possessed or permitted to remain in or upon any premises any cards, dice, mechanical devices, or any other cheating device.

(3) Concealed or refused to disclose any material fact in any investigation by the department.

(4) Committed, attempted, or conspired to commit, any embezzlement or larceny against a gambling licensee or upon the premises of a gambling establishment.

(5) Been convicted in any jurisdiction of any offense involving or relating to gambling.

(6) Accepted employment without prior commission approval in a position for which he or she could be required to be licensed under this chapter after having been denied a license or after failing to apply for licensing when requested to do so by the commission.

(7) Been refused the issuance of any license, permit, or approval to engage in or be involved with gambling or parimutuel wagering in any jurisdiction, or had the license, permit, or approval revoked or suspended.

(8) Been prohibited under color of governmental authority from being present upon the premises of any licensed gambling establishment or any establishment where parimutuel wagering is conducted, for any reason relating to improper gambling activities or any illegal act.

(9) Been convicted of any felony.

(b) The commission shall revoke a work permit if it finds, after hearing, that the holder thereof would be disqualified from holding a state gambling license for the reasons specified in subdivision (f) or (g) of Section 19859.

(c) Nothing in this section shall be construed to limit any powers of the commission with respect to licensing.

19915. Fee

The fee for a work permit issued by the commission shall be not less than twenty-five dollars ($25) or more than two hundred fifty dollars ($250).

Article 9. Conditions of Operations

19920. Protection of Public Health, Safety, and General Welfare; Disciplinary Action

It is the policy of the State of California to require that all establishments wherein controlled gambling is conducted in this state be operated in a manner suitable to protect the public health, safety, and general welfare of the residents of the state. The responsibility for the employment and maintenance of suitable methods of operation rests with the owner licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable by the commission or by local government shall constitute grounds for license revocation or other disciplinary action.

19921. Persons Under 21; Areas of Access

(a) No person under 21 years of age shall be permitted to enter upon the premises of a licensed gambling establishment, or any part thereof, except the following:

(1) An area, physically separated from any gambling area, for the exclusive purpose of dining. For purposes of this subdivision, any place wherein food or beverages are dispensed primarily by vending machines shall not constitute a place for dining.

(2) Restrooms.

(3) A supervised room that is physically separated from any gambling area and used primarily for the purpose of entertainment or recreation.

(4) A designated pathway to reach any of the areas described in paragraphs (1) to (3), inclusive. To the extent that the designated pathway requires an individual to enter upon or pass through the gaming floor, all persons under 21 years of age shall be accompanied by a person over 21 years of age or be in the presence of a gambling establishment employee over 21 years of age.

(b) No person under 21 years of age shall be permitted to loiter in a gaming area.

19922. Violation of Chapter Provisions or Regulations

No owner licensee shall operate a gambling enterprise in violation of any provision of this chapter or any regulation adopted pursuant to this chapter.

19923. Violation of Local Ordinance

No owner licensee shall operate a gambling enterprise in violation of any governing local ordinance.

19924. Security Controls; Approval of Commission

Each owner licensee shall maintain security controls over the gambling premises and all operations therein related to gambling, and those security controls are subject to the approval of the commission.

Article 10. Disciplinary Actions

19930. Investigations; Fines or Penalties; Cost Recovery

(a) The department shall make appropriate investigations as follows:

(1) Determine whether there has been any violation of this chapter or any regulations adopted thereunder.

(2) Determine any facts, conditions, practices, or matters that it may deem necessary or proper to aid in the enforcement of this chapter or any regulation adopted thereunder.

(3) To aid in adopting regulations.

(4) To secure information as a basis for recommending legislation relating to this chapter.

(b) If, after any investigation, the department is satisfied that a license, permit, finding of suitability, or approval should be suspended or revoked, it shall file an accusation with the commission in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) In addition to any action that the commission may take against a license, permit, finding of suitability, or approval, the commission may also require the payment of fines or penalties. However, no fine imposed shall exceed twenty thousand dollars ($20,000) for each separate violation of any provision of this chapter or any regulation adopted thereunder.

(d) In any case in which the administrative law judge recommends that the commission revoke, suspend, or deny a license, the administrative law judge may, upon presentation of suitable proof, order the licensee or applicant for a license to pay the department the reasonable costs of the investigation and prosecution of the case.

(1) The costs assessed pursuant to this subdivision shall be fixed by the administrative law judge and may not be increased by the commission. When the commission does not adopt a proposed decision and remands the case to the administrative law judge, the administrative law judge may not increase the amount of any costs assessed in the proposed decision.

(2) The department may enforce the order for payment in the superior court in the county in which the administrative hearing was held. The right of enforcement shall be in addition to any other rights that the department may have as to any licensee directed to pay costs.

(3) In any judicial action for the recovery of costs, proof of the commission's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.

(e) Notwithstanding any other provision of law, all costs recovered under this section shall be deposited in the fines and penalties account, a special account described in subdivision (a) of Section 19950.

(f) For purposes of this section, "costs" include costs incurred for any of the following:

(1) The investigation of the case by the department.

(2) The preparation and prosecution of the case by the Office of the Attorney General.

19931. Emergency Orders; Grounds; Action; Period of Effectiveness; Accusation; Hearing

(a) The department may issue any emergency orders against an owner licensee or any person involved in a transaction requiring prior approval that the department deems reasonably necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(b) The emergency order shall set forth the grounds upon which it is based, including a statement of facts constituting the alleged emergency necessitating the action.

(c) The emergency order is effective immediately upon issuance and service upon the owner licensee or any agent of the licensee registered with the department for receipt of service, or, in cases involving prior approval, upon issuance and service upon the person or entity involved, or upon an agent of that person or entity authorized to accept service of process in this state. The emergency order may suspend, limit, condition, or take other action in relation to the license of one or more persons in an operation without affecting other individual licensees, registrants, or the licensed gambling establishment. The emergency order remains effective until further order of the commission or final disposition of any proceeding conducted pursuant to subdivision (d).

(d) Within two calendar days after issuance of an emergency order, the department shall file an accusation with the commission against the person or entity involved. Thereafter, the person or entity against whom the emergency order has been issued and served is entitled to a hearing which, if so requested, shall commence within 10 business days of the date of the request if a gambling operation is closed by the order, and in all other cases, within 30 calendar days of the date of the request. On application of the department, and for good cause shown, a court may extend the time within which a hearing is required to be commenced, upon those terms and conditions that the court deems equitable.

19932. Judicial Review; Denial or Issuance of Alternative Writ

(a) Any person aggrieved by a final decision or order of the commission that limits, conditions, suspends, or revokes any previously granted license or approval, made after hearing by the commission, may petition the Superior Court for the County of Sacramento for judicial review pursuant to Section 1094.5 of the Code of Civil Procedure and Section 11523 of the Government Code. Notwithstanding any other provision of law, the standard set forth in paragraph (1) of subdivision (h) of Section 1094.5 of the Code of Civil Procedure shall apply for obtaining a stay of the operation of a final decision or order of the commission. In every case where it is claimed that the findings are not supported by the evidence, abuse of discretion is established if the court

determines that the findings are not supported by substantial evidence in light of the whole record.

(b) The court may summarily deny the petition, or the court may issue an alternative writ directing the commission to certify the whole record in the case to the court within a time specified. No new or additional evidence shall be introduced in the court, but, if an alternative writ issues, the cause shall be heard on the whole record as certified by the commission.

(c) In determining the cause following issuance of an alternative writ, the court shall enter judgment affirming, modifying, or reversing the order of the commission, or the court may remand the case for further proceedings before, or reconsideration by, the commission.

(d) Except as otherwise provided in Section 19870 and subdivision (e) in Section 19912, this section provides the exclusive means to review adjudicatory decisions of the commission.

ARTICLE 11. PENALTIES

19940. LIST OF PERSONS TO BE EXCLUDED OR EJECTED FROM ESTABLISHMENT; VIOLATION ON ENTRY

Any person included on the list of persons to be excluded or ejected from a gambling establishment pursuant to this chapter is guilty of a misdemeanor if he or she thereafter knowingly enters the premises of a licensed gambling establishment.

19941. PERSONS UNDER 21; VIOLATIONS; DEFENSE

(a) A person under the age of 21 years shall not do any of the following:

(1) Play, be allowed to play, place wagers at, or collect winnings from, whether personally or through an agent, any gambling game.

(2) Be employed as an employee in a licensed gambling establishment except in a parking lot, coffee shop, restaurant, business office, or other similar room, as determined by regulations, wherein no gambling activity or activity directly associated with gambling takes place.

(3) Present or offer to any licensee, or to an agent of a licensee, any written, printed, or photostatic evidence of age and identity that is false, fraudulent, or not actually his or her own for the purpose of doing any of the things described in paragraphs (1) and (2).

(4) Loiter in or about any room in which any gambling game is operated or conducted.

(b) Any licensee or employee in a gambling establishment who violates or permits the violation of paragraphs (1) to (3), inclusive, of subdivision (a) is guilty of a misdemeanor.

(c) Any person under 21 years of age who violates this section is guilty of a misdemeanor.

(d) Proof that a licensee, or agent or employee of a licensee, demanded, was shown, and acted in reliance upon bona fide evidence of age and identity shall be a defense to any criminal prosecution under this section or to any proceeding for the suspension or revocation of any license or work permit based thereon. For the purposes of this section, "bona fide evidence of age and identity" means a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license or an identification card issued to a member of the armed forces, that contains the name, date of birth, description, and picture of the person.

19942. License Fees; Violation; General Penalty

(a) Any person who willfully fails to report, pay, or truthfully account for and pay over any license fee imposed by this chapter, or who willfully attempts in any manner to evade or defeat the license fee or payment thereof, shall be punished by imprisonment in a county jail, by a fine of not more than five thousand dollars ($5,000), or by both that imprisonment and fine.

(b) Any person who willfully violates any of the provisions of this chapter for which a penalty is not expressly provided, is guilty of a misdemeanor.

19943. Failure to Comply with Regulations Adopted Pursuant to Section 19841(d); Violations

(a) Except as specified in subdivision (c), this section applies to any person or business that is engaged in controlled gambling, whether or not licensed to do so.

(b) Any person or business described in subdivision (a), with actual knowledge of the requirements of regulations adopted by the commission pursuant to subdivision (d) of Section 19841, that knowingly and willfully fails to comply with the requirements of those regulations shall be liable for a monetary penalty. The commission may impose a monetary penalty for each violation. However, in the first proceeding that is initiated pursuant to this subdivision, the penalties for all violations shall not exceed a total sum of ten thousand dollars ($10,000). If a penalty was imposed in a prior proceeding before the commission, the penalties for all violations shall not exceed a total sum of twenty-five thousand dollars ($25,000). If a penalty was imposed in two or more prior proceedings before the commission, the penalties for all violations shall not exceed a total sum of one hundred thousand dollars ($100,000).

(c) This section does not apply to any case where the person is criminally prosecuted in federal or state court for conduct related to a violation of Section 14162 of the Penal Code.

19944. Interference with Performance of Duties

Any person who willfully resists, prevents, impedes, or interferes with the department or the commission or any of their agents or employees in the performance of duties pursuant to this chapter is guilty of a misdemeanor, punishable by imprisonment in a county jail for not more than six months, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine.

Article 12. Revenues

19950. Disposition of Fines and Penalties; Disposition of Fees and Revenues; Expenditure

(a) All fines and penalties collected pursuant to this chapter shall be deposited in a special account in the General Fund, and, upon appropriation, may be expended by the Department of Justice to offset costs incurred pursuant to this chapter.

(b) Except as otherwise provided in subdivision (a), all fees and revenue collected pursuant to this chapter shall be deposited in the Gambling Control Fund, which is hereby created in the State Treasury. The funds deposited in the Gambling Control Fund shall be available, upon appropriation by the Legislature, for expenditure by the department and commission exclusively for the support of the department and commission in carrying out their duties and responsibilities under this chapter.

19951. Fees

(a) Every application for a license or approval shall be accompanied by a nonrefundable fee, the amount of which shall be adopted by regulation on or before January 1, 2009. The adopted fee shall not exceed one thousand two hundred dollars ($1,200). Prior to adoption of the regulation, the nonrefundable application fee shall be five hundred dollars ($500).

(b) (1) Any fee paid pursuant to this section, including all licenses issued to key employees and other persons whose names are endorsed upon the license, shall be assessed against the gambling license issued to the owner of the gambling establishment. This paragraph shall not apply to key employee licenses issued on and after January 1, 2009, or the implementation of regulations establishing a personal key employee license adopted pursuant to Section 19854, whichever is sooner.

(2) (A) The fee for initial issuance of a state gambling license shall be an amount determined by the commission in accordance with regulations adopted pursuant to this chapter.

(B) The fee for the renewal of a state gambling license shall be determined pursuant to the schedule in subdivision (c) or the schedule in subdivision (d), whichever amount is greater.

(C) The holder of a provisional license shall pay an annual fee pursuant to the schedule in subdivision (c).

(c) The schedule based on the number of tables is as follows:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars ($300) for each table.

(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars ($550) for each table.

(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred ($1,300) for each table.

(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred ($2,700) for each table.

(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars ($4,000) for each table.

(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars ($4,700) for each table.

(d) Without regard to the number of tables at which games may be played pursuant to a gambling license, if, at the time of any license renewal, or when a licensee is required to pay the fee described in subparagraph (C) of paragraph (2) of subdivision (b), it is determined that the gross revenues of an owner licensee during the licensee's previous fiscal year fell within the following ranges, the annual fee shall be as follows:

(1) For a gross revenue of two hundred thousand dollars ($200,000) to four hundred ninety-nine thousand nine hundred ninety-nine dollars ($499,999), inclusive, the amount specified by the department pursuant to paragraph (2) of subdivision (c).

(2) For a gross revenue of five hundred thousand dollars ($500,000) to one million nine hundred ninety-nine thousand nine hundred ninety-nine dollars ($1,999,999), inclusive, the amount specified by the department pursuant to paragraph (3) of subdivision (c).

(3) For a gross revenue of two million dollars ($2,000,000) to nine million nine hundred ninety-nine thousand nine hundred ninety-nine dollars

($9,999,999), inclusive, the amount specified by the department pursuant to paragraph (4) of subdivision (c).

(4) For a gross revenue of ten million dollars ($10,000,000) to twenty-nine million nine hundred ninety-nine thousand nine hundred ninety-nine ($29,999,999), the amount specified by the department pursuant to paragraph (5) of subdivision (c).

(5) For a gross revenue of thirty million dollars ($30,000,000) or more, the amount specified by the department pursuant to paragraph (6) of subdivision (c).

(e) The commission may provide for payment of the annual gambling license fee on an annual or installment basis.

(f) For the purposes of this section, each table at which a game is played constitutes a single game table.

(g) It is the intent of the Legislature that the fees paid pursuant to this section are sufficient to enable the department and the commission to fully carry out their duties and responsibilities under this chapter.

19952. Special License Fee; Excess Tables for Tournaments and Special Events

The commission, by regulation, shall establish fees for special licenses authorizing irregular operation of tables in excess of the total number of tables otherwise authorized to a licensed gambling establishment, for tournaments and other special events.

19953. License Tax; Imposition by City, County, or City and County

Nothing contained in this chapter shall be deemed to restrict or limit the power of any city, county, or city and county to fix, impose, and collect a license tax.

19954. Gambling Addiction Program Fund

In addition to those fees required pursuant to Section 19951, each licensee shall pay an additional one hundred dollars ($100) for each table for which it is licensed to the Department of Alcohol and Drug Programs for deposit in the Gambling Addiction Program Fund, which is hereby established to benefit those who have a gambling addiction problem. These funds shall be made available, upon appropriation by the Legislature, to community-based organizations that directly provide aid and assistance to those persons with a gambling addiction problem.

19955. Late Payment of Fees

If an owner licensee fails to make timely payment of annual fees required under subparagraph (B) of paragraph (2) of subdivision (b) of Section 19951, the commission may order the temporary closure of the gambling establishment for up to 90 days after the payment due date, after which time, if the fees, or any portion thereof, remain unpaid, the gambling establishment's state gambling license shall be deemed surrendered.

Article 13. Local Governments

19960. Issuance of Gambling License; Conditions

This chapter shall not prohibit the enactment, amendment, or enforcement of any ordinance by any city, county, or city and county relating to licensed gambling establishments that is not inconsistent with this chapter. No city, county, or city and county shall issue a gambling license with respect to any gambling establishment unless one of the following is true:

(a) The gambling establishment is located in a city, county, or city and county wherein, after January 1, 1984, an ordinance was adopted by the electors of the city, county, or city and county, in an election conducted pursuant to former Section 19819 of the Business and Professions Code, as that section read immediately before its repeal by the act that enacted this chapter.

(b) The gambling establishment is located in a city, county, or city and county wherein, prior to January 1, 1984, there was in effect an ordinance that expressly authorized the operation of one or more cardrooms.

(c) After the effective date of this chapter, a majority of the electors voting thereon affirmatively approve a measure permitting controlled gambling within that city, county, or city and county.

(1) The measure to permit controlled gambling shall appear on the ballot in substantially the following form: "Shall licensed gambling establishments in which any controlled games permitted by law, such as draw poker, low-ball poker, panguine (pan), seven-card stud, or other lawful card games or tile games, are played, be allowed in _____? Yes ____ No ____."

(2) In addition, the initial implementing ordinances shall be drafted and appear in full on the sample ballot and shall set forth at least all of the following:

(A) The hours of operation.

(B) The games to be played.

(C) The wagering limits.

(D) The maximum number of gambling establishments permitted by the ordinance.

(E) The maximum number of tables permitted in each gambling establishment.

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

19961. Expansion of Gambling; Ordinance Amendment; Ballot Measure

(a) (1) Except as provided in paragraph (2), on or after the effective date of this chapter, any amendment to any ordinance that would result in an expansion of gambling in the city, county, or city and county, shall not be valid unless the amendment is submitted for approval to the voters of the city, county, or city and county, and is approved by a majority of the electors voting thereon.

(2) Notwithstanding paragraph (1) and Section 19962, an ordinance may be amended without the approval of the electors after the effective date of this chapter to expand gambling by a change that results in an increase of less than 25 percent with respect to any of the matters set forth in paragraphs (1), (2), (3), and (5) of subdivision (b). Thereafter, any additional expansion shall be approved by a majority of the electors voting thereon.

(b) For the purposes of this article, "expansion of gambling" means, when compared to that authorized on January 1, 1996, or under an ordinance adopted pursuant to subdivision (a) of Section 19960, whichever is the lesser number, a change that results in any of the following:

(1) An increase of 25 percent or more in the number of gambling tables in the city, county, or city and county.

(2) An increase of 25 percent or more in the number of licensed card rooms in the city, county, or city and county.

(3) An increase of 25 percent or more in the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

(4) The authorization of any additional form of gambling, other than card games, that may be legally played in this state, to be played at a gambling establishment in the city, county, or city and county.

(5) An increase of 25 percent or more in the hours of operation of a gambling establishment in the city, county, or city and county.

(c) The measure to expand gambling shall appear on the ballot in substantially the following form:

> "Shall gambling be expanded in ____ beyond that operated or authorized on January 1, 1996, by ____ (describe expansion)? Yes ____ No ____."

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

(e) Increasing the number of games offered in a gambling establishment does not constitute an expansion of gambling pursuant to this section.

(f) No city, county, or city and county shall amend its ordinance in a cumulative manner to increase gambling by more than 25 percent for the factors listed in subdivision (b), when compared to that authorized on January 1, 1996, without conducting an election pursuant to this section.

19961.06. Additional Gambling Tables

Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase by two the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county, compared to the ordinance that was in effect on January 1, 2010. A city, county, or city and county may exercise this authority provided by this section only one time, but this authority shall be in addition to any authorization under any other law for a city, county, or city and county to increase the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

19961.1. Department Review of Ordinance Amendments

Any amendment to a city or county ordinance relating to gambling establishments, or the Gambling Control Act, shall be submitted to the department for review and comment, before the ordinance is adopted by the city or county.

19962. Authorization and Expansion of Legal Gambling

(a) On and after the effective date of this chapter, neither the governing body nor the electors of a county, city, or city and county that has not authorized legal gaming within its boundaries prior to January 1, 1996, shall authorize legal gaming.

(b) An ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county may not be amended to expand gaming in that jurisdiction beyond that permitted on January 1, 1996.

(c) This section shall become operative on January 1, 2010.

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

19963. Limitations of Issuance of Gambling License

(a) In addition to any other limitations on the expansion of gambling imposed by Section 19962 or any provision of this chapter, the commission may not issue a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, unless an application to operate that establishment was on file with the department prior to September 1, 2000.

(b) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

19964. Local License; Owner Licensee Qualification; Duty to Issue

No city, county, or city and county may grant, or permit to continue in effect, a license to deal, operate, carry on, conduct, maintain, or expose for play any controlled game to any applicant or holder of a local license unless the applicant or local licensee is an owner licensee as defined in this chapter. However, the issuance of a state gambling license to a person imposes no requirements upon the city, county, or city and county to issue a license to the person.

19965. Authorization and Expansion of Legal Gambling; Exception; Increase in Number of Tables

Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase the number of gambling tables that may be operated in a gambling establishment as follows:

(a) If the ordinance in effect on July 1, 2007, provided for five to eight tables, inclusive, the amended ordinance may allow an increase of three tables.

(b) If the ordinance in effect on July 1, 2007, provided for nine to 12 tables, inclusive, the amended ordinance may allow an increase of four tables.

19966. Authorization of Legal Gambling; Annexation

If a gambling establishment is located in an unincorporated area annexed by a city, notwithstanding Section 19960 or 19962, without a local election other than the

election to approve the annexation, the city acquiring jurisdiction may adopt an ordinance permitting and regulating controlled gaming in the existing gambling establishment, providing hours of operation, the games to be played, wagering limits, the maximum number of gambling establishments, and the maximum number of tables permitted in each gambling establishment, the same as those limits in any ordinance or resolutions that formerly applied to the gambling establishment. Where this article refers to an expansion of gaming as compared to that permitted on January 1, 1996, for the purposes of this section, that reference shall be to the ordinance or resolutions that governed the gambling establishment as of that date.

ARTICLE 14. MISCELLANEOUS PROVISIONS

19970. SEVERABILITY OF INVALID PROVISION

If any clause, sentence, paragraph, or part of this chapter, for any reason, is adjudged by a court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of this chapter and the application thereof to other persons or circumstances, but shall be confined to the operation of the clause, sentence, paragraph, or part thereof directly involved in the controversy in which the judgment was rendered and to the person or circumstances involved.

19971. CONSTRUCTION OF ACT

This act is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes.

19972. STATE GAMBLING LICENSE ISSUANCE; CONSTRUCTION FOR PURPOSES OF CIVIL CODE SECTION 3482

For the purposes of Section 3482 of the Civil Code, the issuance of a state gambling license shall not be construed to authorize any conduct or activity other than the conduct of controlled gambling.

ARTICLE 15. ADDITIONAL RESTRICTIONS RELATED TO FAIR ELECTIONS AND CORRUPTION OF REGULATORS

19980. LEGISLATIVE FINDINGS AND DECLARATIONS

(a) The Legislature finds and declares that there is a compelling governmental interest in ensuring that elections conducted pursuant to Section 19960 are conducted fairly and that electors in those elections are presented with fair and balanced arguments in support of and in opposition to the existence of gambling establishments. Large contributions by gambling operators or prospective gambling operators who will be financially interested in the outcome of the election often unfairly distort the context in which those elections take place.

(b) In California, in other states, and in other countries, there is ample historical evidence of the potential for revenues derived from gambling to be used to corrupt political officials in the regulation or prosecution of crimes related to gambling activities, embezzlement, and money laundering.

(c) This article is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of this state.

19981. Former Employee: Representation Before Commission or Department; Campaign Contributions

(a) A member of the commission, the executive director, the chief, and any employee of the commission or department designated by regulation, shall not, for a period of three years after leaving office or terminating employment, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before the commission or the department, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, or approval.

(b) A member of the commission shall not solicit or accept campaign contributions from any person, including any applicant or licensee.

19982. Campaign Finance Disclosure of Contribution Limitations; Licensees and Applicants; Violations

(a) A license may be denied, suspended, or revoked if the applicant or licensee, within three years prior to the submission of the license or renewal application, or any time thereafter, violates any law or ordinance with respect to campaign finance disclosure or contribution limitations applicable to an election that is conducted pursuant to Section 19960, former Section 19950, or pursuant to former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter.

(1) The remedies specified herein are in addition to any other remedy or penalty provided by law.

(2) Any final determination by the Fair Political Practices Commission that the applicant did not violate any provision of state law within its jurisdiction shall be binding on the commission.

(3) Any final determination by a city or county governmental body having ultimate jurisdiction over the matter that the applicant did not violate an ordinance with respect to campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read

immediately prior to its repeal by the act that enacted this chapter, shall be binding on the commission.

(b) Every applicant for a gambling license, or any renewal thereof, shall file with the department, at the time the license application or renewal is filed, the following information:

(1) Any statement or other document required to be filed with the Fair Political Practices Commission relative to an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.

(2) Any statement or other document required to be filed with any local jurisdiction respecting campaign finance disclosure or contribution limitations applicable to an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.

(3) A report of any contribution of money or thing of value, in excess of one hundred dollars ($100), made to any committee, as defined by Section 82013 of the Government Code, associated with any election that is conducted pursuant to Section 19960, former Section19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.

(4) A report of any other significant involvement by the applicant or licensee in an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.

(c) The commission shall adopt regulations to implement this section.

19983. Severability of Invalid Provision; Conflict or Inconsistency with Political Reform Act of 1974

It is the intent of the Legislature that if any provision of this article is adjudged by a court to be invalid because of any conflict or inconsistency with the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code), as amended, that judgment shall not affect, impair, or invalidate any other provision of this

chapter and the application thereof to other persons or circumstances, but shall be confined to the operation of the clause, sentence, paragraph, or part thereof directly involved in the controversy in which the judgment was rendered and to the person or circumstances involved.

ARTICLE 16. ADDITIONAL CONTRACTS: PROPOSITION PLAYERS

19984. CONTRACTS FOR PROVIDING PROPOSITION PLAYER SERVICES

Notwithstanding any other provision of law, a licensed gambling enterprise may contract with a third party for the purpose of providing proposition player services at a gambling establishment, subject to the following conditions:

(a) Any agreement, contract, or arrangement between a gambling enterprise and a third-party provider of proposition player services shall be approved in advance by the department, and in no event shall a gambling enterprise or the house have any interest, whether direct or indirect, in funds wagered, lost, or won.

(b) The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition player services to gambling establishments pursuant to this section, including owners, supervisors, and players. Those employed by a third-party provider of proposition player services, including owners, supervisors, observers, and players, shall wear a badge which clearly identifies them as proposition players whenever they are present within a gambling establishment. The commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state, and may assess and collect reasonable fees and deposits as necessary to defray the costs of providing this regulation and oversight.

(c) The department, pursuant to regulations of the commission, is empowered to perform background checks, financial audits, and other investigatory services as needed to assist the commission in regulating third party providers of proposition player services, and may assess and collect reasonable fees and deposits as necessary to defray the costs of providing this regulation and oversight. The department may adopt emergency regulations in order to implement this subdivision.

(d) No agreement or contract between a licensed gambling enterprise and a third party concerning the provision of proposition player services shall be invalidated or prohibited by the department pursuant to this section until the commission establishes criteria for, and makes determinations regarding the licensure or registration of, the provision of these services pursuant to subdivision (b).

ARTICLE 17. NONPROFIT ORGANIZATION FUNDRAISERS

19985. LEGISLATIVE DECLARATIONS

The Legislature finds and declares the following:

(a) Nonprofit organizations provide important and necessary services to the people of the State of California with respect to educational and social services and there is a need to provide methods of fundraising to nonprofit organizations so as to enable them to meet their stated purposes.

(b) The playing of controlled games for the purpose of raising funds by nonprofit organizations is in the public interest.

(c) Uniform regulation for the conduct of controlled games is in the best interests of nonprofit organizations and the people of this state.

19986. CRITERIA FOR NONPROFIT ORGANIZATION FUNDRAISERS

(a) Notwithstanding any other provision of state law a nonprofit organization may conduct a fundraiser using controlled games as a funding mechanism to further the purposes and mission of the nonprofit organization.

(b) A nonprofit organization holding a fundraiser pursuant to subdivision (a) shall not conduct more than one fundraiser per calendar year, and each fundraiser shall not exceed five consecutive hours. Each fundraiser shall be preapproved by the department. Eligible nonprofit organizations that have multiple chapters may hold one fundraiser per chapter per calendar year.

(c) No cash prizes or wagers may be awarded to participants, however, the winner of each controlled game may be entitled to a prize from those donated to the fundraiser. An individual prize awarded to each winner shall not exceed a cash value of five hundred dollars ($500). For each event, the total cash value of prizes awarded shall not exceed five thousand dollars ($5,000).

(d) At least 90 percent of the gross revenue from the fundraiser shall go directly to a nonprofit organization. Compensation shall not be paid from revenues required to go directly to the nonprofit organization for the benefit of which the fundraiser is conducted, and no more than 10 percent of the gross receipts of a fundraiser may be paid as compensation to the preclude an eligible organization from using funds from sources other than the gross revenue of the fundraiser to pay for the administration or other costs of conducting the fundraiser.

(e) An eligible nonprofit organization shall not conduct a fundraiser authorized by this section, unless it has been in existence and operation for at least three years and

registers annually with the department. The department shall furnish a registration form on its Internet Web site or, upon request, to eligible nonprofit organizations. The department shall, by regulation, collect only the information necessary pursuant to this section on this form. This information shall include, but is not limited to, the following:

(1) The name and address of the eligible organization.

(2) The federal tax identification number, the corporate number issued by the Secretary of State, the organization number issued by the Franchise Tax Board, or the California charitable trust identification number of the eligible organization.

(3) The name and title of a responsible fiduciary of the organization.

(f) The department shall adopt regulations necessary to effectuate this section, including emergency regulations, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(g) The nonprofit organization shall maintain records for each fundraiser using controlled games, which shall include:

(1) An itemized list of gross receipts for the fundraiser.

(2) An itemized list of recipients of the net profit of the fundraiser, including the name, address, and purpose for which fundraiser proceeds are to be used.

(3) The number of persons who participated in the fundraiser.

(4) An itemized list of the direct cost incurred for each fundraiser.

(5) A list of all prizes awarded during each fundraiser.

(6) The date, hours, and location for each fundraiser held.

(h) As used in this article, “nonprofit organization” means an organization that has been qualified to conduct business in California for at least three years prior to conducting controlled games and is exempt from taxation pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code.

(i) The department may take legal action against a registrant if it determines that the registrant has violated this section or any regulation adopted pursuant to this section, or that the registrant has engaged in any conduct that is not in the best interest of the public’s health, safety, or general welfare. Any action taken pursuant to this subdivision

does not prohibit the commencement of an administrative or criminal action by the Attorney General, a district attorney, or county counsel.

(j) The department may require an eligible organization to pay an annual registration fee of up to one hundred dollars ($100) per year to cover the actual costs of the department to administer and enforce this section. The annual registration fees shall be deposited by the department into the Gambling Control Fund.

(k) No fundraiser permitted under this section may be conducted by means of, or otherwise utilize, any gaming machine, apparatus, or device that meets the definition of a slot machine contained in Section 330b or 330.1 of the Penal Code.

(l) No more than four fundraisers at the same location, even if sponsored by different nonprofit organizations, shall be permitted in any calendar year, except in rural areas where preapproved by the department. For purposes of this section, "rural" shall mean any county with an urban influence code, as established by the latest publication of the Economic Research Service of the United States Department of Agriculture, of "3" or more.

(m) The authority to conduct a fundraiser, as well as the type of controlled games, may be governed by local ordinance.

(n) No person shall be permitted to participate in the fundraiser unless that person is at least 21 years of age.

(o) No fundraiser permitted under this section may be operated or conducted over the Internet.

19987. Registration of Equipment Providers

(a) The department, by regulation or order, may require any person or entity set forth in subdivision (b), to register with the department.

(b) "Person or entity" means one who, directly or indirectly, manufactures, distributes, supplies, vends, leases, or otherwise provides, supplies, devices, or other equipment designed for use in the playing of controlled games by any nonprofit organization registered to conduct controlled games.

CALIFORNIA CONSTITUTION
ARTICLE IV, SECTION 19

(a) The Legislature has no power to authorize lotteries, and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit, casinos of the type currently operating in Nevada and New Jersey.

(f) Notwithstanding subdivisions (a) and (e), and any other provision of state law, the Governor is authorized to negotiate and conclude compacts, subject to ratification by the Legislature, for the operation of slot machines and for the conduct of lottery games and banking and percentage card games by federally recognized Indian tribes on Indian lands in California in accordance with federal law. Accordingly, slot machines, lottery games, and banking and percentage card games are hereby permitted to be conducted and operated on tribal lands subject to those compacts.

(f) Notwithstanding subdivision (a), the Legislature may authorize private, nonprofit, eligible organizations, as defined by the Legislature, to conduct raffles as a funding mechanism to provide support for their own or another private, nonprofit, eligible organization's beneficial and charitable works, provided that (1) at least 90 percent of the gross receipts from the raffle go directly to beneficial or charitable purposes in California, and (2) any person who receives compensation in connection with the operation of a raffle is an employee of the private nonprofit organization that is conducting the raffle. The Legislature, two-thirds of the membership of each house concurring, may amend the percentage of gross receipts required by this subdivision to be dedicated to beneficial or charitable purposes by means of a statute that is signed by the Governor.

GOVERNMENT CODE

CHAPTER 1. GOVERNOR

ARTICLE 2. POWERS AND DUTIES

12012.25. RATIFICATION OF TRIBAL-STATE GAMING COMPACTS; "1999 COMPACTS"

(a) The following tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The compact between the State of California and the Alturas Rancheria, executed on September 10, 1999.

(2) The compact between the State of California and the Barona Band of Mission Indians, executed on September 10, 1999.

(3) The compact between the State of California and the Big Sandy Rancheria Band of Mono Indians, executed on September 10, 1999.

(4) The compact between the State of California and the Big Valley Rancheria, executed on September 10, 1999.

(5) The compact between the State of California and the Bishop Paiute Tribe, executed on September 10, 1999.

(6) The compact between the State of California and the Blue Lake Rancheria, executed on September 10, 1999.

(7) The compact between the State of California and the Buena Vista Band of Me-wuk Indians, executed on September 10, 1999.

(8) The compact between the State of California and the Cabazon Band of Mission Indians, executed on September 10, 1999.

(9) The compact between the State of California and the Cahto Tribe of Laytonville, executed on September 10, 1999.

(10) The compact between the State of California and the Cahuilla Band of Mission Indians, executed on September 10, 1999.

(11)The compact between the State of California and the Campo Band of Mission Indians, executed on September 10, 1999.

(12)The compact between the State of California and the Chemehuevi Indian Tribe, executed on September 10, 1999.

(13)The compact between the State of California and the Chicken Ranch Rancheria, executed on September 10, 1999.

(14)The compact between the State of California and the Coast Indian Community of the Resighini Rancheria, executed on September 10, 1999.

(15)The compact between the State of California and the Colusa Indian Community, executed on September 10, 1999.

(16)The compact between the State of California and the Dry Creek Rancheria Band of Pomo Indians, executed on September 10, 1999.

(17)The compact between the State of California and the Elk Valley Rancheria, executed on September 10, 1999.

(18)The compact between the State of California and the Ewiiaapaayp Band of Kumeyaay, executed on September 10, 1999.

(19)The compact between the State of California and the Hoopa Valley Tribe, executed on September 10, 1999.

(20)The compact between the State of California and the Hopland Band of Pomo Indians, executed on September 10, 1999.

(21)The compact between the State of California and the Jackson Band of Mi-Wuk Indians, executed on September 10, 1999.

(22)The compact between the State of California and the Jamul Indian Reservation, executed on September 10, 1999.

(23)The compact between the State of California and the La Jolla Indian Reservation, executed on September 10, 1999.

(24)The compact between the State of California and the Manzanita Tribe of Kumeyaay Indians, executed on September 10, 1999.

(25)The compact between the State of California and the Mesa Grande Band of Mission Indians, executed on September 10, 1999.

(26)The compact between the State of California and the Middletown Rancheria Band of Pomo Indians, executed on September 10, 1999.

(27)The compact between the State of California and the Morongo Band of Mission Indians, executed on September 10, 1999.

(28)The compact between the State of California and the Mooretown Rancheria Concow Maidu Tribe, executed on September 10, 1999.

(29)The compact between the State of California and the Pala Band of Mission Indians, executed on September 10, 1999.

(30)The compact between the State of California and the Paskenta Band of Nomlaki Indians, executed on September 10, 1999.

(31)The compact between the State of California and the Pechanga Band of Luiseno Indians, executed on September 10, 1999.

(32)The compact between the State of California and the Picayune Rancheria of Chukchansi Indians, executed on September 10, 1999.

(33)The compact between the State of California and the Quechan Nation, executed on September 10, 1999.

(34)The compact between the State of California and the Redding Rancheria, executed on September 10, 1999.

(35)The compact between the State of California and the Rincon, San Luiseno Band of Mission Indians, executed on September 10, 1999.

(36)The compact between the State of California and the Rumsey Band of Wintun Indians, executed on September 10, 1999.

(37)The compact between the State of California and the Robinson Rancheria Band of Pomo Indians, executed on September 10, 1999.

(38)The compact between the State of California and the Rohnerville Rancheria, executed on September 10, 1999.

(39)The compact between the State of California and the San Manuel Band of Mission Indians, executed on September 10, 1999.

(40)The compact between the State of California and the San Pasqual Band of Mission Indians, executed on September 10, 1999.

(41)The compact between the State of California and the Santa Rosa Rancheria Tachi Tribe, executed on September 10, 1999.

(42)The compact between the State of California and the Santa Ynez Band of Chumash Indians, executed on September 10, 1999.

(43)The compact between the State of California and the Sherwood Valley Rancheria Band of Pomo Indians, executed on September 10, 1999.

(44)The compact between the State of California and the Shingle Springs Band of Miwok Indians, executed on September 10, 1999.

(45)The compact between the State of California and the Smith River Rancheria, executed on September 10, 1999.

(46)The compact between the State of California and the Soboba Band of Mission Indians, executed on September 10, 1999.

(47)The compact between the State of California and the Susanville Indian Rancheria, executed on September 10, 1999.

(48)The compact between the State of California and the Sycuan Band of Kumeyaay Indians, executed on September 10, 1999.

(49)The compact between the State of California and the Table Mountain Rancheria, executed on September 10, 1999.

(50)The compact between the State of California and the Trinidad Rancheria, executed on September 10, 1999.

(51)The compact between the State of California and the Tule River Indian Tribe, executed on September 10, 1999.

(52)The compact between the State of California and the Tuolumne Band of Me-wuk Indians, executed on September 10, 1999.

(53)The compact between the State of California and the Twenty Nine Palms Band of Mission Indians, executed on September 10, 1999.

(54)The compact between the State of California and the Tyme Maidu Tribe, Berry Creek Rancheria, executed on September 10, 1999.

(55)The compact between the State of California and the United Auburn Indian Community, executed on September 10, 1999.

(56)The compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on September 10, 1999.

(57)The compact between the State of California and the Coyote Valley Band of Pomo Indians, executed on September 10, 1999.

(b) Any other tribal-state gaming compact entered into between the State of California and a federally recognized Indian tribe which is executed after September 10, 1999, is hereby ratified if both of the following are true:

(1) The compact is identical is all material respects to any of the compacts expressly ratified pursuant to subdivision (a). A compact shall be deemed to be materially identified to a compact ratified pursuant to subdivision (a) if the Governor certifies it is materially identical at the time he or she submits it to the Legislature.

(2) The compact is not rejected by each house of the Legislature, two-thirds of the membership thereof concurring, within 30 days of the date of the submission of the compact to the Legislature by the Governor. However, if the 30-day period ends during a joint recess of the Legislature, the period shall be extended until the fifteenth day following the day on which the Legislature reconvenes.

(c) The Legislature acknowledges the right of federally recognized Indian tribes to exercise their sovereignty to negotiate and enter into tribal-state gaming compacts that are materially different from the compacts ratified pursuant to subdivision (a). These compacts shall be ratified by a statute approved by each house of the Legislature, a majority of the members thereof concurring, and signed by the Governor, unless the statute contains implementing or other provisions requiring a supermajority vote, in which case the statute shall be approved in the manner required by the Constitution.

(d) The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes located within the State of California pursuant to the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) for the purpose of authorizing class III gaming, as defined in that act, on Indian lands within this state.

Nothing in this section shall be construed to deny the existence of the Governor's authority to have negotiated and executed tribal-state gaming compacts prior to the effective date of this section.

(e) Following completion of negotiations conducted pursuant to subdivision (b) or (c), the Governor shall submit a copy of any executed tribal-state compact to both houses of the Legislature for ratification, and shall submit a copy of the executed compact to the Secretary of State for purposes of subdivision (f).

(f) Upon receipt of a statute ratifying a tribal-state compact negotiated and executed pursuant to subdivision (c), or upon the expiration of the review period described in subdivision (b), the Secretary of State shall forward a copy of the executed compact and the ratifying statute, if applicable, to the Secretary of the Interior for his or her review and approval, in accordance with paragraph (8) of subsection (d) of Section 2710 of Title 25 of the United States Code.

(g) In deference to tribal sovereignty, neither the execution of a tribal-state gaming compact nor the on-reservation impacts of compliance with the terms of a tribal-state gaming compact shall be deemed to constitute a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

12012.30. Ratification of Tribal-State Gaming Compact; Torres-Martinez

The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Torres-Martinez Desert Cahuilla Indians, executed on August 12, 2003, is hereby ratified.

12012.35. Ratification of Tribal-State Gaming Compact; La Posta; Santa Ysabel

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation, California, executed on September 9, 2003, is hereby ratified.

(b) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Santa Ysabel Band of Diegueno Mission Indians of the Santa Ysabel Reservation, California, executed on September 8, 2003, is hereby ratified.

12012.40. Ratification of Tribal-State Gaming Compacts; June 2004 Amended Compacts

(a) The following amendments to tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The amendment of the compact between the State of California and the Pala Band of Mission Indians, executed on June 21, 2004.

(2) The amendment of the compact between the State of California and the Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, executed on June 21, 2004.

(3) The amendment of the compact between the State of California and the Rumsey Band of Wintun Indians, executed on June 21, 2004.

(4) The amendment of the compact between the State of California and the United Auburn Indian Community, executed on June 21, 2004.

(5) The amendment of the compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on June 21, 2004.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment of tribal-state gaming compact ratified by this section.

(B) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, an amended tribal-state gaming compact ratified by this section.

(C) The on-reservation impacts of compliance with the terms of an amended tribal-state gaming compact ratified by this section.

(D) The sale of compact assets as defined in subdivision (a) of Section 63048.6 or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or a city and county from the requirements of the California Environmental Quality Act.

12012.45. Ratification of Tribal-State Gaming Compacts; New and Amended Compacts

(a) The following tribal-state gaming compacts and amendments of tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of

1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The amendment of the compact between the State of California and the Buena Vista Rancheria of Me-Wuk Indians, executed on August 23, 2004.

(2) The compact between the State of California and the Fort Mojave Indian Tribe, executed on August 23, 2004.

(3) The compact between the State of California and the Coyote Valley Band of Pomo Indians, executed on August 23, 2004.

(4) The amendment to the compact between the State of California and the Ewiiaapaayp Band of Kumeyaay Indians, executed on August 23, 2004.

(5) The amendment to the compact between the State of California and the Quechan Tribe of the Fort Yuma Indian Reservation, executed on June 26, 2006.

(b) The terms of each compact apply only to the State of California and the tribe that has signed it, and the terms of these compacts do not bind any tribe that is not a signatory to any of the compacts. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the compacts ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment of a tribal-state gaming compact ratified by this section.

(B) The execution of a tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, a

tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, a city and county, or the California Department of Transportation from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by tribes pursuant to the tribal-state gaming compacts and amendments of tribal-state gaming compacts ratified by this section shall be deposited in the General Fund.

12012.46. Ratification of Tribal-State Gaming Compact; Agua Caliente Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Agua Caliente Band of Cahuilla Indians, executed on August 8, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated

pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.465. Memorandum of Agreement; Approval; Agua Caliente

The memorandum of agreement entered into between the State of California and the Agua Caliente Band of Cahuilla Indians, executed on June 27, 2007, is hereby approved.

12012.47. Ratification of Tribal-State Gaming Compact; San Manuel Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the San Manuel Band of Mission Indians, executed on August 28, 2006, is hereby ratified.

(b) The terms of the amended compact ratified by this section shall apply only to the State of California and the tribe that has signed it, and shall not bind any tribe that is not a signatory to the amended compact. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the amended compact ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund, or as otherwise provided in the amended compact.

12012.475. Letter of Agreement; Approval; San Manuel Band

The letter of agreement entered into between the State of California and the San Manuel Band of Mission Indians, executed on September 5, 2007, is hereby approved.

12012.48. Ratification of Tribal-State Gaming Compact; Morongo Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Morongo Band of Mission Indians, executed on August 29, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.485. Memorandum of Agreement; Approval; Morongo Band

The memorandum of agreement entered into between the State of California and the Morongo Band of Mission Indians, executed on June 27, 2007, is hereby approved.

12012.49. Ratification of Tribal-State Gaming Compact; Pechanga Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pechanga Band of Luiseno Mission Indians, executed on August 28, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.495. Memorandum of Agreement; Approval; Pechanga Band

The memorandum of agreement entered into between the State of California and the Pechanga Band of Luiseno Indians, executed on June 27, 2007, is hereby approved.

12012.51. Ratification of Tribal-State Gaming Compact; Sycuan Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and

25 U.S.C. Sec. 2701 et seq.) between the State of California and the Sycuan Band of the Kumeyaay Nation, executed on August 30, 2006, is hereby ratified.

(b) The terms of the amended compact ratified by this section shall apply only to the State of California and the tribe that has signed it, and shall not bind any tribe that is not a signatory to the amended compact. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the amended compact ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by the tribe pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund, or as otherwise provided in the amended compact.

12012.515. Memorandum of Agreement; Approval; Sycuan Band

The memorandum of agreement entered into between the State of California and the Sycuan Band of the Kumeyaay Nation, executed on June 27, 2007, is hereby approved.

12012.52. Ratification of Tribal-State Gaming Compact; Yurok Tribe

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Yurok Tribe of the Yurok Reservation, executed on August 29, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment of the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.53. Ratification of Tribal-State Gaming Compact; Shingle Springs Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Shingle Springs Band of Miwok Indians, executed on June 30, 2008, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund, except

as otherwise provided by the amended compact or by a statute directing that a portion of the revenue contributions be deposited in a special fund.

12012.54. Ratification of Tribal-State Gaming Compact; Habematolel Pomo of Upper Lake

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Habematolel Pomo of Upper Lake, executed on September 2, 2009, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund, except as otherwise provided by the compact or by a statute directing that a portion of the revenue contributions be deposited in a special fund.

12012.551. Ratification of Tribal-State Gaming Compact; Pinoleville Pomo Nation

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pinoleville Pomo Nation, executed on March 10, 2009, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund, except as otherwise provided by the compact or by a statute directing that a portion of the revenue contributions be deposited in a special fund.

12012.75. Indian Gaming Revenue Sharing Trust Fund; Deposits; Distributions

There is hereby created in the State Treasury a special fund called the "Indian Gaming Revenue Sharing Trust Fund" for the receipt and deposit of moneys derived from

gaming device license fees that are paid into the fund pursuant to the terms of tribal-state gaming compacts for the purpose of making distributions to noncompact tribes. Moneys in the Indian Gaming Revenue Sharing Trust Fund shall be available to the California Gambling Control Commission, upon appropriation by the Legislature, for the purpose of making distributions to noncompact tribes, in accordance with distribution plans specified in tribal-state gaming compacts.

12012.85. Indian Gaming Special Distribution Fund; Deposits; Appropriations; Priority of Appropriations

There is hereby created in the State Treasury a fund called the "Indian Gaming Special Distribution Fund" for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. These moneys shall be available for appropriation by the Legislature for the following purposes:

(a) Grants, including any administrative costs, for programs designed to address gambling addiction.

(b) Grants, including any administrative costs, for the support of state and local government agencies impacted by tribal government gaming.

(c) Compensation for regulatory costs incurred by the State Gaming Agency and the Department of Justice in connection with the implementation and administration of tribal-state gaming compacts.

(d) Payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. This shall be the priority use of moneys in the Indian Gaming Special Distribution Fund.

(e) Disbursements for the purpose of implementing the terms of tribal labor relations ordinances promulgated in accordance with the terms of tribal-state gaming compacts ratified pursuant to Chapter 874 of the Statutes of 1999. No more than 10 percent of the funds appropriated in the Budget Act of 2000 for implementation of tribal labor relations ordinances promulgated in accordance with those compacts shall be expended in the selection of the Tribal Labor Panel. The Department of Personnel Administration shall consult with and seek input from the parties prior to any expenditure for purposes of selecting the Tribal Labor Panel. Other than the cost of selecting the Tribal Labor Panel, there shall be no further disbursements until the Tribal Labor Panel, which is selected by mutual agreement of the parties, is in place.

(f) Any other purpose specified by law.

(g) Priority for funding from the Indian Gaming Special Distribution Fund is in the following descending order:

(1) An appropriation to the Indian Gaming Revenue Sharing Trust Fund in an aggregate amount sufficient to make payments of any shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund.

(2) An appropriation to the Office of Problem and Pathological Gambling within the State Department of Alcohol and Drug Programs for problem gambling prevention programs.

(3) The amount appropriated in the annual Budget Act for allocation between the Department of Justice and the California Gambling Control Commission for regulatory functions that directly relates to Indian gaming.

(4) An appropriation for the support of local government agencies impacted by tribal gaming.

12012.90. Determination of Shortfalls in Payments in Indian Gaming Revenue Sharing Trust Fund

(a) (1) For each fiscal year commencing with the 2002-03 fiscal year to the 2004-05 fiscal year, inclusive, the California Gambling Control Commission shall determine the aggregate amount of shortfalls in payments that occurred in the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.2.1 of the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution as determined below:

(A) For each eligible recipient Indian tribe that received money for all four quarters of the fiscal year, the difference between one million one hundred thousand dollars ($1,100,000) and the actual amount paid to each eligible recipient Indian tribe during the fiscal year from the Indian Gaming Revenue Sharing Trust Fund.

(B) For each eligible recipient Indian tribe that received moneys for less than four quarters of the fiscal year, the difference between two hundred seventy-five thousand dollars ($275,000) for each quarter in the fiscal year that a recipient Indian tribe was eligible to receive moneys and the actual amount paid to each eligible recipient Indian tribe during the fiscal year from the Indian Gaming Revenue Sharing Trust Fund.

(2) For purposes of this section, "eligible recipient Indian tribe" means a noncompact tribe, as defined in Section 4.3.2(a)(i) of the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution.

(b) The California Gambling Control Commission shall provide to the committee in the Senate and Assembly that considers the State Budget an estimate of the amount needed to backfill the Indian Gaming Revenue Sharing Trust Fund on or before the date of the May budget revision for each fiscal year.

(c) An eligible recipient Indian tribe may not receive an amount from the backfill appropriated following the estimate made pursuant to subdivision (b) that would give the eligible recipient Indian tribe an aggregate amount in excess of two hundred seventy-five thousand dollars ($275,000) per eligible quarter. Any funds transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund that result in a surplus shall revert back to the Indian Gaming Special Distribution Fund following the authorization of the final payment of the fiscal year.

(d) Upon a transfer of moneys from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund and appropriation from the trust fund, the California Gambling Control Commission shall distribute the moneys without delay to eligible recipient Indian tribes for each quarter that a tribe was eligible to receive a distribution during the fiscal year immediately preceding.

(e) For each fiscal year commencing with the 2005-06 fiscal year, all of the following shall apply and subdivisions (b) to (d), inclusive, shall not apply:

(1) On or before the day of the May budget revision for each fiscal year, the California Gambling Control Commission shall determine the anticipated total amount of shortfalls in payment likely to occur in the Indian Gaming Revenue Sharing Trust Fund for the upcoming fiscal year, and shall provide to the committee in the Senate and Assembly that considers the State Budget an estimate of the amount needed to transfer from the Indian Gaming Special Distribution Fund to backfill the Indian Gaming Revenue Sharing Trust Fund for the next fiscal year. The anticipated total amount of shortfalls to be transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund shall be determined by the California Gambling Control Commission as follows:

(A) The anticipated number of eligible recipient tribes that will be eligible to receive payments for the next fiscal year, multiplied by one million one hundred thousand dollars ($1,100,000), with that product reduced by the amount anticipated to be paid by the tribes directly into the Indian Gaming Revenue Sharing Trust Fund for the fiscal year.

(B) This amount shall be based upon actual payments received into the Indian Gaming Revenue Sharing Trust Fund the previous fiscal year,

with adjustments made due to amendments to existing tribal-state compacts or newly executed tribal-state compacts with respect to payments to be made to the Indian Gaming Revenue Sharing Trust Fund.

(2) The Legislature shall transfer from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund an amount sufficient for each eligible recipient tribe to receive a total not to exceed two hundred seventy-five thousand dollars ($275,000) for each quarter in the upcoming fiscal year an eligible recipient tribe is eligible to receive moneys, for a total not to exceed one million, one hundred thousand dollars ($1,100,000) for the entire fiscal year. The California Gambling Control Commission shall make quarterly payments from the Indian Gaming Revenue Sharing Trust Fund to each eligible recipient Indian tribe within 45 days of the end of each fiscal quarter.

(3) If the transfer of funds from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund results in a surplus, the funds shall remain in the Indian Gaming Revenue Sharing Trust Fund for disbursement in future years, and if necessary, adjustments shall be made to future distributions from the Indian Gaming Special Distribution Fund to the Revenue Sharing Trust Fund.

(4) In the event the amount appropriated for the fiscal year is insufficient to ensure each eligible recipient tribe receives the total of two hundred seventy-five thousand dollars ($275,000) for each fiscal quarter, the Department of Finance, after consultation with the California Gambling Control Commission, shall submit to the Legislature a request for a budget augmentation for the current fiscal year with an explanation as to the reason why the amount appropriated for the fiscal year was insufficient.

(5) At the end of each fiscal quarter, the California Gambling Control Commission's Indian Gaming Revenue Sharing Trust Fund report shall include information that identifies each of the eligible recipient tribes eligible to receive a distribution for that fiscal quarter, the amount paid into the Indian Gaming Revenue Sharing Trust Fund by each of the tribes pursuant to the applicable sections of the tribal-state compact, and the amount necessary to backfill from the Indian Gaming Special Distribution Fund the shortfall in the Indian Gaming Revenue Sharing Trust Fund in order for each eligible recipient tribe to receive the total of two hundred seventy-five thousand dollars ($275,000) for the fiscal quarter.

(6) Based upon the projected shortfall in the Indian Gaming Revenue Sharing Trust Fund, for the 2005-06 fiscal year, the sum of fifty million dollars ($50,000,000) is hereby transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund and is hereby appropriated from that fund to the California Gambling Control Commission for distribution to each eligible recipient tribe pursuant to this section.

SECTIONS OF THE GOVERNMENT CODE NOT RELEVANT HAVE BEEN OMITTED

12710. CALCULATING DISTRIBUTION OF APPROPRIATIONS

This chapter establishes the method of calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund for grants to local government agencies impacted by tribal gaming.

12711. LEGISLATIVE INTENT

(a) It is the intent of the Legislature to establish a fair and proportionate system to award grants from the Indian Gaming Special Distribution Fund for the support of local government agencies impacted by tribal gaming. It is also the intent of the Legislature that priority for funding shall be given to local government agencies impacted by the tribal casinos that contribute to the Indian Gaming Special Distribution Fund.

(b) It is the intent of the Legislature that in the event that any compact between any tribe and the state takes effect on or after the effective date of this chapter, or that any compact between any tribe and the state that took effect on or before May 16, 2000, is renegotiated and reexecuted at any time after its initial effective date, money provided to the state by a tribe pursuant to the terms of these compacts shall be applied on a pro rata basis to the state costs for the regulation of gaming and for problem gambling prevention programs in the Office of Problem and Pathological Gambling within the State Department of Alcohol and Drug Programs.

(c) It is the intent of the Legislature that if any compact between any tribe and the state takes effect on or after the effective date of this chapter, or if any compact between any tribe and the state that took effect on or before May 16, 2000, is renegotiated and reexecuted at any time after its initial effective date, any revenue sharing provisions of that compact that requires distributions to nongaming or noncompact tribes shall result in a decrease in the amount that the Legislature appropriates pursuant to this chapter.

12712. DEFINITIONS

As used in this chapter:

(a) "County Tribal Casino Account" means an account consisting of all moneys paid by tribes of that county into the Indian Gaming Special Distribution Fund after deduction of the amounts appropriated pursuant to the priorities specified in Section 12012.85.

(b) "Individual Tribal Casino Accounts" means an account for each individual tribe that has paid money into the Indian Gaming Special Distribution Fund. The individual tribal casino account shall be funded in proportion to the amount that the individual tribe has paid into the Indian Gaming Special Distribution Fund.

(c) "Local government jurisdiction" or "local jurisdiction" means any city, county, or special district.

(d) "Special district" means any agency of the state that performs governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone, district, or area that meets the requirements of this subdivision. "Special district" does not include a city, county, school district, or community college district.

12713. Calculation of Revenue Available for Local Governments

The Department of Finance, in consultation with the California Gambling Control Commission, shall calculate the total revenue in the Indian Gaming Special Distribution Fund that will be available for the current budget year for local government agencies impacted by tribal gaming. The department shall include this information in the May budget revision.

12714. County Tribal Casino Accounts; Calculations of Deposit Amounts

(a) A County Tribal Casino Account is hereby created in the treasury for each county that contains a tribal casino.

(b) The amount to be deposited into each eligible county's County Tribal Casino Account shall be calculated in the following way:

(1) (A) For counties that do not have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund, the total amount to be appropriated by the Legislature for grants to local government agencies impacted by tribal gaming shall be multiplied by 5 percent.

(B) The amount determined pursuant to subparagraph (A) shall be divided by the aggregate number of gaming devices located in those counties that do not have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(C) The amount determined pursuant to subparagraph (B) shall be multiplied by the number of gaming devices located in each county

for which an appropriation is being calculated that are not subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(D) The amount determined pursuant to subparagraph (C) shall be deposited into the County Tribal Casino Account for the county for which the appropriation was calculated.

(2) (A) For counties that have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund, the total amount to be appropriated by the Legislature for grants to local government agencies impacted by tribal gaming shall be multiplied by 95 percent.

(B) The amount determined pursuant to subparagraph (A) shall be divided by the aggregate number of gaming devices located in those counties that have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(C) The amount determined pursuant to subparagraph (B) shall be multiplied by the number of gaming devices located in each county for which an appropriation is being calculated that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(D) The amount determined pursuant to subparagraph (C) shall be deposited into the County Tribal Casino Account for the county for which the appropriation was calculated.

12715. Individual Tribal Casino Accounts; Indian Gaming Local Community Benefit Committee; Grants to Local Jurisdictions Impacted by Tribal Casinos

(a) The Controller, acting in consultation with the California Gambling Control Commission, shall divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account for each tribe that operates a casino within the county. These accounts shall be known as Individual Tribal Casino Accounts, and funds may be released from these accounts to make grants selected by an Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. Each Individual Tribal Casino Account shall be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund.

(b) (1) There is hereby created in each county in which Indian gaming is conducted an Indian Gaming Local Community Benefit Committee. The selection of all

grants from each Individual Tribal Casino Account or County Tribal Casino Account shall be made by each county's Indian Gaming Local Community Benefit Committee. In selecting grants, the Indian Gaming Local Community Benefit Committee shall follow the priorities established in subdivision (g) and the requirements specified in subdivision (h). This committee has the following additional responsibilities:

(A) Establishing all application policies and procedures for grants from the Individual Tribal Casino Account or County Tribal Casino Account.

(B) Assessing the eligibility of applications for grants from local jurisdictions impacted by tribal gaming operations.

(C) Determining the appropriate amount for reimbursement from the aggregate county tribal account of the demonstrated costs incurred by the county for administering the grant programs. The reimbursement for county administrative costs may not exceed 2 percent of the aggregate county tribal account in any given fiscal year.

(2) Except as provided in Section 12715.5, the Indian Gaming Local Community Benefit Committee shall be composed of seven representatives, consisting of the following:

(A) Two representatives from the county, selected by the county board of supervisors.

(B) Three elected representatives from cities located within four miles of a tribal casino in the county, selected by the county board of supervisors. In the event that there are no cities located within four miles of a tribal casino in the county, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes paying into the Indian Gaming Special Distribution Fund in the county. When there are no cities within four miles of a tribal casino in the county, and when the Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes operating casinos in the county. However, if only one city is within four miles of a tribal casino and that same casino is located entirely within the unincorporated area of that particular county, only one elected representative from that city

shall be included on the Indian Gaming Local Community Benefit Committee.

(C) Two representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in each county. When an Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, the two representatives may be selected upon the recommendation of the tribes operating casinos in the county.

(c) Sixty percent of each Individual Tribal Casino Account shall be available for nexus grants on a yearly basis to cities and counties impacted by tribes that are paying into the Indian Gaming Special Distribution Fund, according to the four-part nexus test described in paragraph (1). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(1) A nexus test based on the geographical proximity of a local government jurisdiction to an individual Indian land upon which a tribal casino is located shall be used by each county's Indian Gaming Local Community Benefit Committee to determine the relative priority for grants, using the following criteria:

(A) Whether the local government jurisdiction borders the Indian lands on all sides.

(B) Whether the local government jurisdiction partially borders Indian lands.

(C) Whether the local government jurisdiction maintains a highway, road, or other thoroughfare that is the predominant access route to a casino that is located within four miles.

(D) Whether all or a portion of the local government jurisdiction is located within four miles of a casino.

(2) Fifty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet all four of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to

local government jurisdictions meeting the requirements of paragraph (3) or (4).

(3) Thirty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet three of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (4).

(4) Twenty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet two of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (3).

(d) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are paying into the Indian Gaming Special Distribution Fund. These discretionary grants shall be made available to all local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(e) (1) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are not paying into the Indian Gaming Special Distribution Fund. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c), and irrespective of whether the impacts presented are from a tribal casino that is not paying into the Indian Gaming Special Distribution Fund. Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(A) Grants awarded pursuant to this subdivision are limited to addressing service-oriented impacts and providing assistance with one-time large capital projects related to Indian gaming impacts.

(B) Grants shall be subject to the sole sponsorship of the tribe that pays into the Indian Gaming Special Distribution Fund and the recommendations of the Indian Gaming Local Community Benefit Committee for that county.

(2) If an eligible county does not have a tribal casino operated by a tribe that does not pay into the Indian Gaming Special Distribution Fund, the moneys available for discretionary grants under this subdivision shall be available for distribution pursuant to subdivision (d).

(f) (1) For each county that does not have gaming devices subject to an obligation to make payments to the Indian Gaming Special Distribution Fund, funds may be released from the county's County Tribal Casino Account to make grants selected by the county's Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to any particular tribal casino. These grants shall follow the priorities specified in subdivision (g) and the requirements specified in subdivision (h).

(2) Funds not allocated from a county tribal casino account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004.

(g) The following uses shall be the priorities for the receipt of grant moneys from Individual Tribal Casino Accounts: law enforcement, fire services, emergency medical services, environmental impacts, water supplies, waste disposal, behavioral, health, planning and adjacent land uses, public health, roads, recreation and youth programs, and child care programs.

(h) In selecting grants pursuant to subdivision (b), an Indian Gaming Local Community Benefit Committee shall select only grant applications that mitigate impacts from casinos on local jurisdictions. If a local jurisdiction uses a grant selected pursuant to subdivision (b) for any unrelated purpose, the grant shall terminate immediately and any moneys not yet spent shall revert to the Indian Gaming Special Distribution Fund. If a local jurisdiction approves an expenditure that mitigates an impact from a casino on a local jurisdiction and that also provides other benefits to the local jurisdiction, the grant

selected pursuant to subdivision (b) shall be used to finance only the proportionate share of the expenditure that mitigates the impact from the casino.

(i) All grants from Individual Tribal Casino Accounts shall be made only upon the affirmative sponsorship of the tribe paying into the Indian Gaming Special Distribution Fund from whose Individual Tribal Casino Account the grant moneys are available for distribution. Tribal sponsorship shall confirm that the grant application has a reasonable relationship to a casino impact and satisfies at least one of the priorities listed in subdivision (g). A grant may not be made for any purpose that would support or fund, directly or indirectly, any effort related to the opposition or challenge to Indian gaming in the state, and, to the extent any awarded grant is utilized for any prohibited purpose by any local government, upon notice given to the county by any tribe from whose Individual Tribal Casino Account the awarded grant went toward that prohibited use, the grant shall terminate immediately and any moneys not yet used shall again be made available for qualified nexus grants.

(j) A local government jurisdiction that is a recipient of a grant from an Individual County Tribal Casino Account or a County Tribal Casino Account shall provide notice to the public, either through a slogan, signage, or other mechanism, stating that the local government project has received funding from the Indian Gaming Special Distribution Fund and further identifying the particular Individual Tribal Casino Account from which the grant derives.

(k) (1) Each county's Indian Gaming Local Community Benefit Committee shall submit to the Controller a list of approved projects for funding from Individual Tribal Casino Accounts. Upon receipt of this list, the Controller shall release the funds directly to the local government entities for which a grant has been approved by the committee.

(2) Funds not allocated from an Individual Tribal Casino Account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004. Moneys allocated for the 2008-09 fiscal year shall be eligible for expenditure through December 31, 2009.

(l) Notwithstanding any other law, a local government jurisdiction that receives a grant from an Individual Tribal Casino Account shall deposit all funds received in an interest-bearing account and use the interest from those funds only for the purpose of mitigating an impact from a casino. If any portion of the funds in the account is used for any other purpose, the remaining portion shall revert to the Indian Gaming Special Distribution Fund. As a condition of receiving further funds under this section, a local government jurisdiction, upon request of the county, shall demonstrate to the county

that all expenditures made from the account have been in compliance with the requirements of this section.

12715.5. San Diego County Local Community Benefit Committee

In San Diego County, the Indian Gaming Local Community Benefit Committee shall be comprised of seven representatives, consisting of the following:

(a) Two representatives from the county, selected by the county board of supervisors.

(b) One elected representative from the city located within four miles of a tribal casino in the county, selected by the county board of supervisors.

(c) Three representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in the county.

(d) The sheriff of San Diego County.

12716. Annual Report on Grant Funding

(a) Each county that administers grants from the Indian Gaming Special Distribution Fund shall provide an annual report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the Senate and Assembly committees on governmental organization, and the California Gambling Control Commission by October 1 of each year detailing the specific projects funded by all grants in the county's jurisdiction in the previous fiscal year, including amounts expended in that fiscal year, but funded from appropriations in prior fiscal years. The report shall provide detailed information on the following:

(1) The amount of grant funds received by the county.

(2) A description of each project that is funded.

(3) A description of how each project mitigates the impact of tribal gaming.

(4) The total expenditures for each project.

(5) All administrative costs related to each project, excluding the county's administrative fee.

(6) The funds remaining at the end of the fiscal year for each project.

(7) An explanation regarding how any remaining funds will be spent for each project, including the estimated time for expenditure.

(8) A description of whether each project is funded once or on a continuing basis.

(b) A county that does not provide an annual report pursuant to subdivision (a) shall not be eligible for funding from the Indian Gaming Special Distribution Fund for the following year.

12717. State Auditor; audit of allocation and use of grant moneys

The State Auditor shall conduct an audit every three years regarding the allocation and use of moneys from the Indian Gaming Special Distribution Fund by the recipient of the grant moneys. The State Auditor shall report its findings to the Legislature and to all other appropriate entities.

12718. Sunset Date

This chapter shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2021, deletes or extends that date.

PENAL CODE

326.3. REMOTE CALLER BINGO; RESTRICTIONS AND REQUIREMENTS; REGULATION; REPORT TO THE LEGISLATURE

(a) The Legislature finds and declares all of the following:

(1) Nonprofit organizations provide important and essential educational, philanthropic, and social services to the people of the State of California.

(2) One of the great strengths of California is a vibrant nonprofit sector.

(3) Nonprofit and philanthropic organizations touch the lives of every Californian through service and employment.

(4) Many of these services would not be available if nonprofit organizations did not provide them.

(5) There is a need to provide methods of fundraising to nonprofit organizations to enable them to provide these essential services.

(6) Historically, many nonprofit organizations have used charitable bingo as one of their key fundraising strategies to promote the mission of the charity.

(7) Legislation is needed to provide greater revenues for nonprofit organizations to enable them to fulfill their charitable purposes, and especially to meet their increasing social service obligations.

(8) Legislation is also needed to clarify that existing law requires that all charitable bingo must be played using a tangible card and that the only permissible electronic devices to be used by charitable bingo players are card-minding devices.

(b) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any remote caller bingo game that is played or conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the California Constitution, if the ordinance allows a remote caller bingo game to be played or conducted only in accordance with the requirements of this section, including the following requirements:

(1) The game may be conducted only by the following organizations:

(A) An organization that is exempted from the payment of taxes imposed under the Corporation Tax Law by Section 23701a, 23701b,

23701d, 23701e, 23701f, 23701g, 23701k, 23701w, or 23701l of the Revenue and Taxation Code.

(B) A mobilehome park association.

(C) A senior citizens organization.

(D) Charitable organizations affiliated with a school district.

(2) The organization conducting the game shall have been incorporated or in existence for three years or more.

(3) The organization conducting the game shall be licensed pursuant to subdivision (l) of Section 326.5.

(4) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.

(5) The operation of bingo may not be the primary purpose for which the organization is organized.

(c) (1) A city, county, or city and county may adopt an ordinance in substantially the following form to authorize remote caller bingo in accordance with the requirements of subdivision (b):

Sec. __.01. Legislative Authorization.

This chapter is adopted pursuant to Section 19 of Article IV of the California Constitution, as implemented by Sections 326.3 and 326.4 of the Penal Code.

Sec.__.02. Remote Caller Bingo Authorized.

Remote Caller Bingo may be lawfully played in the [City, County, or City and County] pursuant to the provisions of Section 326.3 and 326.4 of the Penal Code, and this chapter, and not otherwise.

Sec.__.03. Qualified Applicants: Applicants for Licensure.

(a) The following organizations are qualified to apply to the License Official for a license to operate a bingo game if the receipts of those games are used only for charitable purposes:

(1) An organization exempt from taxes imposed under the Corporation Tax Law by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Tax Code.

(2) A mobile home park association of a mobile home park that is situated in the [City, County, or City and County].

(3) Senior citizen organizations.

(4) Charitable organizations affiliated with a school district.

(b) The application shall be in a form prescribed by the License Official and shall be accompanied by a nonrefundable filing fee in an amount determined by resolution of the [Governing Body of the City, County, or City and County] from time to time. The following documentation shall be attached to the application, as applicable:

(1) A certificate issued by the Franchise Tax Board certifying that the applicant is exempt from the payment of taxes imposed under the Corporation Tax Law pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code. In lieu of a certificate issued by the Franchise Tax Board, the License Official may refer to the Franchise Tax Board's Internet Web site to verify that the applicant is exempt from the payment of the taxes imposed under the Corporation Tax Law.

(2) Other evidence as the License Official determines is necessary to verify that the applicant is a duly organized mobile home park association of a mobile home park situated in the [City, County, or City and County].

Sec.__.04. License Application: Verification.

The license shall not be issued until the License Official has verified the facts stated in the application and determined that the applicant is qualified.

Sec.__.05. Annual Licenses.

A license issued pursuant to this chapter shall be valid until the end of the calendar year, at which time the license shall expire. A new license shall only be obtained upon filing a new application and payment of the license fee. The fact that a license has been issued to an applicant creates no vested right on the part of the licensee to continue to offer bingo for play. The [Governing Body of the City, County, or City and County] expressly reserves the right to amend or repeal this chapter at any time by resolution. If this

chapter is repealed, all licenses issued pursuant to this chapter shall cease to be effective for any purpose on the effective date of the repealing resolution.

Sec.__.06. Conditions of Licensure.

(a) Any license issued pursuant to this chapter shall be subject to the conditions contained in Sections 326.3 and 326.4 of the Penal Code, and each licensee shall comply with the requirements of those provisions.

(b) Each license issued pursuant to this chapter shall be subject to the following additional conditions:

(1) Bingo games shall not be conducted by any licensee on more than two days during any week, except that a licensee may hold one additional game, at its election, in each calendar quarter.

(2) The license organization is responsible for ensuring that the conditions of this chapter and Sections 326.3 and 326.4 of the Penal Code are complied with by the organization and its officers and members. A violation of any one or more of those conditions or provisions shall constitute cause for the revocation of the organization's license. At the request of the organization, the [Governing Body of the City, County, or City and County] shall hold a public hearing before revoking any license issued pursuant to this chapter.

(2) Nothing in this section shall require a city, county, or city and county to use this model ordinance in order to authorize remote caller bingo.

(d) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any remote caller bingo game, provided that administrative, managerial, technical, financial, and security personnel employed by the organization conducting the bingo game may be paid reasonable fees for services rendered from the revenues of bingo games, as provided in subdivision (m), except that fees paid under those agreements shall not be determined as a percentage of receipts or other revenues from, or be dependent on the outcome of, the game.

(e) A violation of subdivision (d) shall be punishable by a fine not to exceed ten thousand dollars ($10,000), which fine shall be deposited in the general fund of the city, county, or city and county that enacted the ordinance authorizing the remote caller bingo game. A violation of any provision of this section, other than subdivision (d), is a misdemeanor.

(f) The city, county, or city and county that enacted the ordinance authorizing the remote caller bingo game, or the Attorney General, may bring an action to enjoin a violation of this section.

(g) No minors shall be allowed to participate in any remote caller bingo game.

(h) A remote caller bingo game shall not include any site that is not located within this state.

(i) An organization authorized to conduct a remote caller bingo game pursuant to subdivision (b) shall conduct the game only on property that is owned or leased by the organization, or the use of which is donated to the organization, provided that the operation of bingo games may not be a primary purpose for which the organization is organized. Nothing in this subdivision shall be construed to require that the property that is owned or leased by, or the use of which is donated to, the organization be used or leased exclusively by, or donated exclusively to, that organization.

(j) (1) All remote caller bingo games shall be open to the public, not just to the members of the authorized organization.

(2) No more than 750 players may participate in a remote caller bingo game in a single location.

(3) If the Governor of California or the President of the United States declares a state of emergency in response to a natural disaster or other public catastrophe occurring in California, an organization authorized to conduct remote caller bingo games may, while that declaration is in effect, conduct those games pursuant to this section with more than 750 participants in a single venue if the net proceeds of the games, after deduction of prizes and overhead expenses, are donated to or expended exclusively for the relief of the victims of the disaster or catastrophe, and the organization gives the California Gambling Control Commission at least 10 days' written notice of the intent to conduct those games.

(4) An organization authorized to conduct remote caller bingo games shall provide the commission with at least 30 days' advance written notice of its intent to conduct those games. That notice shall include all of the following:

(A) The legal name of the organization and the address of record of the agent upon whom legal notice may be served.

(B) The locations of the caller and remote players, whether the property is owned by the organization or donated, and if donated, by whom.

(C) The name of the licensed caller and site manager.

(D) The names of administrative, managerial, technical, financial, and security personnel employed.

(E) The name of the vendor and any person or entity maintaining the equipment used to operate and transmit the game.

(F) The name of the person designated as having a fiduciary responsibility for the game pursuant to paragraph (2) of subdivision (k).

(G) The license numbers of all persons specified in subparagraphs (A) to (F), inclusive, who are required to be licensed.

(H) A copy of the local ordinance for the counties in which the game will be played. The commission shall post the ordinance on its Internet Web site.

(k) (1) A remote caller bingo game shall be operated and staffed only by members of the authorized organization that organized it. Those members shall not receive a profit, wage, or salary from any bingo game. Only the organization authorized to conduct a remote caller bingo game shall operate that game, or participate in the promotion, supervision, or any other phase of a remote caller bingo game. Subject to the provisions of subdivision (m), this subdivision shall not preclude the employment of administrative, managerial, technical, financial, or security personnel who are not members of the authorized organization at a location participating in the remote caller bingo game by the organization conducting the game. Notwithstanding any other provisions of law, exclusive or other agreements between the authorized organization and other entities or persons to provide services in the administration, management, or conduct of the game shall not be considered a violation of the prohibition against holding a legally cognizable financial interest in the conduct of the remote caller bingo game by persons or entities other than the charitable organization, or other entity authorized to conduct the remote caller bingo games, provided that those persons or entities obtain the gambling licenses, the key employee licenses, or the work permits required by, and otherwise comply with, Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code. Fees to be paid under any such agreements shall be reasonable and shall not be determined as a percentage of receipts or other revenues from, or be dependent on the outcome of, the game.

(2) An organization that conducts a remote caller bingo game shall designate a person as having fiduciary responsibility for the game.

(l) No individual, corporation, partnership, or other legal entity, except the organization authorized to conduct or participate in a remote caller bingo game, shall hold a legally cognizable financial interest in the conduct of such a game.

(m) An organization authorized to conduct a remote caller bingo game pursuant to this section shall not have overhead costs exceeding 20 percent of gross sales, except that the limitations of this section shall not apply to one-time, nonrecurring capital acquisitions. For purposes of this subdivision, "overhead costs" includes, but is not limited to, amounts paid for rent and equipment leasing and the reasonable fees authorized to be paid to administrative, managerial, technical, financial, and security personnel employed by the organization pursuant to subdivision (d). For the purpose of keeping its overhead costs below 20 percent of gross sales, an authorized organization may elect to deduct all or a portion of credit card sales from the amount of gross revenues awarded for prizes. In that case, the redirected fees for the use and processing of credit card sales shall not be included in “overhead costs” as defined by the California Remote Caller Bingo Act. Additionally, fees paid to financial institutions for the use and processing of credit card sales shall not be deducted from the proceeds retained by the charitable organization.

(n) No person shall be allowed to participate in a remote caller bingo game unless the person is physically present at the time and place where the remote caller bingo game is being conducted. A person shall be deemed to be physically present at the place where the remote caller bingo game is being conducted if he or she is present at any of the locations participating in the remote caller bingo game in accordance with this section.

(o) (1) An organization shall not cosponsor a remote caller bingo game with one or more other organizations unless one of the following is true:

(A) All of the cosponsors are affiliated under the master charter or articles and bylaws of a single organization.

(B) All of the cosponsors are affiliated through an organization described in paragraph (1) of subdivision (b), and have the same Internal Revenue Service activity code.

(2) Notwithstanding paragraph (1), a maximum of 10 unaffiliated organizations described in paragraph (1) of subdivision (b) may enter into an agreement to cosponsor a remote caller game, provided the game shall have not more than 10 locations.

(3) An organization shall not conduct remote caller bingo more than two days per week.

(4) Before sponsoring or operating any game authorized under paragraph (1) or (2), each of the cosponsoring organizations shall have entered into a written agreement, a copy of which shall be provided to the commission, setting forth how the expenses and proceeds of the game are to be allocated among the participating organizations, the bank accounts into which all receipts are to be deposited and from which all prizes are to be paid, and how game records are to be maintained and subjected to annual audit.

(p) The value of prizes awarded during the conduct of any remote caller bingo game shall not exceed 37 percent of the gross receipts for that game. When an authorized organization elects to deduct fees paid for the use and processing of credit card sales from the amount of gross revenues for that game awarded for prizes, the maximum amount of gross revenues that may be awarded for prizes shall not exceed 37 percent of the gross receipts for that game, less the amount of redirected fees paid for the use and processing of credit card sales. Every remote caller bingo game shall be played until a winner is declared. Progressive prizes are prohibited. The declared winner of a remote caller bingo game shall provide his or her identifying information and a mailing address to the onsite manager of the remote caller bingo game. Prizes shall be paid only by check; no cash prizes shall be paid. The organization conducting the remote caller bingo game may issue a check to the winner at the time of the game, or may send a check to the declared winner by United States Postal Service certified mail, return receipt requested. All prize money exceeding state and federal exemption limits on prize money shall be subject to income tax reporting and withholding requirements under applicable state and federal laws and regulations and those reports and withholding shall be forwarded, within 10 business days, to the appropriate state or federal agency on behalf of the winner. A report shall accompany the amount withheld identifying the person on whose behalf the money is being sent. Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected. A refund for a canceled game or games shall be provided to the purchasers.

(q) (1) The California Gambling Control Commission shall regulate remote caller bingo, including, but not limited to, licensure and operation. The commission shall establish reasonable criteria regulating, and shall require the licensure, the following:

(A) Any person who conducts remote caller bingo games pursuant to this section, including, but not limited to, an employee, a person having fiduciary responsibility for remote caller bingo games, a site manager, and a bingo caller.

(B) Any person who directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provide supplies, devices, services, or other equipment designed for use in the playing of a remote caller bingo game by any nonprofit organization.

(C) Beginning January 31, 2009, or a later date as may be established by the commission, all persons described in subparagraph (A) or (B) may submit to the commission a letter of intent to submit an application for licensure. The letter shall clearly identify the principal applicant, all categories under which the application will be filed, and the names of all those particular individuals who are applying. Each charitable organization shall provide an estimate of the frequency with which it plans to conduct remote caller bingo operations, including the number of locations. The letter of intent may be withdrawn or updated at any time.

(2) (A) The Department of Justice shall conduct background investigations and conduct field enforcement as it relates to remote caller bingo consistent with the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code) and as specified in regulations promulgated by the commission.

(B) Fees to cover background investigation costs shall be paid and accounted for in accordance with Section 19867 of the Business and Professions Code.

(3) (A) Every application for a license or approval shall be accompanied by a nonrefundable fee, the amount of which shall be adopted by the commission by regulation.

(B) Fees and revenue collected pursuant to this paragraph shall be deposited in the California Bingo Fund, which is hereby created in the State Treasury. The funds deposited in the California Bingo Fund shall be available, upon appropriation by the Legislature, for expenditure by the commission and the department exclusively for the support of the commission and department in carrying out their duties and responsibilities under this section and Section 326.5.

(C) A loan is hereby authorized from the Gambling Control Fund to the California Bingo Fund on or after January 1, 2009, in an amount of up to five hundred thousand dollars ($500,000) to fund operating, personnel, and other startup costs incurred by the commission

relating to this act. Funds from the California Bingo Fund shall be available to the commission upon appropriation by the Legislature in the annual Budget Act. The loan shall be subject to all of the following conditions:

(i) The loan shall be repaid to the Gambling Control Fund as soon as there is sufficient money in the California Bingo Fund to repay the amount loaned, but no later than five years after the date of the loan.

(ii) Interest on the loan shall be paid from the California Bingo Fund at the rate accruing to moneys in the Pooled Money Investment Account.

(iii) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

The commission may assess and collect reasonable fees and deposits as necessary to defray the costs of regulation and oversight.

(r) The administrative, managerial, technical, financial, and security personnel employed by an organization that conducts remote caller bingo games shall apply for, obtain, and thereafter maintain valid work permits, as defined in Section 19805 of the Business and Professions Code.

(s) An organization that conducts remote caller bingo games shall retain records in connection with the remote caller bingo game for five years.

(t) (1) All equipment used for remote caller bingo shall be approved in advance by the California Gambling Control Commission pursuant to regulations adopted pursuant to subdivision (r) of Section 19841 of the Business and Professions Code.

(2) The California Gambling Control Commission shall monitor operation of the transmission and other equipment used for remote caller bingo, and monitor the game.

(u) (1) As used in this section, "remote caller bingo game" means a game of bingo, as defined in subdivision (o) of Section 326.5, in which the numbers or symbols on randomly drawn plastic balls are announced by a natural person present at the site at which the live game is conducted, and the organization conducting the bingo game uses audio and video technology to link any of its in-state facilities for the purpose of transmitting the remote calling of a

live bingo game from a single location to multiple locations owned, leased, or rented by that organization, or as described in subdivision (o). The audio or video technology used to link the facilities may include cable, Internet, satellite, broadband, or telephone technology, or any other means of electronic transmission that ensures the secure, accurate, and simultaneous transmission of the announcement of numbers or symbols in the game from the location at which the game is called by a natural person to the remote location or locations at which players may participate in the game. The drawing of each ball bearing a number or symbol by the natural person calling the game shall be visible to all players as the ball is drawn, including through a simultaneous live video feed at remote locations at which players may participate in the game.

(2) The caller in the live game must be licensed by the California Gambling Control Commission. A game may be called by a nonlicensed caller if the drawing of balls and calling of numbers or symbols by that person is observed and personally supervised by a licensed caller.

(3) Remote caller bingo games shall be played using traditional paper or other tangible bingo cards and daubers, and shall not be played by using electronic devices, except card-minding devices, as described in paragraph (1) of subdivision (p) of Section 326.5.

(4) Prior to conducting a remote caller bingo game, the organization that conducts remote caller bingo shall submit to the commission the controls, methodology, and standards of game play, which shall include, but not be limited to, the equipment used to select bingo numbers and create or originate cards, control or maintenance, distribution to participating locations, and distribution to players. Those controls, methodologies, and standards shall be subject to prior approval by the commission, provided that the controls shall be deemed approved by the commission after 90 days from the date of submission unless disapproved.

(v) A location shall not be eligible to participate in a remote caller bingo game if bingo games are conducted at that location in violation of Section 326.5 or any regulation adopted by the commission pursuant to Section 19841 of the Business and Professions Code, including, but not limited to, a location at which unlawful electronic devices are used.

(w) (1) The vendor of the equipment used in a remote caller bingo game shall have its books and records audited at least annually by an independent California certified public accountant and shall submit the results of that audit to the California Gambling Control Commission within 120 days after the close of

the vendor's fiscal year. In addition, the California Gambling Control Commission may audit the books and records of the vendor at any time.

(2) An authorized organization that conducts remote caller bingo games shall provide copies of the records pertaining to those games to the California Gambling Control Commission within 30 days after the end of each calendar quarter. In addition, those records shall be audited by an independent California certified public accountant at least annually and copies of the audit reports shall be provided to the California Gambling Control Commission within 120 days after the close of the organization's fiscal year. The audit report shall account for the annual amount of fees paid to financial institutions for the use and processing of credit card sales by the authorized organization and the amount of fees for the use and processing of credit card sales redirected from “overhead costs” and deducted from the amount of gross revenues awarded for prizes.

(3) The costs of the licensing and audits required by this section shall be borne by the person or entity required to be licensed or audited. The audit shall enumerate the receipts for remote caller bingo, the prizes disbursed, the overhead costs, and the amount retained by the nonprofit organization. The commission may audit the books and records of an organization that conducts remote caller bingo games at any time.

(4) If, during an audit, the commission identifies practices in violation of this section, the license for the audited entity may be suspended pending review and hearing before the commission for a final determination.

(5) No audit required to be conducted by the commission shall commence before January 1, 2010.

(x) (1) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(2) Notwithstanding paragraph (1), if paragraph (1) or (3) of subdivision (u), or the application of either of those provisions, is held invalid, this entire section shall be invalid.

(y) The commission shall submit a report to the Legislature, on or before January 1, 2012, on the fundraising effectiveness and regulation of remote caller bingo, and other matters that are relevant to the public interest regarding remote caller bingo..

(z) The following definitions apply for purposes of this section:

(1) "Commission" means the California Gambling Control Commission.

(2) "Person" includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.

326.4. Charity Bingo Mitigation Fund

(a) Consistent with the Legislature's finding that card-minding devices, as described in subdivision (p) of Section 326.5, are the only permissible electronic devices to be used by charity bingo players, and in an effort to ease the transition to remote caller bingo on the part of those nonprofit organizations that, as of July 1, 2008, used electronic devices other than card-minding devices to conduct games in reliance on an ordinance of a city, county, or city and county that, as of July 1, 2008, expressly recognized the operation of electronic devices other than card-minding devices by organizations purportedly authorized to conduct bingo in the city, county or city and county, there is hereby created the Charity Bingo Mitigation Fund.

(b) The Charity Bingo Mitigation Fund shall be administered by the California Gambling Control Commission.

(c) Mitigation payments to be made by the Charity Bingo Mitigation Fund shall not exceed five million dollars ($5,000,000) in the aggregate.

(d) (1) To allow the Charity Bingo Mitigation Fund to become immediately operable, five million dollars ($5,000,000) shall be loaned from the accrued interest in the Indian Gaming Special Distribution Fund to the Charity Bingo Mitigation Fund on, or after January 1, 2009, to make mitigation payments to eligible nonprofit organizations. Five million dollars ($5,000,000) of this loan amount is hereby appropriated to the California Gambling Control Commission for the purposes of providing mitigation payments to certain charitable organizations, as described in subdivision (e). Pursuant to Section 16304 of the Government Code, after three years the unexpended balance shall revert back to the Charity Bingo Mitigation Fund.

(2) To reimburse the Special Distribution Fund, those nonprofit organizations that conduct a remote caller bingo game pursuant to Section 326.3 shall pay to the California Gambling Control Commission an amount equal to 5 percent of the gross revenues of each remote caller bingo game played until that time as the full advanced amount plus interest on the loan at the rate accruing to moneys in the Pooled Money Investment Account is reimbursed.

(e) (1) An organization meeting the requirements in subdivision (a) shall be eligible to receive mitigation payments from the Charity Bingo Mitigation Fund only if the city, county, or city and county in which the organization is located

maintained official records of the net revenues generated for the fiscal year ending June 30, 2008, by the organization from the use of electronic devices or the organization maintained audited financial records for the fiscal year ending June 30, 2008, which show the net revenues generated from the use of electronic devices.

(2) In addition, an organization applying for mitigation payments shall provide proof that its board of directors has adopted a resolution and its chief executive officer has signed a statement executed under penalty of perjury stating that, as of January 1, 2009, the organization has ceased using electronic devices other than card-minding devices, as described in subdivision (p) of Section 326.5, as a fundraising tool.

(3) Each eligible organization may apply to the Gambling Control Commission no later than January 31, 2009, for the mitigation payments in the amount equal to net revenues from the fiscal year ending June 30, 2008, by filing an application, including therewith documents and other proof of eligibility, including any and all financial records documenting the organization's net revenues for the fiscal year ending June 30, 2008, as the California Gambling Control Commission may require. The California Gambling Control Commission is authorized to access and examine the financial records of charities requesting funding in order to confirm the legitimacy of the request for funding. In the event that the total of those requests exceeds five million dollars ($5,000,000), payments to all eligible applicants shall be reduced in proportion to each requesting organization's reported or audited net revenues from the operation of electronic devices.

326.45. Appropriation for operating, personnel, and other startup costs

Up to five hundred thousand dollars ($500,000), as determined by order of the Director of Finance, is hereby appropriated from the California Bingo Fund to the California Gambling Control Commission for use in the 2008-09 fiscal year for the purposes described in subparagraph (C) of paragraph (3) of subdivision (q) of Section 326.3.

326.5. Bingo games for charity

(a) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any bingo game that is conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the State Constitution, if the ordinance allows games to be conducted only in accordance with this section and only by organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701w, and 23701l of the Revenue and Taxation Code and by

mobilehome park associations, senior citizens organizations, and school districts; and if the receipts of those games are used only for charitable purposes.

(b) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any bingo game authorized by Section 19 of Article IV of the State Constitution. Security personnel employed by the organization conducting the bingo game may be paid from the revenues of bingo games, as provided in subdivisions (j) and (k).

(c) A violation of subdivision (b) shall be punishable by a fine not to exceed ten thousand dollars ($10,000), which fine is deposited in the general fund of the city, county, or city and county that enacted the ordinance authorizing the bingo game. A violation of any provision of this section, other than subdivision (b), is a misdemeanor.

(d) The city, county, or city and county that enacted the ordinance authorizing the bingo game may bring an action to enjoin a violation of this section.

(e) No minors shall be allowed to participate in any bingo game.

(f) An organization authorized to conduct bingo games pursuant to subdivision (a) shall conduct a bingo game only on property owned or leased by it, or property whose use is donated to the organization, and which property is used by that organization for an office or for performance of the purposes for which the organization is organized. Nothing in this subdivision shall be construed to require that the property owned or leased by, or whose use is donated to, the organization be used or leased exclusively by, or donated exclusively to, that organization.

(g) All bingo games shall be open to the public, not just to the members of the authorized organization.

(h) A bingo game shall be operated and staffed only by members of the authorized organization that organized it. Those members shall not receive a profit, wage, or salary from any bingo game. Only the organization authorized to conduct a bingo game shall operate such a game, or participate in the promotion, supervision, or any other phase of a bingo game. This subdivision does not preclude the employment of security personnel who are not members of the authorized organization at a bingo game by the organization conducting the game.

(i) No individual, corporation, partnership, or other legal entity, except the organization authorized to conduct a bingo game, shall hold a financial interest in the conduct of a bingo game.

(j) With respect to organizations exempt from payment of the bank and corporation tax by Section 23701d of the Revenue and Taxation Code, all profits derived from a

bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Those profits shall be used only for charitable purposes.

(k) With respect to other organizations authorized to conduct bingo games pursuant to this section, all proceeds derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Proceeds are the receipts of bingo games conducted by organizations not within subdivision (j). Those proceeds shall be used only for charitable purposes, except as follows:

(1) The proceeds may be used for prizes.

(2) (A) Except as provided in subparagraph (B), a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or two thousand dollars ($2,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of bingo equipment, administrative expenses, security equipment, and security personnel.

(B) For the purposes of bingo games conducted by the Lake Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or three thousand dollars ($3,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of bingo equipment, administrative expenses, security equipment, and security personnel. Any amount of the proceeds that is additional to that permitted under subparagraph (A), up to one thousand dollars ($1,000), shall be used for the purpose of financing the rebuilding of the facility and the replacement of equipment that was destroyed by fire in 2007. The exception to subparagraph (A) that is provided by this subparagraph shall remain in effect only until the cost of rebuilding the facility is repaid, or January 1, 2019, whichever occurs first.

(3) The proceeds may be used to pay license fees.

(4) A city, county, or city and county that enacts an ordinance permitting bingo games may specify in the ordinance that if the monthly gross receipts from bingo games of an organization within this subdivision exceed five thousand dollars ($5,000), a minimum percentage of the proceeds shall be used only for charitable purposes not relating to the conducting of bingo games and that the balance shall be used for prizes, rental of property, overhead, administrative expenses, and payment of license fees. The amount of

proceeds used for rental of property, overhead, and administrative expenses is subject to the limitations specified in paragraph (2).

(l) (1) A city, county, or city and county may impose a license fee on each organization that it authorizes to conduct bingo games. The fee, whether for the initial license or renewal, shall not exceed fifty dollars ($50) annually, except as provided in paragraph (2). If an application for a license is denied, one-half of any license fee paid shall be refunded to the organization.

(2) In lieu of the license fee permitted under paragraph (1), a city, county, or city and county may impose a license fee of fifty dollars ($50) paid upon application. If an application for a license is denied, one-half of the application fee shall be refunded to the organization. An additional fee for law enforcement and public safety costs incurred by the city, county, or city and county that are directly related to bingo activities may be imposed and shall be collected monthly by the city, county, or city and county issuing the license; however, the fee shall not exceed the actual costs incurred in providing the service.

(m) No person shall be allowed to participate in a bingo game, unless the person is physically present at the time and place where the bingo game is being conducted.

(n) The total value of prizes available to be awarded during the conduct of any bingo games shall not exceed five hundred dollars ($500) in cash or kind, or both, for each separate game which is held.

(o) As used in this section, "bingo" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols that are marked or covered by the player on a tangible card in the player's possession and that conform to numbers or symbols, selected at random and announced by a live caller. Notwithstanding Section 330c, as used in this section, the game of bingo includes tangible cards having numbers or symbols that are concealed and preprinted in a manner providing for distribution of prizes. Electronics or video displays shall not be used in connection with the game of bingo, except in connection with the caller's drawing of numbers or symbols and the public display of that drawing, and except as provided in subdivision (p). The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game. All preprinted cards shall bear the legend, "for sale or use only in a bingo game authorized under California law and pursuant to local ordinance." Only a covered or marked tangible card possessed by a player and presented to an attendant may be used to claim a prize. It is the intention of the Legislature that bingo as defined in this subdivision applies exclusively to this section and shall not be applied in the construction or enforcement of any other provision of law.

(p) (1) Players who are physically present at a bingo game may use hand-held, portable card-minding devices, as described in this subdivision, to assist in monitoring the numbers or symbols announced by a live caller as those numbers or symbols are called in a live game. Card-minding devices may not be used in connection with any game where a bingo card may be sold or distributed after the start of the ball draw for that game. A card-minding device shall do all of the following:

(A) Be capable of storing in the memory of the device bingo faces of tangible cards purchased by a player.

(B) Provide a means for bingo players to input manually each individual number or symbol announced by a live caller.

(C) Compare the numbers or symbols entered by the player to the bingo faces previously stored in the memory of the device.

(D) Identify winning bingo patterns that exist on the stored bingo faces.

(2) A card-minding device shall perform no functions involving the play of the game other than those described in paragraph (1). Card-minding devices shall not do any of the following:

(A) Be capable of accepting or dispensing any coins, currency, or other representative of value or on which value has been encoded.

(B) Be capable of monitoring any bingo card face other than the faces of the tangible bingo card or cards purchased by the player for that game.

(C) Display or represent the game result through any means, including, but not limited to, video or mechanical reels or other slot machine or casino game themes, other than highlighting the winning numbers or symbols marked or covered on the tangible bingo cards or giving an audio alert that the player's card has a prize-winning pattern.

(D) Determine the outcome of any game or be physically or electronically connected to any component that determines the outcome of a game or to any other bingo equipment, including, but not limited to, the ball call station, or to any other card-minding device. No other player-operated or player-activated electronic or electromechanical device or equipment is permitted to be used in connection with a bingo game.

(3) (A) A card-minding device shall be approved in advance by the commission as meeting the requirements of this section and any additional requirements stated in regulations adopted by the commission. Any proposed material change to the device, including any change to the software used by the device, shall be submitted to the commission and approved by the commission prior to implementation.

(B) In accordance with Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code, the commission shall establish reasonable criteria for, and require the licensure of, any person that directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices or other supplies, equipment, or services related to card-minding devices designed for use in the playing of bingo games by any nonprofit organization.

(C) A person or entity that supplies or services any card-minding device shall meet all licensing requirements established by the commission in regulations.

(4) The costs of any testing, certification, license, or determination required by this subdivision shall be borne by the person or entity seeking it.

(5) On and after January 1, 2010, the commission and the Department of Justice may inspect all card-minding devices at any time without notice, and may immediately prohibit the use of any device that does not comply with the requirements of subdivision (r) of Section 19841 of the Business and Professions Code. The Department of Justice may at any time, without notice, impound any device the use of which has been prohibited by the commission.

(6) The California Gambling Control Commission shall issue regulations to implement the requirements of this subdivision and may issue regulations regarding the means by which the operator of a bingo game, as required by applicable law, may offer assistance to a player with disabilities in order to enable that player to participate in a bingo game, provided that the means of providing that assistance shall not be through any electronic, electromechanical, or other device or equipment that accepts the insertion of any coin, currency, token, credit card, or other means of transmitting value, and does not constitute or is not a part of a system that constitutes a video lottery terminal, slot machine, or devices prohibited by Chapter 10 (commencing with Section 330).

(7) The following definitions apply for purposes of this subdivision:

(A) "Commission" means the California Gambling Control Commission.

(B) "Person" includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.

SECTIONS OF THE PENAL CODE NOT RELEVANT HAVE BEEN OMITTED

330. ILLEGAL FORMS OF GAMBLING; PUNISHMENT

Every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employee, whether for hire or not, any game of faro, monte, roulette, lansquenet, rouge et noire, rondo, tan, fan-tan, seven-and-a-half, twenty-one, hokey-pokey, or any banking or percentage game played with cards, dice, or any device, for money, checks, credit, or other representative of value, and every person who plays or bets at or against any of those prohibited games, is guilty of a misdemeanor, and shall be punishable by a fine not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding six months, or by both the fine and imprisonment.

330A. SLOT MACHINES; POSSESSION; DICE; ILLEGAL USAGE; PUNISHMENT

(a) Every person, who has in his or her possession or under his or her control, either as owner, lessee, agent, employee, mortgagee, or otherwise, or who permits to be placed, maintained or kept, in any room, space, inclosure or building owned, leased or occupied by him or her, or under his or her management or control, any slot or card machine, contrivance, appliance or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated, or played, by placing or depositing therein any coins, checks, slugs, balls, or other articles or device, or in any other manner and by means whereof, or as a result of the operation of which any merchandise, money, representative or articles of value, checks, or tokens, redeemable in or exchangeable for money or any other thing of value, is won or lost, or taken from or obtained from the machine, when the result of action or operation of the machine, contrivance, appliance, or mechanical device is dependent upon hazard or chance, and every person, who has in his or her possession or under his or her control, either as owner, lessee, agent, employee, mortgagee, or otherwise, or who permits to be placed, maintained or kept, in any room, space, inclosure or building, owned, leased or occupied by him or her, or under his or her management or control, any card dice, or any dice having more than six faces or bases each, upon the result of action of which any money or other valuable thing is staked or hazarded, or as a result of the operation of which any merchandise, money, representative or article of value, check or token, redeemable in or exchangeable for money or any other thing of value, is won or lost or

taken, when the result of action or operation of the dice is dependent upon hazard or chance, is guilty of a misdemeanor.

(b) A first violation of this section shall be punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding six months, or by both that fine and imprisonment.

(c) A second offense shall be punishable by a fine of not less than one thousand dollars ($1,000) not more than ten thousand dollars ($10,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(d) A third or subsequent offense shall be punishable by a fine of not less than ten thousand dollars ($10,000), not more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(e) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

330B. Possession or keeping of slot machines or devices

(a) It is unlawful for any person to manufacture, repair, own, store, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to repair, sell, rent, lease, let on shares, lend or give away, or permit the operation, placement, maintenance, or keeping of, in any place, room, space, or building owned, leased, or occupied, managed, or controlled by that person, any slot machine or device, as defined in this section.

It is unlawful for any person to make or to permit the making of an agreement with another person regarding any slot machine or device, by which the user of the slot machine or device, as a result of the element of hazard or chance or other unpredictable outcome, may become entitled to receive money, credit, allowance, or other thing of value or additional chance or right to use the slot machine or device, or to receive any check, slug, token, or memorandum entitling the holder to receive money, credit, allowance, or other thing of value.

(b) The limitations of subdivision (a), insofar as they relate to owning, storing, possessing, or transporting any slot machine or device, do not apply to any slot machine or device located upon or being transported by any vessel regularly operated and engaged in interstate or foreign commerce, so long as the slot machine or device is located in a locked compartment of the vessel, is not accessible for use, and is not used or operated within the territorial jurisdiction of this state.

(c) The limitations of subdivision (a) do not apply to a manufacturer's business activities that are conducted in accordance with the terms of a license issued by a tribal gaming agency pursuant to the tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act (18 U.S.C. Sec. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.).

(d) For purposes of this section, "slot machine or device" means a machine, apparatus, or device that is adapted, or may readily be converted, for use in a way that, as a result of the insertion of any piece of money or coin or other object, or by any other means, the machine or device is caused to operate or may be operated, and by reason of any element of hazard or chance or of other outcome of operation unpredictable by him or her, the user may receive or become entitled to receive any piece of money, credit, allowance, or thing of value, or additional chance or right to use the slot machine or device, or any check, slug, token, or memorandum, whether of value or otherwise, which may be exchanged for any money, credit, allowance, or thing of value, or which may be given in trade, irrespective of whether it may, apart from any element of hazard or chance or unpredictable outcome of operation, also sell, deliver, or present some merchandise, indication of weight, entertainment, or other thing of value.

(e) Every person who violates this section is guilty of a misdemeanor.

(1) A first violation of this section shall be punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(2) A second offense shall be punishable by a fine of not less than one thousand dollars ($1,000) not more than ten thousand dollars ($10,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(3) A third or subsequent offense shall be punishable by a fine of not less than ten thousand dollars ($10,000), not more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(4) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

(f) Pinball and other amusement machines or devices, which are predominantly games of skill, whether affording the opportunity of additional chances or free plays or not, are not included within the term slot machine or device, as defined in this section.

330c. Punchboard; definition

A punchboard as hereinafter defined is hereby declared to be a slot machine or device within the meaning of Section 330b of this code and shall be subject to the provisions thereof. For the purposes of this section, a punchboard is any card, board or other device which may be played or operated by pulling, pressing, punching out or otherwise removing any slip, tab, paper or other substance therefrom to disclose any concealed number, name or symbol.

330.1. Slot machines or devices; manufacture, ownership, sale, possession, transportation, etc; definition

(a) Every person who manufactures, owns, stores, keeps, possesses, sells, rents, leases, lets on shares, lends or gives away, transports or exposes for sale or lease or offers to sell, rent, lease, let on shares, lend or give away or who permits the operation of or permits to be placed, maintained, used or kept in any room, space or building owned, leased or occupied by him or her or under his or her management or control, any slot machine or device as hereinafter defined, and every person who makes or permits to be made with any person any agreement with reference to any slot machine or device as hereinafter defined, pursuant to which agreement the user thereof, as a result of any element of hazard or chance, may become entitled to receive anything of value or additional chance or right to use that slot machine or device, or to receive any check, slug, token or memorandum, whether of value or otherwise, entitling the holder to receive anything of value, is guilty of a misdemeanor.

(b) A first violation of this section shall be punishable by a fine of not more than one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(c) A second offense shall be punishable by a fine of not less than one thousand dollars ($1,000) not more than ten thousand dollars ($10,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(d) A third or subsequent offense shall be punishable by a fine of not less than ten thousand dollars ($10,000), not more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(e) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

(f) A slot machine or device within the meaning of Sections 330.1 to 330.5, inclusive, of this code is one that is, or may be, used or operated in such a way that, as a result of the insertion of any piece of money or coin or other object that machine or device is

caused to operate or may be operated or played, mechanically, electrically, automatically or manually, and by reason of any element of hazard or chance, the user may receive or become entitled to receive anything of value or any check, slug, token or memorandum, whether of value or otherwise, which may be given in trade, or the user may secure additional chances or rights to use such machine or device, irrespective of whether it may, apart from any element of hazard or chance also sell, deliver or present some merchandise, indication of weight, entertainment or other thing of value.

330.2. Thing of value; definition

As used in Sections 330.1 to 330.5, inclusive, of this code a "thing of value" is defined to be any money, coin, currency, check, chip, allowance, token, credit, merchandise, property, or any representative of value.

330.3. Slot machines or devices; seizure and disposal

In addition to any other remedy provided by law any slot machine or device may be seized by any of the officers designated by Sections 335 and 335a of the Penal Code, and in such cases shall be disposed of, together with any and all money seized in or in connection with such machine or device, as provided in Section 335a of the Penal Code.

330.4. Slot machines or devices; possession or control; permitting placement; punishment; confiscation

It is specifically declared that the mere possession or control, either as owner, lessee, agent, employee, mortgagor, or otherwise of any slot machine or device, as defined in Section 330.1 of this code, is prohibited and penalized by the provisions of Sections 330.1 to 330.5, inclusive, of this code.

It is specifically declared that every person who permits to be placed, maintained or kept in any room, space, enclosure, or building owned, leased or occupied by him, or under his management or control, whether for use or operation or for storage, bailment, safekeeping or deposit only, any slot machine or device, as defined in Section 330.1 of this code, is guilty of a misdemeanor and punishable as provided in Section 330.1 of this code.

It is further declared that the provisions of this section specifically render any slot machine or device as defined in Section 330.1 of this code subject to confiscation as provided in Section 335a of this code.

330.5. Slot Machines; Exemptions; Music, Weighing, or Vending Machines

It is further expressly provided that Sections 330.1 to 330.4, inclusive, of this code shall not apply to music machines, weighing machines and machines which vend cigarettes, candy, ice cream, food, confections or other merchandise, in which there is deposited an exact consideration and from which in every case the customer obtains that which he purchases; and it is further expressly provided that with respect to the

provisions of Sections 330.1 to 330.4, inclusive, only, of this code, pin ball, and other amusement machines or devices which are predominantly games of skill, whether affording the opportunity of additional chances or free plays or not, are not intended to be and are not included within the term slot machine or device as defined within Sections 330.1 to 330.4, inclusive, of this code.

330.6. Slot machines or devices; exemption of machines on vessels

The provisions of Sections 330.1 to 330.5, inclusive, of this code, with respect to owning, storing, keeping, possessing, or transporting any slot machine or device as therein defined, shall not apply to any slot machine or device as therein defined, located upon or being transported by any vessel regularly operated and engaged in interstate or foreign commerce, so long as such slot machine or device is located in a locked compartment of the vessel, is not accessible for use and is not used or operated within the territorial jurisdiction of this State.

330.7. Antique Slot Machines

(a) It shall be a defense to any prosecution under this chapter relating to slot machines, as defined in subdivision (d) of Section 330b, if the defendant shows that the slot machine is an antique slot machine and was not operated for gambling purposes while in the defendant's possession. For the purposes of this section, the term "antique slot machine" means a slot machine that is over 25 years of age.

(b) Notwithstanding Section 335a, whenever the defense provided by subdivision (a) is offered, no slot machine seized from a defendant shall be destroyed or otherwise altered until after a final court determination that the defense is not applicable. If the defense is applicable, the machine shall be returned pursuant to provisions of law providing for the return of property.

(c) It is the purpose of this section to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes because of their aesthetic interest and importance in California history.

330.8. Slot Machines: Sale, Transportation, Storage, and Manufacture

Notwithstanding Sections 330a, 330b, and 330.1 to 330.5, inclusive, the sale, transportation, storage, and manufacture of gambling devices, as defined in Section 330.1, including the acquisition of essential parts therefor and the assembly of such parts, is permitted, provided those devices are sold, transported, stored, and manufactured only for subsequent transportation in interstate or foreign commerce when that transportation is not prohibited by any applicable federal law. Those activities may be conducted only by persons who have registered with the United States government pursuant to Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code, as amended. Those gambling devices shall not be displayed to the general public or sold for use in California regardless of where purchased, nor held nor

manufactured in violation of any applicable federal law. A violation of this section is a misdemeanor.

330.9. Slot Machines; Exemptions; Trade Shows; Use as Prop

(a) Notwithstanding Sections 330a, 330b, 330.1 to 330.5, inclusive, or any other provision of law, it shall be lawful for any person to transport and possess any slot machine or device for display at a trade show, conference, or convention being held within this state, or if used solely as a prop for a motion picture, television, or video production.

(b) Subdivision (a) shall apply only if the slot machine or device is adjusted to render the machine or device inoperable, or if the slot machine or device is set on demonstration mode.

(c) This section is intended to constitute a state exemption as provided in Section 1172 of Title 15 of the United States Code.

(d) For purposes of this section:

(1) "Demonstration mode" means that the programming or settings of a slot machine or device have been programmed, set, or selected to operate normally, but to not accept or pay out cash or any other consideration.

(2) "Slot machine or device" has the same meaning as "slot machine or device" as defined in Section 330.1, or "gambling device" as defined in paragraph (1) of subsection (a) of Section 1171 of Title 15 of the United States Code.

330.11. Banked or Banking Games; Definition

"Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the division finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

336.5. Gaming Chips Used for Food and Beverages

Gaming chips may be used on the gaming floor by a patron of a gambling establishment, as defined in subdivision (m) of Section 19805 of the Business and Professions Code, to pay for food and beverage items that are served at the table.

337J. Controlled Game; License Requirements; Fee Collection

(a) It is unlawful for any person, as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, to do any of the following without having first procured and thereafter maintained in effect all federal, state, and local licenses required by law:

(1) To deal, operate, carry on, conduct, maintain, or expose for play in this state any controlled game.

(2) To receive, directly or indirectly, any compensation or reward or any percentage or share of the revenue, for keeping, running, or carrying on any controlled game.

(3) To manufacture, distribute, or repair any gambling equipment within the boundaries of this state, or to receive, directly or indirectly, any compensation or reward for the manufacture, distribution, or repair of any gambling equipment within the boundaries of this state.

(b) It is unlawful for any person to knowingly permit any controlled game to be conducted, operated, dealt, or carried on in any house or building or other premises that he or she owns or leases, in whole or in part, if that activity is undertaken by a person who is not licensed as required by state law, or by an employee of that person.

(c) It is unlawful for any person to knowingly permit any gambling equipment to be manufactured, stored, or repaired in any house or building or other premises that the person owns or leases, in whole or in part, if that activity is undertaken by a person who is not licensed as required by state law, or by an employee of that person.

(d) Any person who violates, attempts to violate, or conspires to violate this section shall be punished by imprisonment in a county jail for not more than one year or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine. A second offense of this section is punishable by imprisonment in a county jail for a period of not more than one year or in the state prison or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine.

(e) (1) As used in this section, "controlled game" means any poker or Pai Gow game, and any other game played with cards or tiles, or both, and approved by the Department of Justice, and any game of chance, including any gambling device, played for currency, check, credit, or any other thing of value that is not prohibited and made unlawful by statute or local ordinance.

(2) As used in this section, "controlled game" does not include any of the following:

(A) The game of bingo conducted pursuant to Section 326.3 or 326.5.

(B) Parimutuel racing on horse races regulated by the California Horse Racing Board.

(C) Any lottery game conducted by the California State Lottery.

(D) Games played with cards in private homes or residences, in which no person makes money for operating the game, except as a player.

(f) This subdivision is intended to be dispositive of the law relating to the collection of player fees in gambling establishments. A fee may not be calculated as a fraction or percentage of wagers made or winnings earned. The amount of fees charged for all wagers shall be determined prior to the start of play of any hand or round. However, the gambling establishment may waive collection of the fee or portion of the fee in any hand or round of play after the hand or round has begun pursuant to the published rules of the game and the notice provided to the public. The actual collection of the fee may occur before or after the start of play. Ample notice shall be provided to the patrons of gambling establishments relating to the assessment of fees. Flat fees on each wager may be assessed at different collection rates, but no more than five collection rates may be established per table. However, if the gambling establishment waives its collection fee, this fee does not constitute one of the five collection rates.

337t. Definitions

The following definitions govern the construction of this section and Sections 337u, 337w, 337x, and 337y:

(a) "Associated equipment" means any equipment or mechanical, electromechanical, or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems for monitoring slot machines and devices for weighing or counting money.

(b) "Cashless wagering system" means a method of wagering and accounting in which the validity and value of a wagering instrument or wagering credits are determined, monitored, and retained by a computer that is operated and maintained by a licensee and that maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device.

(c) "Cheat" means to alter the normal elements of chance, method of selection, or criteria, excluding those alterations to the game generally done by the casino to provide

variety to games and that are known, or should be known, by the wagering players, which determine any of the following:

(1) The result of a gambling game.

(2) The amount or frequency of payment in a gambling game.

(3) The value of a wagering instrument.

(4) The value of a wagering credit.

(d) "Drop box" means the box that serves as a repository for cash, chips, tokens, or other wagering instruments.

(e) "Gambling establishment" means any premises wherein or whereon any gaming is done.

(f) "Gambling game device" means any equipment or mechanical, electromechanical, or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes any of the following:

(1) A slot machine.

(2) A collection of two or more of the following components:

(A) An assembled electronic circuit which cannot be reasonably demonstrated to have any use other than in a slot machine.

(B) A cabinet with electrical wiring and provisions for mounting a coin, token, or currency acceptor and provisions for mounting a dispenser of coins, tokens, or anything of value.

(C) A storage medium containing the source language or executable code of a computer program that cannot be reasonably demonstrated to have any use other than in a slot machine.

(D) An assembled video display unit.

(E) An assembled mechanical or electromechanical display unit intended for use in gambling.

(F) An assembled mechanical or electromechanical unit which cannot be demonstrated to have any use other than in a slot machine.

(3) Any mechanical, electrical, or other device that may be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game.

(4) A system for the accounting or management of any game in which the result of the wager is determined electronically by using any combination of hardware or software for computers.

(5) Any combination of one of the components set forth in subparagraphs (A) to (F), inclusive, of paragraph (2) and any other component that the commission determines, by regulation, to be a machine used directly or remotely in connection with gaming or any game which affects the results of a wager by determining a win or loss.

(g) "Past-posting" means the placing of a wager by an individual at a game after having knowledge of the result or outcome of that game.

(h) "Pinching wagers" means to reduce the amount wagered or to cancel the wager after acquiring knowledge of the outcome of the game or other event that is the subject of the wager.

(i) "Pressing wagers" means to increase a wager after acquiring knowledge of the outcome of the game or other event that is the subject of the wager.

(j) "Tribal Gaming Agency" means the person, agency, board, committee, commission, or council designated under tribal law, including, but not limited to, an intertribal gaming regulatory agency approved to fulfill those functions by the National Indian Gaming Commission, as primarily responsible for carrying out the regulatory responsibilities of the tribe under the Indian Gaming and Regulatory Act (25 U.S.C. Sec. 2701) and a tribal gaming ordinance.

(k) "Wagering credit" means a representative of value, other than a chip, token, or wagering instrument, that is used for wagering at a game or gaming device and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money.

(l) "Wagering instrument" means a representative of value, other than a chip or token, that is issued by a licensee and approved by the California Gambling Control Commission or a tribal gaming agency, for use in a cashless wagering system.

337u. Unlawful Acts

It is unlawful for any person to commit any of the following acts:

(a) To alter or misrepresent the outcome of a gambling game or other event on which wagers lawfully have been made after the outcome is determined, but before it is revealed to the players.

(b) To place, increase, or decrease a wager or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the gambling game or any event that affects the outcome of the gambling game or which is the subject of the wager or to aid anyone in acquiring that knowledge for the purpose of placing, increasing, or decreasing a wager or determining the course of play contingent upon that event or outcome.

(c) To claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager contingent on the game, or to claim, collect, or take an amount greater than the amount actually won.

(d) Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of this section, or Section 337v, 337w, 337x, or 337y, with the intent that the other person play or participate in that gambling game.

(e) To place or increase a wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the wager, including past-posting and pressing wagers.

(f) To reduce the amount wagered or cancel the wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the bet, including pinching wagers.

(g) To manipulate, with the intent to cheat, any component of a gambling game device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the gambling game or with knowledge of any event that affects the outcome of the gambling game.

337v. Prohibited devices

It is unlawful for any person at a gambling establishment to use, or to possess with the intent to use, any device to assist in any of the following:

(a) In projecting the outcome of the gambling game.

(b) In keeping track of the cards played.

(c) In analyzing the probability of the occurrence of an event relating to the gambling game.

(d) In analyzing the strategy for playing or wagering to be used in the gambling game, except as permitted by the California Gambling Control Commission or a tribal gaming agency.

337w. Unlawful acts

(a) It is unlawful for any person to use counterfeit chips, counterfeit debit instruments, or other counterfeit wagering instruments in a gambling game, the equipment associated with a gambling game, or a cashless wagering system.

(b) It is unlawful for any person, in playing or using any gambling game, the equipment associated with a gambling game, or a cashless wagering system designed to be played with, receive, or be operated by chips, tokens, wagering credits or other wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency, or by lawful coin of the United States of America to either:

(1) Knowingly use chips, tokens, wagering credits, or other wagering instruments not approved by the California Gambling Control Commission or a tribal gaming agency, or lawful coin, legal tender of the United States of America, or use coins or tokens not of the same denomination as the coins or tokens intended to be used in that gambling game, associated equipment, or cashless wagering system.

(2) Use any device or means to violate this section or Section 337u, 337v, 337x, or 337y.

(c) It is unlawful for any person, not a duly authorized employee of a gambling establishment acting in furtherance of his or her employment within that establishment, to possess any device intended to be used to violate this section or Section 337u, 337v, 337x, or 337y.

(d) It is unlawful for any person, not a duly authorized employee of a gambling establishment acting in furtherance of his or her employment within that establishment, to possess any key or device known to have been designed for the purpose of, and suitable for, opening, entering, or affecting the operation of any gambling game, cashless wagering system, or dropbox, or for removing money or other contents from the game, system, or box.

(e) It is unlawful for any person to possess any paraphernalia for manufacturing slugs. As used in this subdivision, "paraphernalia for manufacturing slugs" means the equipment, products, and materials that are intended for use or designed for use in manufacturing, producing, fabricating, preparing, testing, analyzing, packaging, storing, or concealing a counterfeit facsimile of the chips, tokens, debit instruments, or other wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency, or a lawful coin of the United States, the use of which is unlawful

pursuant to subdivision (b). The term "paraphernalia for manufacturing slugs" includes, but is not limited to, any of the following:

(1) Lead or lead alloys.

(2) Molds, forms, or similar equipment capable of producing a likeness of a gaming token or lawful coin of the United States.

(3) Melting pots or other receptacles.

(4) Torches.

(5) Tongs, trimming tools, or other similar equipment.

(6) Equipment which can be reasonably demonstrated to manufacture facsimiles of debit instruments or wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency.

337x. Cheating

It is unlawful to cheat at any gambling game in a gambling establishment.

337z. Penalties

(a) Any person who violates Section 337u, 337v, 337w, 337x, or 337y shall be punished as follows:

(1) For the first violation, by imprisonment in a county jail for a term not to exceed one year, or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine.

(2) For a second or subsequent violation of any of those sections, by imprisonment in a county jail for a term not to exceed one year or by a fine of not more than fifteen thousand dollars ($15,000), or by both imprisonment and fine.

(b) A person who attempts to violate Section 337u, 337v, 337w, 337x, or 337y shall be punished in the same manner as the underlying crime.

(c) This section does not preclude prosecution under Section 332 or any other provision of law.

Regulations

REGULATIONS

The regulations included in this document are current as of January 1, 2011. For the most current version of the Commission's regulations, see the Commission website at www.cgcc.ca.gov. For the most current version of the Bureau of Gambling Control's regulations, see the Bureau's website at www.ag.ca.gov/gambling.

CALIFORNIA CODE OF REGULATIONS

TITLE 4. BUSINESS REGULATIONS

DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION

CHAPTER 1. GENERAL PROVISIONS

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

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

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

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

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

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

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

12004. Change of Address

A registrant or licensee shall report to the Commission any change of address within ten days of such change on a form entitled "Notice of Address Change" CGCC-032 (New 06-05), which is attached in Appendix A to this Chapter.

Note: Authority cited: Section 19811, 19823, 19824, 19853(a)(3), 19864, and 19984, Business and Professions Code. Reference: Sections 19850 and 19852, Business and Professions Code.

12008. Registration Fees; License Fees

Every application for a registration or license issued pursuant to this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19951(a). Every application for a work permit issued pursuant to Chapter 2 of this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19915. The fee for the initial application and renewal of registrations, licenses or work permits issued pursuant to this division is as follows:

(a) For an initial and renewal Gambling License issued pursuant to Chapter 6, the fee is one thousand dollars ($1000).

(b) For a Gambling Establishment Key Employee License issued pursuant to Chapter 6, the fee is as follows:

(1) For an interim key employee license, the fee is twenty-five dollars ($25).

(2) For an initial and renewal license, the fee is seven hundred and fifty dollars ($750).

(3) For a replacement license, the fee is twenty-five dollars ($25).

(c) For an initial and renewal Work Permit issued pursuant to Chapter 2, the fee is as follows:

(1) For a Regular Work Permit, the fee is two hundred and fifty dollars ($250).

(2) For a Temporary Work Permit, the fee is twenty-five dollars ($25), in addition to the regular work permit fee in paragraph (1) of this subsection.

(d) For a Third-Party Proposition Player Services registration or license issued pursuant to Chapter 2.1, the fee is as follows:

(1) For an initial and renewal registration of all registration types, the fee is five hundred dollars ($500).

(2) For a temporary player registration, the fee is twenty-five dollars ($25), in addition to the regular player registration fee specified in paragraph (1) of this subsection.

(3) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars ($1000).

(4) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars ($750).

(5) For an initial and renewal license as a player or other employee, the fee is five hundred dollars ($500).

(e) For a Gambling Business registration or license issued pursuant to Chapter 2.2, the fee is as follows:

(1) For an initial and renewal registration for all registration types, the fee is five hundred dollars ($500).

(2) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars ($1000).

(3) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars ($750).

(4) For an initial and renewal license as a player or other employee, the fee is five hundred dollars ($500).

(f) For a Gambling Equipment Manufacturer or Distributor Registration issued pursuant to Chapter 4, the fee is as follows:

(1) For an initial and renewal registration as a Class A Equipment Manufacturer or Distributor, the fee is five hundred dollars ($500).

(2) For an initial and renewal registration as an "antique collector", within the meaning of Sections 12300(b)(1) and 12301(b)(10)(B), the fee is forty dollars ($40).

(3) For a Class B Equipment Manufacturer or Distributor Registration, no fee is required.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a) and (r), 19853(a)(3), 19915, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19915, 19841(r), 19853(a)(3), 19951(a) and 19984(b), Business and Professions Code.

12047. Withdrawal of Applications

A request by an applicant to withdraw the submitted application may be made at any time prior to the final action by the Bureau. The request shall be made in writing to the Commission. The Commission, pursuant to Business and Professions Code section 19869, may deny the request or may grant the request, with or without prejudice.

(a) If a request for withdrawal is granted without prejudice, any unused portion of the background investigation deposit shall be refunded by the Commission.

(b) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to apply again for licensure or approval until after the expiration of one year from the date the request for withdrawal is granted. Any unused portion of the background investigation deposit shall be refunded by the Commission.

(c) If the request for withdrawal is denied, the Bureau shall proceed with the investigation of the applicant and provide a recommendation to the Commission for action on the application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, 19951, and 19984, Business and Professions Code.

12048. Abandonment of Applications

At any time prior to final Commission action, the Executive Director may preliminarily determine that the application is abandoned. Such preliminary determination may be based upon recommendation of the Bureau, failure of the applicant to respond to Bureau or Commission inquiries, or notification by the applicant that the application is no longer being pursued. If the determination is not based upon applicant's notice to

the Commission, then notice will be sent to the applicant, with a copy to the applicant's employer by certified mail indicating that unless the applicant contacts the Commission within 30 days from the date of the letter, the application shall be deemed abandoned. An abandoned application cannot be reactivated.

Note: Authority cited: Sections 19811, 19823, 19824,19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, and 19951, Business and Professions Code.

12050. Hearing Procedures; Appeal of Denial of or Imposition of Conditions on Application for License, Permit, or Request for Finding of Suitability

(a) If the Bureau, after an investigation pursuant to Business and Professions Code section 19826, subdivision (a), issues a recommendation to deny, limit, restrict, or condition a license, permit, or finding of suitability, the Bureau shall provide the applicant with a copy of the Bureau's final report as described in Business and Professions Code section 19868, subdivision (b), which includes a detailed factual and/or legal basis for any recommendation as well as the Bureau's recommendation to the Commission and any supplemental documents provided to the Commission at the time of the report and recommendation. Any applicant for any license, permit, or finding of suitability for whom Commission staff has issued a recommendation of denial or imposition of conditions shall be given notice by certified mail of the Commission meeting at which the application is scheduled to be heard and the Commission staff recommendation at least 10 days prior to the meeting. The applicant shall be afforded the opportunity to:

(1) Address the Commission by way of an oral statement at a noticed Commission meeting, and/or may submit documents in support of the application, or

(2) Request an evidentiary hearing.

(b) If the applicant requests an evidentiary hearing or the Commission elects to have an evidentiary hearing, the Executive Director shall set the matter for hearing pursuant to Business and Professions Code sections 19870 and 19871, or pursuant to Business and Professions Code section 19825 (conducted pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(1) If the hearing is to proceed pursuant to Business and Professions Code section 19825 (Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code; California Code of Regulations, title 1, section 1000 et seq.), the hearing shall be before an administrative law judge sitting on behalf of the Commission. Notice shall be effected pursuant to Government Code section 11500 et seq.

(2) If the hearing is to proceed pursuant to Business and Professions Code sections 19870 and 19871, notice shall be effected by the Commission, and the hearing before the Commission shall be conducted pursuant to Business and Professions Code section 19871:

(A) The Bureau or Commission staff or Deputy Attorney General or other representative presenting the case (Complainant) shall provide the applicant, at least 30 calendar days prior to the hearing, a list of potential witnesses with the general subject of the testimony of each witness and shall disclose and make available copies of all documentary evidence intended to be introduced at the hearing and not previously provided, reports or statements of parties and witnesses and all other writings containing relevant evidence, including all evidence made available to the Commissioners. The applicant shall provide Complainant with similar information to be introduced at the hearing and not previously provided at least ten calendar days prior to the hearing. The Commissioners may prohibit testimony of a witness that is not disclosed and may prohibit the introduction of documents that have not been disclosed.

(B) Nothing in this section confers upon an applicant a right to discovery of the Commission's or Bureau's confidential information or to require production of any document or information the disclosure of which is otherwise prohibited by any provision of the Gambling Control Act, or is privileged from disclosure or otherwise made confidential by law. Documentary evidence may be redacted as needed to prevent the disclosure of confidential information. Exculpatory or mitigating information shall not be withheld from the applicant, but may be redacted.

(C) Within the guidelines of subsection (b)(2)(A) above, each party shall have the right to call and examine witnesses; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in the direct examination; to impeach any witness, regardless of which party first called the witness to testify; and to offer rebuttal evidence. If the applicant does not testify on the applicant's own behalf, the applicant may be called and examined as if under cross-examination.

(D) The hearing need not be conducted according to technical rules of evidence. Any relevant evidence may be considered, and is

sufficient in itself to support findings if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action. A presiding officer, which shall be an administrative law judge or an attorney designated by the Commission, shall rule on the admissibility of evidence and on any objections raised.

(E) Oral evidence shall be taken upon oath or affirmation, which may be administered by a staff member of the Commission or by a Commissioner.

(F) The hearing shall be stenographically or electronically recorded by the Commission.

(G) At the conclusion of the hearing, the Commission shall take the matter under submission and may schedule future closed session meetings for deliberation. In taking the matter under consideration, any Commissioner who participated at the hearing shall be allowed to vote by mail or by other appropriate method. Within 30 days of the conclusion of the hearing, the Commission shall issue a decision which complies with Business and Professions Code section 19870, subdivision (c), and shall serve the decision by certified mail on the applicant and on any business entity with which the applicant is associated.

(3) At the hearings described in subsections (b)(1) and (2) above, the burden of proof rests with applicant to demonstrate why a license, permit, or finding of suitability should be issued or not conditioned. The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative at his, her, or its own expense. A representative of the Bureau shall present the reasons why the license, permit, or finding of suitability should not be granted or should be granted with conditions imposed. In the event that the Bureau does not present the case, the Commission may seek outside representation or one or more Commission staff members shall be segregated and present the case.

(c) If the application is denied or conditions imposed:

(1) The Commission's decision shall provide the effective date of the decision and may include further directions as to stay provisions or orders to divest.

(2) If the denied applicant is an officer, director, employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the decision and shall so notify the Commission in writing.

(3) If the denied applicant is an officer or director of a corporation licensed, registered, or found suitable by the Commission, the corporation shall immediately remove that person from office and shall so notify the Commission in writing. If the denied applicant is an employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the corporation shall terminate its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing. The denied applicant and the corporation licensed, registered, or found suitable by the Commission shall comply with Business and Professions Code section 19882.

(4) If the denied applicant is a general or limited partner in a general or limited partnership licensed, registered, or found suitable by the Commission, the denied applicant shall resign as partner. If the denied applicant is an owner or holder of an interest in a limited partnership licensed, registered, or found suitable by the Commission, the denied applicant and the limited partnership shall comply with Business and Professions Code section 19892 and shall so notify the Commission in writing.

(5) If the denied applicant is a principal in a business entity not otherwise described above which is licensed, registered, or found suitable by the Commission, the denied applicant shall resign his or her position within that entity and divest whatever interest is held in that entity pursuant to the timelines and instructions specified in the decision, and shall so notify the Commission in writing. The business entity shall remove the denied applicant from any principal role in the business entity and shall so notify the Commission in writing.

(6) An applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions imposed upon it may request reconsideration by the Commission within 30 days of notice of the decision. The request shall be in writing and shall outline the reasons for the request, which must be based upon either newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission's issuance of the decision or at the hearing on the matter, or upon other good cause for which the Commission in its discretion decides merits reconsideration. The

Commission Chair may delegate to the Executive Director the authority to determine whether to place requests for reconsideration on the Commission agenda or to act on them at the Commission staff level. If placed on the Commission agenda, the applicant requesting reconsideration shall be notified of the date and time of the agenda item. The granting or denial of reconsideration is at the discretion of the Commission. The Commission shall notify the applicant requesting reconsideration whether or not reconsideration is granted or denied within 30 days of the applicant's request. If the Commission grants reconsideration, the effective date of the decision shall be stayed or vacated, at the Commission's discretion, while the decision is reconsidered.

(d) An appeal of a denial or imposition of conditions by the Commission shall be subject to judicial review under Code of Civil Procedure section 1085 (pursuant to Business and Professions Code section 19870, subdivision (e)). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

(e) Proceedings to revoke, suspend, or discipline a license, registration, permit, finding of suitability, or other approval shall be pursuant to Chapter 10 of these regulations.

Note: Authority cited: Sections 19804, 19870 and 19872, Business and Professions Code. Reference: Sections 19868, 19870, 19879, 19883, 19892, Business and Professions Code.

APPENDIX A CHANGE OF ADDRESS FORM

See following page

Commission Use Only

Date to DGC:_____

State of California
California Gambling Control Commission
CGCC–032 (New 06-05)

NOTICE OF ADDRESS CHANGE

SECTION 1: INFORMATION

Full Legal Name:

Gambling Establishment Affiliation, if any:

Type of License / Registration (or Designated Agent):

SECTION 2: CHANGE OF BUSINESS ADDRESS

Previous Business Address:

Street City State Zip Code

New Business Address:

Street City State Zip Code

SECTION 3: CHANGE OF MAILING ADDRESS, IF DIFFERENT FROM BUSINESS ADDRESS

Previous Mailing Address:

Street City State Zip Code

New Mailing Address:

Street City State Zip Code

SECTION 4: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

Previous Phone Number:

Previous E-mail Address (Optional):

New Phone Number:

( )

New E-mail Address (Optional):

SECTION 5: DECLARATION

I specifically request that all notices and written communications be sent to the new address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this form is true, correct, and complete.

Signature: _____

Printed Name and Title

Date:

NOTICE OF ADDRESS CHANGE INSTRUCTIONS

Type or print (in ink) all information requested on this form.

Retain a photocopy of the completed form for your permanent records.

A separate form is required for each registered/licensed person/entity.

If the form is returned at any point in the processing, please follow the enclosed directions and resubmit it in a timely manner.

You are responsible for providing the appropriate information. If a question is not applicable, indicate with "N/A."

You must initial and date any corrections, changes, or other alterations.

Any individual or entity who holds a State Gambling License (including Key Employee License), Registration, or a CGCC-issued Work Permit is required to submit a Notice of Address Change Form within TEN days of such change.

SECTION 1: INFORMATION

Provide your full legal name and list all other names if applicable. State your Gambling Establishment Affiliation (i.e. Name of Gambling Establishment) as well as the type of license/registration that you hold. (i.e. Owner, Key Employee, Work Permit). If you are the Designated Agent, please state.

SECTION 2: CHANGE OF BUSINESS ADDRESS

and

SECTION 3: CHANGE OF ADDRESS

You must provide your complete previous address and new address.

Even if only part of the address is changing, you must fill in all the blanks.

SECTION 4: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

You must provide your complete previous phone number and new phone number. Providing an e-mail address is optional.

SECTION 5: DECLARATION

Sign and date the form under penalty of perjury. A form must be signed and dated to be considered complete.

CHAPTER 2. WORK PERMITS.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12100. DEFINITIONS.

The following definitions govern the construction of the regulations contained in this Chapter:

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

(b) "Gambling Enterprise Employee" has the same meaning as defined in Business and Professions Code section 19805, subdivision (m).

(c) "Gambling Establishment" or "Establishment" has the same meaning as defined in Business and Professions Code section 19805, subdivision (n).

(d) "Regular Work Permit" or "Work Permit" means a work permit issued pursuant to Business and Professions Code section 19912 for a period of no more than two years.

(e) "Temporary Work Permit" means a work permit issued pursuant to this article to a prospective gambling enterprise employee in accordance with Business and Professions Code section 19824, subdivision (f), valid for a period not to exceed 120 days from the date of issuance.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

12101. FORMS.

The following forms shall be used as specified in this chapter:

(a) "Renewal Work Permit Application Form" means the "Application for Work Permit Renewal" CGCC-023 (Rev. 04/08) which is hereby incorporated by reference.

(b) "Replacement Badge Application" means the "Application for Replacement Work Permit Badge" CGCC-026 (Rev. 04/08) which is hereby incorporated by reference.

(c) "Transfer of Work Permit Application Form" means the "Application for Transfer of Work Permit" CGCC-022 (Rev. 04/08) which is hereby incorporated by reference.

(d) "Work Permit Application Form" means the "Application for Regular and Temporary Work Permit" CGCC-021 (Rev. 04/08) which is hereby incorporated by reference.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

ARTICLE 2. REGULAR WORK PERMITS.

12104. TERM OF WORK PERMIT.

As provided in Business and Professions Code section 19912, a work permit issued by the Commission is valid for two years. If a temporary work permit is issued, the term of the subsequently issued regular work permit shall run from the date of the issuance of the temporary work permit.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

12105. MANDATORY AND DISCRETIONARY GROUNDS FOR DENIAL OF WORK PERMIT.

(a) An application for a work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification under Business and Professions Code section 19859.

(2) The applicant is found unqualified pursuant to the criteria set forth in subdivisions (a) or (b) of Business and Professions Code section 19857.

(b) An application for a work permit may be denied by the Commission if it finds any of the following:

(1) Cause set forth in Business and Professions Code section 19914, subdivision (a), paragraphs (1) through (9), inclusive.

(2) Within ten years immediately preceding the submission of the application, the applicant was convicted of any of the following offenses:

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

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

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

(D) A misdemeanor involving a violation of the Gambling Control Act.

(E) A misdemeanor involving dishonesty or moral turpitude whether or not the applicant was granted relief pursuant to Sections 1203.4, 1203.4a, or 1203.45 of the Penal Code.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute.

(d) The criteria set forth in this section shall constitute grounds for objection to the issuance of a work permit by a city, county, or city and county pursuant to Business and Professions Code section 19912.

(e) The provisions of Business and Professions Code sections 19857, 19859, and 19914, subdivision (a) shall be deemed incorporated by reference into this regulation for the purposes set forth in this section. For the purposes of this section, the criteria incorporated by reference in these regulations from Business and Professions Code section 19914, subdivision (a), apply to conduct or events occurring prior to the filing of an application for a work permit.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 19800, 19811, 19816, 19857, 19859, 19911, 19912 and 19914(b), Business and Professions Code.

ARTICLE 3. TEMPORARY WORK PERMITS.

12120. TEMPORARY WORK PERMITS.

(a) While the Bureau is processing an application for a regular work permit, and subject to Section 12122, the Executive Director, or any employee of the Commission designated in writing by the Executive Director, may issue a temporary work permit pursuant to this article, which shall be valid for no more than 120 days. The duration of the temporary work permit shall not substantially exceed the estimated time to process and consider the application for a regular work permit, but may be extended if necessary; provided that in no event shall a temporary work permit be valid for more than 120 days. Any temporary work permit issued in accordance with this article shall not create a property right in its holder. In order to protect the public, each temporary work permit shall be issued subject to the conditions specified in Section 12128.

(b) Upon issuance or denial of a regular work permit by the Commission, the temporary work permit previously issued shall become void and shall not be used thereafter.

(c) If the regular work permit is not issued within 120 days of the issuance of the temporary work permit, the applicant may submit an application for a new temporary work permit to the Commission. The Executive Director shall waive the fee for the new temporary work permit upon request of the applicant.

(d) In the event that the regular work permit is issued prior to action by the Executive Director on the application for the temporary work permit, the application for the temporary work permit shall be deemed withdrawn and no further action will be taken on it.

(e) If an application for a temporary work permit is incomplete, the Executive Director may request in writing any information needed in order to complete the application. The Executive Director shall allow the applicant 30 days in which to furnish the information. If the applicant fails to respond to the request, the temporary work permit application shall be deemed abandoned and no further action will be taken on it.

(f) If the applicant submits a request for withdrawal of his or her application for a regular work permit, the application for a temporary work permit shall be deemed abandoned and no further action will be taken on it by the Executive Director.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801(j), 19811, 19816, 19866, 19910 and 19912, Business and Professions Code.

12122. Criteria for the Issuance of Temporary Work Permits.

The Executive Director shall issue a temporary work permit if all of the following requirements are met:

(a) The applicant has applied for a temporary work permit by completing the Commission's work permit application form, requesting issuance of a temporary work permit by checking the appropriate box on the application form, and submitting with the application a nonrefundable temporary work permit fee as specified in paragraph (2) of subsection (c) of Section 12008, in addition to the regular work permit fee specified in paragraph (1) of subsection (c) of Section 12008.

(b) The applicant has supplied all of the following to the Commission:

(1) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.
(2) A two by two inch color passport-style photograph taken no more than 30

days before submission to the Commission of the work permit application, which shall be in addition to the photograph submitted for the regular work permit.

(3) Information concerning the gambling establishment in which the position is available: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorized agent, or hiring authority of the establishment.

(4) A Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01,) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated background check and response.

(c) Neither the application in its entirety nor the results of the investigation of the applicant reported by the Bureau to the Commission up until the date of issuance of the temporary work permit discloses any of the following:

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

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

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

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

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

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

(3) The applicant has had an application for a gambling license or work permit denied.

(4) The applicant has had a gambling license or work permit revoked.

(5) The applicant is disqualified under the Act or other provisions of law from holding a work permit.

(d) The Bureau has reported one of the following to the Commission concerning the

Request for Live Scan Service submitted to the BCII:

(1) A response has been received from the BCII or Federal authorities that is consistent with a finding that the applicant has not sustained any disqualifying criminal convictions, or,
(2) No response from the BCII or Federal authorities has been received within the time period set forth in subsection (b) of Section 12126.

(e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary work permit may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state.

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 19811, 19816, 19823, 19859 and 19912, Business and Professions Code.

12124. Effect of Denial or Cancellation of Temporary Work Permit.

Denial of an application for a temporary work permit or cancellation of a temporary work permit shall not suspend the processing and review of the related application for a regular work permit.

Note: Authority cited: Sections 19811(a), 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 19824, 19910 and 19912, Business and Professions Code.

12126. Processing Times for Temporary Work Permit.

Applications for issuance of a temporary work permit by the Executive Director shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A temporary work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824(f) and 19912, Business and Professions Code.

12128. Cancellation of Temporary Work Permit.

(a) Any temporary work permit issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary work permit shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary work permit is ineligible under subsection (c) of Section 12122, has failed to reveal any fact material to the holder's qualification for a temporary work permit, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary work permits.

(2) Pursuant to Business and Professions Code section 19826, the Bureau recommends denial of a regular work permit to the applicant.

(3) The applicant's regular work permit application is referred by a vote of the Commission for an evidentiary hearing pursuant to Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary work permit.

(4) The Executive Director receives from the applicant a request to withdraw his or her application for a regular work permit.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director or his or her designee shall immediately do all of the following:

(1) Notify the temporary work permit holder, the gambling establishment, the local law enforcement agency, and the Bureau in writing of the cancellation of the temporary work permit and the grounds thereof.

(2) Require the holder of the license for the gambling establishment or its hiring authority to terminate immediately any employment of the holder covered by the cancelled temporary work permit.

(3) Notify the temporary work permit holder that he or she is required to surrender the temporary work permit to the Commission not more than ten days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and l9841, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912(a) and (d), Business and Professions Code.

ARTICLE 4. CHANGE IN PLACE OF EMPLOYMENT – WORK PERMIT TRANSFER.

12130. CHANGE IN PLACE OF EMPLOYMENT – WORK PERMIT TRANSFER.

(a) The holder of a currently valid regular work permit may apply for a new work permit for a different place of employment in accordance with this article.

(b) The Executive Director shall issue a regular work permit to an applicant for a new place of employment if all of the following conditions are met:

(1) The applicant has applied for a work permit transfer by completing the Commission's transfer of work permit application form.

(2) The applicant has supplied all of the following to the Commission:

(A) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.

(B) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(C) A nonrefundable $ 25.00 fee payable to the Commission.

(D) Information concerning the new employer in which the position is available: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorized agent, or hiring authority of the establishment.

(3) The applicant possesses a valid work permit issued by the Commission or the Bureau that has been issued or renewed within a two-year period immediately preceding the date that the work permit transfer application is received by the Commission. The applicant shall provide the Commission with a photocopy of the valid work permit.

(4) The applicant seeks to change his or her place of employment from the gambling establishment for which the valid work permit was issued to a different licensed gambling establishment for which a work permit issued by the Commission is required by the Act.

(5) The Executive Director is not aware of any cause for revocation of the work permit.

(c) A work permit issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(d) If a work permit is issued pursuant to this section, the Executive Director shall promptly inform the Bureau in writing of this decision.

(e) Upon issuance of a regular work permit pursuant to this section for the applicant's new place of employment, the regular work permit issued for the previous employer shall become void and shall not be used thereafter.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912(d), Business and Professions Code.

12132. Processing Times for Application to Change Place of Employment.

Applications submitted pursuant to section 12130 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

Article 5. Replacement Work Permit Badges.

12140. Replacement Work Permit Badges.

(a) The Executive Director shall issue a replacement work permit badge to a gambling enterprise employee if all of the following conditions are met:

(1) The applicant has previously been issued a currently valid work permit.

(2) The applicant has applied for a replacement work permit badge by completing the Commission's replacement badge application.

(3) The applicant has supplied all of the following to the Commission:

(A) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.

(B) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(C) A nonrefundable $ 25.00 fee payable to the Commission.

(D) Information concerning the gambling establishment for which the replacement badge is requested: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorizing agent, or hiring authority of the establishment.

(4) The Executive Director is not aware of any cause for revocation of the work permit.

(b) A replacement work permit badge issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(c) Upon issuance of the replacement work permit badge, the previously issued work permit badge for that gambling establishment shall become void and shall not be used thereafter.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912, Business and Professions Code.

12142. Processing Times for Application to Replace Work Permit Badge.

Applications submitted pursuant to section 12140 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A replacement work permit badge shall be either issued or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

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

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12200. DEFINITIONS.

(a) Except as otherwise provided in Section 12002 and in subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Additional Badge" means a badge issued by the Commission pursuant to Section 12200.6, which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

(2) "Applicant" means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner's registration or license certificate.

(3) "Authorized player" means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) "Badge" means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

(10) "Funding source" means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under subsection (d) of Section 12201 or individual licensees. "Funding source" does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at least one hundred million dollars ($100,000,000) of securities of issuers that are not affiliated with the entity:

(A) Any federally-regulated or state-regulated bank or savings association or other federally- or state-regulated lending institution.

(B) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.

(C) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(D) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

(E) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).

(F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(G) Any entity, all of the equity owners of which individually meet the criteria of this paragraph (10).

(11) [RESERVED]

(12) "License" means a license issued by the Commission pursuant to Article 3 of this chapter.

(A) There are four license categories entitling the holder to provide third-party proposition player services:

1. Primary owner,

2. Owner,

3. Supervisor, and

4. Player.

(B) All "other employees" (as defined in this section) of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner's proposition player contract shall be licensed as "other employee" and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's license may also perform the functions of a player.

(D) No licensee, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

(13) "Licensee" means a person having a valid license.

(14) "Organization chart" means a chart that identifies the names and titles of all owners, as defined in Section 12200, supervisors, and any persons having significant influence over the operation of the entity or provision of proposition player services; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.

(15) "Other employee" means an individual employed by a primary owner who is not authorized to provide proposition player services. "Other employee" does not include any owner, any supervisor, or any officer or director of a primary owner that is a corporation. An individual registered or licensed, as an "other employee" may not function as a player unless and until that

individual applies for and obtains registration or licensure as a player.

(16) "Owner" includes all of the following:

(A) A sole proprietor, corporation, partnership, or other business entity that provides or proposes to provide third party proposition player services as an independent contractor in a gambling establishment,

(B) Any individual specified in Business and Professions Code section 19852, subdivisions (a) through (h), and

(C) Any funding source.

(17) "Playing Book" means a record documenting each session of play by a third-party proposition player.

(18) "Primary Owner" means the owner specified in subparagraph (A) of paragraph (16) of this subsection.

(19) "Proposition player" or "player" means an individual other than an owner or a supervisor who provides third-party proposition player services in a controlled game.

(20) "Proposition player contract" or "contract" means a written contract, the terms of which have been reviewed and approved by the Bureau, between the holder of a state gambling license and a primary owner acting as an independent contractor for the provision of third-party proposition player services in the gambling establishment.

(21) "Rebate" means a partial return by an authorized proposition player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

(22) "Registrant" means a person having a valid registration.

(23) "Registration" means a registration issued by the Commission pursuant to this chapter.

(A) There are four registration categories entitling the holder to provide third-party proposition player services: primary owner, owner, supervisor, and player.

(B) All other employees of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner's proposition player contract shall be registered as "other employee" and shall be required to submit an application, which application shall be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's registration or license may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

(24) "Reinstatement Badge" means a badge issued by the Commission to a player, a supervisor, or an "other employee" pursuant to Section 12200.6 which authorizes an individual registrant or licensee who has ceased to be employed by a primary owner to return to work for that primary owner.

(25) "Session of play" as used in Section 12200.13 ("Playing Book") means a continuous work shift of third-party proposition player services provided by an individual proposition player.

(26) "Supervisor" means an individual who, in addition to any supervisorial responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to players engaged in the provision of third-party proposition player services in a gambling establishment.

(27) "Supplemental information package" means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Bureau pursuant to Section 12205.1:

(A) Owners, as defined in Section 12200, that are a natural person shall complete the form Level III Supplemental Information-Individual (BGC-APP-034A (Rev. 11/07)) for a level III investigation.

(B) Owners, as defined in Section 12200 that are not a natural person shall complete the form Level III Supplemental Information-Business (BGC-APP-034B (Rev. 11/07)) for a level III investigation.

(C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 11/07)) for a level II investigation.

(D) Other employees and players, as defined in Section 12200, shall complete the form Level I Supplemental Information (BGC-APP-032 (Rev. 11/07)) for a level I investigation.

(28) "Third-party proposition player services" or "proposition player services" means services provided in and to the house under any written, oral, or implied agreement with the house, which services include play as a participant in any controlled game that has a rotating player-dealer position as permitted by Penal Code section 330.11. "Proposition player services" also includes the services of any supervisors, as specified in paragraph (26) of this subsection.

(29) "TPP" means "third party proposition." This abbreviation is used in Section 12200.3 and in prescribing titles to be used on registrant and licensee badges, for example, "TPP Player Registrant."

(30) "Transfer Badge" means a badge issued by the Commission pursuant Section 12200.6 which authorizes an individual registrant or licensee to work for a subsequent primary owner after having ceased to work for an initial primary owner.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code.
Reference: Sections 19805 and 19984, Business and Professions Code.

12200.1. CERTIFICATE.

(a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

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

12200.3. BADGE.

(a) All individuals licensed or registered as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the provision of proposition player services under the proposition player contract that covers the licensee or registrant.

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Bureau in writing within ten (10) days of the change in status using the Change in Status Form for a Third Party Proposition Player Services Registration (CGCC-441 (Rev. 09/04)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

(c) The words "TPP PLAYER REGISTRANT," "NON-PLAYER TPP REGISTRANT," "TPP PLAYER LICENSEE," OR "NON-PLAYER TPP PLAYER LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.

(d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and expiration date. On the front of the badge, there shall be displayed the name of the primary owner employing the registrant or licensee, which shall be the fictitious business name, if any, established pursuant to Chapter 5 (commencing with section 17900) of Part 3 of Division 7 of the Business and Professions Code.

(e) Upon renewal of each registration and upon issuance of each registration or license, authorized players shall be issued a badge of one color; individuals not authorized to play shall be issued a badge of a distinctly different color. Any non-player badge issued prior to July 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so that each registrant receives either a player or non-player badge.

(f) An individual registered or licensed as a player with a particular primary owner shall apply for and obtain a new badge pursuant to Section 12200.6 before beginning to work for an additional or different primary owner.

(g) Registrations, licenses, and badges are specific to the primary owner. Third party proposition player services cannot be provided without first applying for and obtaining a registration, license, or badge.

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

12200.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

(1) The requester has a current valid registration or license.

(2) The request is complete and has been submitted on the form Request for Replacement Third Party Proposition Player Services Badge (CGCC-438, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar ($25) fee, payable to the Commission.

(B) The category of the position and information concerning the primary owner for which the replacement badge is requested: the name of the primary owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(C) A statement under penalty of perjury that a replacement badge is needed due to a name change or to loss or destruction of the originally issued badge.

(b) A replacement badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the replacement badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.

(d) Replacement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

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

12200.6. Transfer or Reinstatement of Player Registration or License; Issuance of Additional Badge.

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

(1) The requester has a currently valid registration or license.

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (CGCC-439, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar ($125) fee payable to the Commission.

(B) The names as applicable of the current and future primary owner (or previous owner or additional owner), mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(b) A badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the transfer badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

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

12200.7. Proposition Player Contract Criteria.

(a) All proposition player contracts shall be subject to, and superseded by, any changes in the requirements of regulations adopted under Business and Professions Code section 19984 that conflict with or supplement provisions of the proposition player contract.

(b) Each proposition player contract shall specifically require all of the following to be separately set forth at the beginning of the contract in the following order:

(1) The names of the parties to the contract.

(2) The effective dates of the contract; expiration date shall be the last day of the month.

(3) The specific name of the Bureau-approved gaming activities for which proposition player services may be provided.

(4) The maximum and minimum number of gaming tables available to the proposition player provider service.

(5) That no more than one owner, supervisor, or player from each provider of proposition player service shall simultaneously play at a table.

(6) The hours of operation that proposition player services will be provided.

(7) A detailed description of the location, applicable security measures, and purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or kept within the gambling establishment by or on behalf of the primary owner.

(8) That proposition player services shall be provided in the gambling establishment only in compliance with laws and regulations pertaining to controlled gambling.

(9) That proposition player services may be provided only by authorized players with current registration or licensing under this chapter.

(10) That the primary owner shall provide the gambling establishment with a copy of its registration or license certificate, and that the gambling establishment shall maintain the certificate on file, together with a copy of the proposition player contract applying to that establishment.

(11) That a registrant or licensee may not provide proposition player services in a gambling establishment for which the registrant holds a state gambling license, key employee license, or work permit.

(12) That collection fees charged by the house for participation in any controlled game shall be the same as those charged to other participants during the play of the game.

(13) The form to be used for the playing book record and the initial number that will be used for the sequentially numbered forms.

(14) Any agreement between the primary owner and the house for owners or supervisors to inspect or receive a copy of surveillance recordings of tables

at which proposition player services are provided under the contract during the times the services are provided, as necessary for business purposes.

(15) A full disclosure of any financial arrangements entered into during the term of the contract for any purpose between the house and any registrant or licensee covered by the proposition player contract. If there is no financial consideration that passes under the contract, a statement to that effect shall be included.

(16) That any legal dispute between the primary owner and the house, including any exclusion of a registered or licensed owner, player, or supervisor covered by the contract with the house shall be reported in writing within ten (10) days by the primary owner and the house to both the Commission and the Bureau.

(17) That the primary owner and the house shall report in writing within ten (10) days to both the Commission and the Bureau the identity of any registrant whose activities are covered by the proposition player contract and who is arrested in the gambling establishment by a peace officer, who is removed from the gambling establishment by a peace officer or the house, or who is involved in a patron dispute regarding his or her activities in the gambling establishment that is the subject of a report to a peace officer and that results in removal of one or more individuals.

(18) That any cheating reported to the house by a registrant or licensee shall be reported in writing within five (5) days of the incident by the primary owner and the house to the Commission and Bureau.

(19) That the criteria for granting any rebates by proposition players to patrons be fully disclosed in the contract; and that neither the house nor any employee of the house shall have any role in rebates. If there are no criteria for granting rebates, a statement to that effect shall be included.

(20) That any tipping arrangements shall be specified in the contract and that percentage tips shall not be given. If there are no tipping arrangements, a statement to that effect shall be included.

(21) That the primary owner may reimburse the house in specified amounts for equipment such as surveillance cameras and monitors, or cards, shuffling machines, and dice. Neither the primary owner nor its employees shall purchase, lease, or control such equipment. If there is no arrangement to reimburse the house for equipment, a statement to that effect shall be included.

(22) That the contract is a complete expression of all agreements and financial arrangements between the parties; that any addition to or modification of the contract, including any supplementary written or oral agreements, must be approved in advance by the Bureau pursuant to Section 12200.10B (Review and Approval of Amendments to Proposition Player Contracts) before the addition or modification takes effect.

(c) (1) Except as expressly authorized by this subsection, a proposition player contract shall not include any provision authorizing payment to or receipt by the house, or a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any payments made by a registrant or licensee to the house for a purpose determined by agreement with the house shall be specifically authorized by the proposition player contract. All payments shall be specified in the contract. The contract shall identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the items provided or received in each of these categories.

(2) In no event may a proposition player contract provide for any payment based on a percentage or fraction of the registrant's or licensee's gross profits or wagers made or the number of players. All payments shall be fixed and shall only be made for services and facilities requested by, and provided to, the registrant or licensee, and for a reasonable share of the cost of advertising with respect to gaming at the gambling establishment in which the registered or licensed owner participates.

(3) No contract provision shall authorize any payments for services or facilities that are substantially disproportionate to the value of the services or facilities provided. No contract shall include any charge, direct or indirect, for the value of an exclusive right to conduct proposition play within all or a portion of the gambling establishment. No payment other than the collection fee for play, shall be required for play at any table, including, without limitation, reservation of a seat.

(d) The proposition player contract shall not contain any provision that limits contact with officials or employees of the Commission or Bureau. The proposition player contract shall prohibit an owner or the house from retaliating against any registrant or licensee on account of contact with an official or employee of the Commission or Bureau or any other public official or agency.

(e) A proposition player contract shall be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the house from having any interest, whether direct or indirect, in funds

wagered, lost, or won. No proposition player contract shall be approved that would permit the house to bank any game in the gambling establishment.

(f) Each proposition player contract approved by the Bureau shall contain a provision authorizing the Commission, after receiving the findings and recommendation of the Bureau, to terminate the contract for any material violation of any term required by this section.

(g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more than one primary owner at the same time. This subsection is not intended to prohibit a contract in which a gambling establishment and a primary owner agree that one primary owner shall be the exclusive provider of proposition player services to that gambling establishment.

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

12200.9. Review and Approval of Proposition Player Contracts.

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

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

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

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

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

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

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

(A) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030 (Rev.05/09)).

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

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

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

(E) A $1000 nonrefundable application fee.

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

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

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

(c) The term of any proposition player contract shall not exceed two years and shall not be extended or renewed without the prior approval of the Bureau. No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Bureau. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the Commission and Bureau in writing of the amendment within ten days of the execution thereof by the parties to the contract.

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

12200.10A. Expedited Review and Approval of Proposition Player Contracts.

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

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

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

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

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

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

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

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

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

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

(5) A $1000 nonrefundable application fee.

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

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

12200.10B. Review and Approval of Amendments to Proposition Player Contracts.

(a) Requests to review and approve an amendment to a proposition player contract shall be submitted with an application for approval (see Section 12200.9(a)(3)(A)) along with an executed copy of the contract, a five hundred dollar ($500) nonrefundable application fee, and a four hundred and fifty dollar ($450) deposit as required by Title 11, California Code of Regulations, Section 2037(a)(2)(B). The Bureau may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the amendment. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the amendment shall be refunded and an itemized accounting shall be provided to the primary owner or the primary owner's designee.

(b) No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Bureau. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both

parties to the contract shall notify the Commission and Bureau in writing of the amendment within ten (10) days of the execution thereof by the parties to the contract.

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

12200.10C. Submission of Contract or Amendment to Commission.

(a) As soon as is practicable after determining that any application for approval of a proposition player contract or amendment is complete and that the contract or amendment appears to qualify for approval, but in no event more than 75 days from receipt of the application package, the Bureau shall submit the contract or amendment to the Executive Director for review and comment. The Executive Director shall provide the Bureau with comments, if any, within 15 days of receipt of the contract or amendment. This paragraph does not apply to expedited approval under Section 12200.10A.

(b) A copy of the Bureau's notice of approval or disapproval of a proposition player contract or amendment thereto shall be sent to the Commission.

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

12200.11. Extension of Proposition Player Contracts.

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

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

(2) A $1000 application fee.

(3) An executed copy of the contract.

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

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

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

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

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

12200.13. Playing Book.

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

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

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

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

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

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

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

(D) Beginning and ending balances.

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

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

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

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

(I) The name of the primary owner.

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

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

(A) Processing fee of $75.

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

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

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

12200.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

(b) Upon renewal of the registration, each registered primary owner shall submit an updated organization chart and a form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)) to the Commission.

(c) The primary owner shall notify the Bureau and the Commission in writing within ten (10) days of any change to its ownership structure.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984(b), Business and Professions Code

12200.15. Transfers and Sales.

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPP registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application for registration or license, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of the final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

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

12200.16. Inspections and Investigations.

(a) When requested by a representative of the Bureau, a registrant or licensee shall immediately permit the Bureau representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the provision of proposition player services. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.

(b) If requested in writing by the Executive Director, the Bureau shall conduct an inspection or investigation of a registrant or a licensee. Within 30 days of receipt of the request, the-Bureau shall advise the Executive Director in writing of the status of the inspection or investigation and shall also provide an estimated date on which the inspection or investigation may reasonably be expected to be concluded. Upon completion of the inspection or investigation, the Bureau shall provide a final written report to the Executive Director.

(c) Nothing in this chapter precludes Commission staff from carrying out their duties under applicable statutes and regulations.

(d) All records required by this chapter shall be maintained in English, in California, for at least five (5) years.

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

12200.17. Emergency Orders.

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19931 and 19984, Business and Professions Code.

12200.18. Revocation.

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

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

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

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

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

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

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

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling licensee or proposition player registrant or on the premises of a gambling establishment.

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

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

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

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

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

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

(n) The registrant or licensee provided proposition player services to a gambling establishment without a Bureau-approved contract on and after April 30, 2004.

Note: Authority cited: Sections 19840, 19941, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.20. Annual Fee.

(a) No later than September 1 of each year, each registered or licensed primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations or licenses affiliated with the primary owner on August 1 that same year.

(b) Within 30 days of approval of any request to convert a registration to a license, the Commission shall notify the licensee of any additional fees owed for the term of the license granted, allowing pro rata credit on a monthly basis for any annual fee paid in connection with a registration that has not expired.

(c) The annual fee shall be computed as follows:

(1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars ($2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an installment payment that is due shall be credited against the following year's annual fee obligation,

unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

(2) Beginning September 1, 2005, each primary owner shall pay the annual sum of two thousand three hundred dollars ($2300) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred dollars ($2800) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(d) (1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments prior to August 1 of that same year. Upon approval by the Executive Director, installment payments submitted prior to licensure shall be made as follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.

(2) The annual fee for each licensed primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments 120 days prior to the expiration of the license. Upon approval by the Executive Director, installment payments submitted after conversion to licensure shall be made as follows: one-third of the annual fee to be submitted prior to issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

(e) Refunds shall not be available in the event of a subsequent decrease in the number of registrants or licensees upon which the annual fee payment was based.

(f) (1) Following assessment of the annual fee, if the primary owner increases the number of its registrants or licensees above the number upon which the annual fee assessment was based, the primary owner shall submit to the Commission both the required application fee for the additional registrants or licensees, and the additional per player annual fee set forth in subsection (c) of this section. No new badges shall be issued until the Commission has received all fees required by this subsection.

(2) Annual fees due under this subsection shall be prorated on a monthly basis.

(3) Annual fees due under this subsection may be paid in installments, on the conditions that the installment payment request is submitted in writing, that one-third of the fees are paid with the application for additional

registrants or licensees, and that two subsequent equal payments are paid at reasonable intervals prior to expiration of the applicable term, subject to the approval of the Executive Director.

(g) No renewal application shall be approved by the Commission until any delinquent annual fees have been paid in full.

(h) No application for a contract extension shall be approved by the Bureau until any delinquent annual fees have been paid in full.

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

12200.21. Compliance.

(a) Registrants and licensees shall comply with game rules approved by the Bureau, including but not limited to, the rules regarding player-dealer rotation and table wagering. A proposition player contract may, concerning any table assigned for play by the contracted registrant or licensee, contain a provision precluding players of any other registrant or licensee under this chapter or Chapter 2.2 of this division from playing at that table during the periods of play assigned by the proposition player contract for the contracted registrant or licensee. The house is not precluded from assigning a seat at the table to a registrant or licensee.

(b) Only an authorized player may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

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

Article 2. Registration.

12201. Registration.

(a) On and after March 31, 2004, in addition to the requirements of Section 12200.9(a)(1), no person may provide proposition player services or obtain a badge, as required by Section 12200.3, without a current valid registration issued by the Commission.

(b) Registration shall be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor shall not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner, and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (h), inclusive, shall individually apply for and obtain registration as an owner listed on the business entity's registration certificate. No business entity or sole proprietor shall be registered under this chapter that is also licensed under the Act to operate a gambling establishment.

(e) If the application is for registration as a supervisor or player, the primary owner that will employ the applicant shall be currently registered under this chapter.

(f) Registration is non-transferable.

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

12202. Application for Registration.

(a) The application for registration shall designate whether the registration is requested as a primary owner, owner, supervisor, player, or other employee. The application shall be signed by both the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.

(b) An application for registration shall include all of the following:

(1) Payment of a nonrefundable application fee in the amount specified in paragraph (1) of subsection (d) of Section 12008.

(2) A completed Application for Third Party Proposition Player Services Registration (CGCC-435 (Rev. 9/04)), which is hereby incorporated by reference.

(3) A properly completed Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01) for an applicant that is an individual, confirming that the applicant's fingerprints have been submitted to the BCII for an automated background check and response.

(4) Two 2x2 inch color passport-style photographs of an applicant that is an individual taken no more than one (1) year before submission of the application to the Commission.

(c) An applicant that is an individual shall complete and submit the form Third Party Proposition Player Services Registration Supplemental Information (CGCC-436 (Rev. 06/04)), which is hereby incorporated by reference.

(d) An applicant for registration or for any approval required by this chapter shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

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

12203. Processing of Applications for Initial Registration.

(a) The Executive Director shall notify the applicant in writing within 20 days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.

(c) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(d) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.

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

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

12203A. Processing of Applications for Renewal of Registration.

(a) Renewal applications for owners shall be received no later than 120 days prior to the expiration of the current registration, together with the application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 120-day deadline, an expedited processing fee of sixty dollars ($60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

(b) Renewal applications for supervisors, players, and other employees shall be received no later than 90 days prior to the expiration of the current registration, together with the application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 90-day deadline, an expedited processing fee of sixty dollars ($60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

(c) The Executive Director shall notify the applicant in writing within 20 days of receiving the renewal application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(d) Upon determination that an application for renewal of registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.

(e) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.

(f) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(g) Nothing in this chapter shall require the Commission or Bureau to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or

Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

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

12203.1. Temporary Player Registration.

(a) While an application for regular player registration is being processed, and subject to Section 12203.2, the Executive Director may issue a temporary registration pursuant to this section, which shall be valid for no more than 60 days.

(b) Upon issuance of a regular registration, the temporary registration previously issued to the registrant shall become void and shall not be used thereafter.

(c) In the event that the regular registration is issued prior to Commission action on the application for the temporary registration, the application for the temporary registration shall be deemed withdrawn and no further action will be taken on it.

(d) If an application for a regular registration is withdrawn, the application for a temporary registration shall be deemed abandoned and the Commission will take no further action.

(e) If Family Code section 17520 (child and family support) is applicable to an application, then a temporary registration shall be issued for 150 days as provided in the Family Code.

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

12203.2. Temporary Player Registration: Application; Criteria.

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

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

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

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

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

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

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

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

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

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

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

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

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

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

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

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

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

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

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

12203.3. Processing Times for Temporary Player Registration.

Applications for issuance of a temporary player registration by the Executive Director shall be processed within the following time frames:

(a) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five (5) working days.

(b) A temporary registration shall be either granted or denied within no more than 15 working days after the filing of a completed application, unless a regular registration has already been approved.

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

12203.5. Cancellation of Temporary Registration.

(a) Any temporary registration issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary registration shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary registration is ineligible under subsection (c) of Section 12203.2, has failed to reveal any fact material to the holder's qualification for temporary registration, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary registrations.

(2) The applicant's regular registration application is referred by a vote of the Commission for an evidentiary hearing pursuant Business and Professions

Code section 19825, and the Commission directs the Executive Director to cancel the temporary registration.

(3) The Executive Director receives from the applicant a request to withdraw his or her application for regular registration.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director shall immediately do all of the following:

(1) Notify the temporary registration holder, the primary owner, the contracted gambling establishment, and the Bureau in writing of the cancellation of the temporary registration and the grounds for cancellation.

(2) Notify the temporary registrant that he or she is required to surrender the temporary registration badge to the Commission not more than ten (10) days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

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

12204. Ineligibility for Registration.

An applicant shall be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) If the application is for registration as an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant has violated one or more of the prohibitions set forth in paragraphs (5), (11), or (20) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(h) The applicant has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) and (21) of subsection (b) of Section 12200.7, or in paragraph (2) of subsection (c) or subsection (e) of Section 12200.7.

(i) The applicant is ineligible based on any other provision of law.

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

12205. Cancellation of Regular Registration.

(a) Any regular registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the owner, if the registrant is a supervisor, player, or other employee and to any gambling establishment in which the registrant provides proposition player services.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

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

12205.1. Transition to Licensing.

(a) As expeditiously as possible in light of available program resources, 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 registration of any registrant that fails or refuses to submit the applicable Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), which 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 as provided in Section 12203A.

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

(c) If the registration expires by operation of law, the former registrant shall submit the applicable new Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (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 (d) of Section 12008.

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

Article 3. Licensing.

12218. Request to Convert Registration to License.

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

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

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

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

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

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

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

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

(6) 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 sections 19867 and 19984, subsection (c).

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

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

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

12218.1. Subsequent Registrants.

After a primary owner is licensed, the summons previously issued to that primary owner by the Bureau shall be deemed to apply to all subsequent registrants who become affiliated with that primary owner subsequent to licensure.

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

12218.5. Withdrawal of Request to Convert Registration to License.

(a) A request for withdrawal of a request to convert a registration to a license may be made at any time prior to final action upon the request by the Chief by the filing of a written request to withdraw with the Commission. For the purposes of this section, final action by the Bureau means a final determination by the Chief regarding his or her recommendation on the request to the Commission.

(b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Act and this chapter. If a request for withdrawal is denied, the Bureau may go forward with its investigation and make a recommendation to the Commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.

(c) If a request for withdrawal is granted with prejudice, the requester thereafter shall be ineligible to renew its request until the expiration of one year from the date of the withdrawal. Unless the Commission otherwise directs, no payment relating to any request is refundable by reason of withdrawal of request.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19869 and 19984, Business and Professions Code.

12218.7. Processing Times – Request to Convert Registration to License.

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

(a) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)) referenced in Section 12205.1. A request is not complete unless accompanied by *both* a copy of the summons from the Bureau setting a deadline for filing the request with the Commission and the supplemental information package required by paragraph (5) of subsection (b) Section 12218 for review by the Bureau pursuant to subsection (c) for persons affiliated with the primary owner to whom the summons was addressed. The Commission shall not review the supplemental information for completeness.

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

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

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

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

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

12218.8. License Renewals.

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

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

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

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

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

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

(1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section 12200 and 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 sections 19867 and 19984.

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

12218.9. Processing of Applications for Renewal License.

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

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

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

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

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

with the Commission less than the 120 days prior to the expiration of the current license.

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

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

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

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

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

12218.11. Ineligibility for Licensing.

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The requester has violated one or more of the prohibitions set forth in paragraphs (5), (11) and (20) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(i) The requester has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) or (21) of subsection (b) of Section 12200.7 or in paragraph (2) of subsection (c) and subsection (e) of Section 12200.7.

(j) The applicant is ineligible based on any other provision of law.

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

12218.13. Term of License.

All initial and renewal licenses shall be issued for a period of two (2) years.

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

Chapter 2.2. Gambling Businesses: Registration; Licensing.

Article 1. Definitions and General Provisions.

12220. Definitions.

(a) Except as otherwise provided in Section 12002 and in subsection (b) of this section, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Additional Badge" means a badge issued by the Commission pursuant to Section 12220.6, which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

(2) "Applicant" means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner's registration or license certificate.

(3) "Authorized player" means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) "Badge" means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

(10) "Funding source" means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under subsection (d) of Section 12221 or individual licensees. "Funding source" does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at least one hundred million dollars ($100,000,000) of securities of issuers that are not affiliated with the entity:

(A) Any federally-regulated or state-regulated bank or savings association or other federally- or state-regulated lending institution.

(B) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.

(C) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(D) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

(E) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).

(F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(G) Any entity, all of the equity owners of which individually meet the criteria of this paragraph.

(11) "Gambling business," except as otherwise provided in this paragraph, means a business enterprise that engages the services of employees, independent contractors, or both to participate in the play of any controlled game in a gambling establishment that has a rotating player-dealer position as permitted by Penal Code section 330.11. "Gambling business" also refers to the conduct of such a business enterprise in a gambling establishment. "Gambling business" does not, however, include the provision of proposition player services subject to Chapter 2.1 (commencing with Section 12200) of this division.

(12) [RESERVED]

(13) "License" means a license issued by the Commission pursuant to Article 3 of this chapter.

(A) There are four license categories entitling the holder to operate a gambling business:

1. Primary owner,
2. Owner,
3. Supervisor, and
4. Player.

(B) All "other employees" (as defined in this section) of the primary owner who are present in the gambling establishment during the conduct of the gambling business shall be licensed as "other employee" and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's license may also perform the functions of a player.

(D) No licensee, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play of a controlled game.

(14) "Licensee" means a person having a valid license.

(15) "Organization chart" means a chart that identifies the names and titles of all owners, as defined in Section 12220, supervisors, and any persons having significant influence over the operation of gambling business; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.

(16) "Other employee" means an individual employed by a primary owner who is not authorized to serve as a player. "Other employee" does not include any owner, any supervisor, or any officer or director of a primary owner that is a corporation. An individual registered or licensed, as an "other employee" may not function as a player unless and until that individual applies for and obtains registration or licensure as a player.

(17) "Owner" includes all of the following:

(A) A sole proprietor, corporation, partnership, or other business entity that provides or proposes to conduct a gambling business,

(B) Any individual specified in Business and Professions Code section 19852, subdivisions (a) through and including (h), and

(C) Any funding source.

(18) "Player" means an individual employed by or an independent contractor engaged by a gambling business to participate in the play of any controlled game in a gambling establishment.

(19) "Playing Book" means a record documenting each session of play by an individual player.

(20) "Primary Owner" means the owner specified in subparagraph (A) of paragraph (17) of this subsection.

(21) "Rebate" means a partial return by an authorized player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

(22) "Registrant" means a person having a valid registration.

(23) "Registration" means a registration issued by the Commission pursuant to this chapter.

(A) There are four registration categories entitling the holder to participate in the operation of a gambling business: primary owner, owner, supervisor, and player.

(B) All other employees of the primary owner who are present in the gambling establishment during the operation of the gambling business shall be registered as "other employee," and shall be required to submit an application, which application shall be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's registration may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play as part of the operation of a gambling business.

(24) "Reinstatement Badge" means a badge issued by the Commission to a player, a supervisor, or an "other employee" pursuant to Section 12220.6 which authorizes an individual registrant or licensee who has ceased to be employed by a primary owner to return to work for that primary owner.

(25) "Session of play" as used in Section 12220.13 ("Playing Book") means a continuous work shift performed by a player.

(26) "Supervisor" means an individual who, in addition to any supervisorial responsibilities, has authority, on behalf of the primary owner, to provide or

direct the distribution of currency, chips, or other wagering instruments to affiliated registrants or licensees who are authorized to play.

(27) "Supplemental information package" means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Bureau pursuant to Section 12225.1.

(A) Owners, as defined in Section 12220, that are a natural person shall complete the form Level III Supplemental Information-Individual (BGC-APP-034A (Rev. 11/07)) for a level III investigation.

(B) Owners, as defined in Section 12220, that are not a natural person shall complete the form Level III Supplemental Information-Business (BGC-APP-034B (Rev. 11/07)) for a level III investigation.

(C) Supervisors, as defined in Section 12220, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 11/07)) for a level II investigation.

(D) Other employees, independent contractors, and players shall complete the form Level I Supplemental Information (BGC-APP-032 (Rev. 11/07)) for a level I investigation.

(28) "Transfer Badge" means a badge issued by the Commission pursuant Section 12220.6 which authorizes an individual registrant or licensee to work as an employee or independent contractor for a subsequent primary owner after having ceased to work for an initial primary owner.

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

12220.1. CERTIFICATE.

(a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

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

12220.3. BADGE.

(a) All individuals registered or licensed as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible

location a numbered badge issued by the Commission when present in a gambling establishment during the operation of the gambling business.

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Bureau in writing within *ten* (10) days of the change in status using Change in Status Form for a Gambling Business Registration (CGCC-541 (Rev. 09/04)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

(c) The words "GAMBLING BUSINESS PLAYER REGISTRANT," "NON-PLAYER GAMBLING BUSINESS REGISTRANT," "GAMBLING BUSINESS PLAYER LICENSEE," or "NON-PLAYER GAMBLING BUSINESS LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.

(d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and expiration date. On the front of the badge, there shall be displayed the name of the primary owner employing the registrant or licensee, which shall be the fictitious business name, if any, established pursuant to Chapter 5 (commencing with section 17900) of Part 3 of Division 7 of the Business and Professions Code.

(e) Upon renewal of each registration and upon issuance of each registration or license, authorized players shall be issued a badge of one color; individuals not authorized to play shall be issued a badge of a distinctly different color. Any non-player badge issued prior to July 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so that each registrant receives either a player or non-player badge.

(f) An individual registered or licensed as a player with a particular primary owner shall apply for and obtain a new badge pursuant to Section 12220.6 before beginning to work for an additional or different primary owner.

(g) Registrations, licenses, and badges are specific to the primary owner. A gambling business cannot be operated without first applying for and obtaining a registration, license, or badge.

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

12220.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

(1) The requester has a current valid registration or license.

(2) The request is complete and has been submitted on the form Request for Replacement Gambling Business Badge (CGCC-538, New 06/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar ($25) fee payable to the Commission.

(B) The category of the position and information concerning the primary owner for which the replacement badge is requested: the name of the primary owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(C) A statement under penalty of perjury that a replacement badge is needed due to a name change or to loss or destruction of the originally issued badge.

(b) A replacement badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the replacement badge, the previously issued badge for that gambling business shall become void and shall not be used.

(d) Replacement badges shall be issued by the Commission within seven (7) days of receipt of a completed request.

Note: Authority cited: Sections 19811, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section and 19853(a)(3), Business and Professions Code.

12220.6. Transfer or Reinstatement of Player Registration or License; Issuance of Additional Badge.

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

(1) The requester has a currently valid registration or license.

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement of Gambling Business Registration/License (CGCC-539, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar ($125) fee payable to the Commission.

(B) The names as applicable of the current and future primary owner, or previous owner or additional owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(b) A badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the transfer badge, the previously issued badge shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19811, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.13. Playing Book.

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

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

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

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

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

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

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

(D) Beginning and ending balances.

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

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

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

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

(I) The name of the primary owner.

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

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

(A) Processing fee of $75.

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

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

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

12220.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

(b) Upon renewal of the registration, each registered or licensed primary owner shall submit an updated organization chart and form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)) to the Commission.

(c) The primary owner shall notify the Bureau and the Commission in writing within ten (10) days of any change to its ownership structure.

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

12220.15. Transfers and Sales.

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

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

12220.16. Inspections and Investigations.

(a) When requested by a representative of the Bureau, a registrant or licensee shall immediately permit the Bureau representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the gambling business. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.

(b) If requested in writing by the Executive Director, the Bureau shall conduct an inspection or investigation of a registrant or a licensee. Within 30 days of receipt of the request, the Bureau shall advise the Executive Director in writing of the status of the inspection or investigation and shall also provide an estimated date on which the inspection or investigation may reasonably be expected to be concluded. Upon completion of the inspection or investigation, the Bureau shall provide a final written report to the Executive Director.

(c) Nothing in this chapter precludes Commission staff from carrying out their duties under applicable statutes and regulations.

(d) All records required by this chapter shall be maintained in English, in California, for at least five (5) years.

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

12220.17. Emergency Orders.

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

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

12220.18. Revocation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12220.20. Annual Fee.

(a) No later than September 1 of each year, each registered or licensed primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations or licenses affiliated with the primary owner on August 1 of that same year.

(b) Within 30 days of approval of any request to convert a registration to a license, the Commission shall notify the licensee of any additional fees owed for the term of the

license granted, allowing pro rata credit on a monthly basis for any annual fee paid in connection with a registration that has not expired.

(c) The annual fee shall be computed as follows:

(1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars ($2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an installment payment that is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

(2) Beginning September 1, 2005, each primary owner shall pay the annual sum of two thousand three hundred dollars ($2300) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred dollars ($2800) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(d) (1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments prior to August 1 of that same year. Upon approval by the Executive Director, installment payments submitted prior to licensure shall be made as follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.

(2) The annual fee for each licensed primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments 120 days prior to the expiration of the license. Upon approval by the Executive Director, installment payments submitted after conversion to licensure shall be made as follows: one-third of the annual fee to be submitted prior to issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

(e) Refunds shall not be available in the event of a subsequent decrease in the number of registrants or licensees upon which the annual fee payment was based.

(f) (1) Following assessment of the annual fee, if the primary owner increases the number of its registrants or licensees above the number upon which the annual fee assessment was based, the primary owner shall submit to the Commission both the required application fee for the additional registrants or licensees and the additional per player fee set forth in subsection (c) of this section. No new badges shall be issued until the Commission has received all fees required by this subsection.

(2) Annual fees due under this subsection shall be prorated on a monthly basis.

(3) Annual fees due under this subsection may be paid in installments, on the conditions that the installment payment request is submitted in writing, that one-third of the fees are paid with the application for additional registrants or licensees, and that two subsequent equal payments are paid at reasonable intervals prior to expiration of the applicable term, subject to the approval of the Executive Director.

(g) No renewal application shall be approved by the Commission until any delinquent annual fees have been paid in full.

Note: Authority cited: Sections 19801, 19811, 19823, 19824, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3), 19951, Business and Professions Code.

12220.20A. Annual Fee as Applied to Those Registered or Licensed Under Chapter 2.1.

(a) A primary owner who is currently registered or licensed under Chapter 2.1 may also operate as a gambling business and not be required to pay annual fees under Chapter 2.2 if the following conditions are satisfied:

(1) The primary owner has paid all Chapter 2.1 annual fees due on the date of the Chapter 2.2 application.

(2) The primary owner files an application for registration or licensure under this chapter and pays the applicable application fee specified in subsection (e) of Section 12008.

(3) Each registrant or licensee affiliated with the primary owner under Chapter 2.1 who wishes to be registered or licensed under Chapter 2.2 pays a one hundred and twenty-five dollar ($125) fee for this Chapter 2.2 registration or license.

(b) If an employee works solely as part of a gambling business and does not provide services under Chapter 2.1, then the primary owner shall pay the per registrant or licensee annual fee assessment for that employee pursuant to Section 12220.20.

(c) If a background investigation of a person has already been performed under Chapter 2.1, and if that person's registration or licensure under Chapter 2.1 is current, then a second background investigation shall not be required under this chapter.

Note: Authority cited: Sections 19840, 19841, 19853(a)(3) and 19951(a), Business and Professions Code. Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

12220.21. COMPLIANCE.

(a) Registrants and licensees shall comply with game rules approved by the Bureau, including but not limited to the rules regarding player-dealer rotation and table wagering.

(b) Only an authorized player may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the operation of the gambling business.

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

12220.23. EXCLUSION.

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

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

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

ARTICLE 2. REGISTRATION.

12221. REGISTRATION.

(a) No person may engage in a gambling business as an owner or as an employee or independent contractor of an owner, nor may any person obtain a badge as required by Section 12220.3 without a current valid registration issued by the Commission. Persons registered to provide proposition player services under Chapter 2.1 (commencing with Section 12200) of this title are not required to register under this chapter to provide proposition player services pursuant to one or more proposition player contracts approved by the Bureau pursuant to Section 12200.9 of this title.

(b) Registration shall be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor shall not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (h), inclusive, shall individually apply for and obtain registration as an owner listed on the business entity's registration certificate.

(e) Any application for registration of any person, other than as the primary owner, shall designate the primary owner or owners that will employ the applicant or with whom the applicant otherwise will be affiliated.

(f) If the application is for registration as a supervisor, player, or other employee, the primary owner that will employ the applicant shall be currently registered under this chapter.

(g) Registration is non-transferable.

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

12222. APPLICATION FOR REGISTRATION.

(a) The application for registration shall designate whether registration is requested as a primary owner, other owner, or employee or independent contractor of the primary owner. The application shall be signed by both the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.

(b) An application for registration shall include all of the following:

(1) Payment of a nonrefundable application fee in the amount specified in paragraph (1) of subsection (e) of Section 12008.

(2) A completed Application for Gambling Business Registration (CGCC-535 (Rev. 09/04)), which is hereby incorporated by reference.

(3) A properly completed Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01) of an applicant that is an individual, confirming that the applicant's fingerprints have been submitted to the BCII for an automated background check and response.

(4) Two 2x2 inch color passport-style photographs of an applicant that is an individual taken no more than one (1) year before submission of the application to the Commission.

(c) An applicant that is an individual shall complete and submit the form Gambling Business Registration Supplemental Information (CGCC-536 (Rev. 06/04)), which is hereby incorporated by reference.

(d) An applicant for registration shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

Note: Authority cited: Sections 19840, 19841, 19853(a)(3) and 19951(a), Business and Professions Code. Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

12223. Processing of Applications for Initial and Renewal Registration.

(a) The Executive Director shall notify the applicant in writing within twenty (20) days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and the badge applied for or shall notify the applicant of denial and the grounds therefore under Section 12224.

(c) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(d) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as other than the primary owner, the Commission shall also provide written notice of abandonment of the application to the primary owner.

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

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

12224. Ineligibility for Registration.

An applicant shall be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) The applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant is ineligible based on any other provision of law.

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

12225. CANCELLATION OF REGISTRATION.

(a) Any registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the primary owner, if the registrant is not the primary owner and to all gambling establishments.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

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

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 the applicable Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), which 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 a new Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or 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.

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

ARTICLE 3. LICENSING.

12233. REQUEST TO CONVERT REGISTRATION TO LICENSE.

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

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

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

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

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

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

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

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

(6) 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.

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

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

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.

12234. Withdrawal of Request to Convert Registration to License.

(a) A request for withdrawal of a request to convert a registration to a license may be made at any time prior to final action upon the request by the Chief by the filing of a written request to withdraw with the Commission. For the purposes of this section, final action by the Bureau means a final determination by the Chief regarding his or her recommendation on the request to the Commission.

(b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Act and this chapter. If a request for withdrawal is denied, the Bureau may go forward with its investigation and make a recommendation to the Commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.

(c) If a request for withdrawal is granted with prejudice, the requester thereafter shall be ineligible to renew its request until the expiration of one (1) year from the date of the withdrawal. Unless the Commission otherwise directs, no payment relating to any request is refundable by reason of withdrawal of request.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19869, Business and Professions Code.

12235. Processing Times – Request to Convert Registration to License.

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

(a) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted requested is deficient

and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the form Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section 12225.1. A request is not complete unless accompanied by both a copy of the summons from the Bureau setting a deadline for filing the request with the Commission and the supplemental information package required by paragraph (3) of subsection (c) of Section 12233 for review by the Bureau pursuant to subsection (c) for persons affiliated with the primary owner to whom the summons was addressed. The Commission shall not review the supplemental information for completeness.

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

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

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

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

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

12236. Ineligibility for Licensing.

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The applicant is ineligible based on any other provision of law.

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

12237. Term of License.

All initial and renewal licenses shall be issued for a period of two (2) years.

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

12238. License Renewals.

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

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

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

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

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

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

(1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section 12220 and 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.

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

12239. Processing of Applications for Renewal License.

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

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

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and

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

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

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

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

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

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

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

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

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS.

12300. DEFINITIONS.

(a) Except as provided in Section 12002 and in subsection (b) of this section, the definitions in Business and Professions Code section 19805 shall govern the construction of the regulations contained in this chapter.

(b) As used in this chapter only:

(1) “Antique collector” means any individual that sells, exchanges, or otherwise transfers five or fewer antique slot machines, as defined in Penal Code section 330.7, during any calendar year. For purposes of computing the number of antique slot machines transferred during any calendar year,

transactions in which a registered manufacturer or distributor acts as an agent or broker on behalf of an antique collector shall not be counted or included. "Antique collector" does not include any individual who is otherwise a manufacturer or distributor within the meaning of paragraph (7) of this subsection.

(2) "Class B" refers to any manufacturer or distributor that has no place of business in the State of California and that does not transport gambling equipment to a destination within the State of California, other than transportation of gambling equipment from an out-of-state location to a tribal gaming facility in this state in compliance with the requirements of section 7.4.5 of the applicable Tribal-State Gaming Compact and the procedures established by agreement there under. All other manufacturers or distributors are Class A.

(3) "Essential Parts" means and includes any of the following:

(A) Game and pay table programmed media, whether in programmable read-only memory or erasable programmable read-only memory.

(B) Other electronic or magnetic storage media containing programming or data that affect the outcome of the game.

(4) "Executive Director" means Executive Director of the Commission or such other person who may be designated by the Commission.

(5) "Gambling equipment" means any slot machine or device as defined in section 330b or 330.1 of the Penal Code. "Gambling Equipment" also includes (A) any essential part and (B) any inoperable slot machine or device that is substantially complete and repairable or that can be made operable with the installation of one or more essential parts. Any reference to slot machines or devices has the meaning defined in Penal Code sections 330b and 330.1.

(6) "Manufacture or distribute" and "manufacture or distribution" refer to the activities of a manufacturer or distributor specified in paragraph (7) of this subsection.

(7) "Manufacturer or Distributor" means any person that manufactures, including the assembly, production, programming, or modification of, distributes, sells, leases, inspects, tests, repairs, refurbishes, or stores gambling equipment in this state or for use in this state. Manufacturer or distributor includes, in addition to in-state manufacturers and distributors,

persons performing these functions in a location outside of this state with respect to gambling equipment intended for operation in this state.

(8) "Registration" means registration with the Commission under this chapter.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code; and Section 337j, Penal Code. Reference: Section 19841(r), Business and Professions Code; and Section 337j(e)(1), Penal Code.

12301. Registration of Manufacturers or Distributors.

(a) Except as provided in Section 12310, and after December 31, 2002, no person may manufacture or distribute gambling equipment unless that person has a currently valid registration as a manufacturer or distributor in accordance with this chapter.

(b) Each manufacturer or distributor shall apply for registration with the Commission, using the form required by Section 12309. Any manufacturer or distributor in business on the effective date of this chapter shall submit an application for registration to the Commission within 30 days of the effective date of this chapter. An application for registration shall include all of the following:

(1) The applicant's name, Federal Employer Identification Number, if any, or Social Security Number, voice telephone number, facsimile telephone number, and address of its principal place of business and of each location in this state at which it conducts the business of manufacture or distribution of gambling equipment or gambling equipment parts, including a list of its storage facilities. For purposes of this paragraph, a vehicle used for storage or distribution of gambling equipment parts shall be deemed to be located at the address in this state where customarily garaged or kept when not in use.

(2) A statement specifying in which activities the applicant engages with respect to gambling equipment located, operated, or to be operated in this state, including, as applicable, manufacturing, distributing, selling, leasing, inspecting, testing, repairing, refurbishing, or storing.

(3) Whether the application is for registration as a class A or as a class B manufacturer or distributor.

(4) If the applicant is a business entity, the name, mailing address, voice telephone number, and facsimile telephone number, if any, of its chief executive officer, or other person designated by the entity to serve as the entity's representative.

(5) If the principal place of business of the applicant is located outside of this state, the applicant shall provide a copy or other evidence of current

licensure in the jurisdiction in which it is located to manufacture or distribute gambling equipment, or shall submit a statement that licensure is not required by the jurisdiction in which it is located.

(6) A copy of the applicant's current registration with the United States Attorney General pursuant to the Gambling Devices Act of 1962, 15 United States Code section 1173, if the applicant is so registered. If the applicant is not so registered, the application shall include a statement that the applicant is not required to register under the Gambling Devices Act of 1962, Title 15 United States Code section 1173.

(7) Whether the manufacturer or distributor has currently designated an agent for service of process pursuant to the laws of this state by a filing with the Secretary of State and, if so, the name of the designated agent for service of process.

(8) A statement that the application is accurate and complete within the personal knowledge of the designated representative who executes the application.

(9) A declaration under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure signed by the designated representative that the application is true and correct.

(10) (A) Except as provided in subparagraph (B) of this paragraph, for class A registration, a nonrefundable application fee as specified in paragraph (1) of subsection (f) of Section 12008 shall be submitted with the application for initial registration, and annually thereafter with each application for renewal at least thirty days prior to the anniversary date of initial registration. For class B registration, no fee shall be required for initial registration or renewal. Applications for renewal of class B registration shall be submitted annually at least thirty days prior to the anniversary date of initial registration.

(B) The nonrefundable annual application fee for a manufacturer or distributor applying for class A registration that sells, leases, inspects, tests, repairs, refurbishes, or stores only slot machines or devices that are "antique slot machines" within the meaning of Penal Code section 330.7 shall be as specified in paragraph (2) of subsection (f) of Section 12008, provided that this subparagraph does not apply to a person that is otherwise a manufacturer or distributor or who is an antique collector exempt from registration under Section 12301.1.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19951(a), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; and Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12301.1. Claim of Exemption by Antique Collector; Form.

(a) An antique collector may obtain an exemption from registration under this chapter if the antique collector satisfies all of the following requirements:

(1) Submits a completed Antique Collector Claim of Exemption, CGCC-039 (Rev. 04/08), which is hereby incorporated by reference, in which the antique collector declares under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure that the information provided in the application is accurate and complete.

(2) The antique collector maintains and retains in California for a period of five years a record of each transaction showing the names and addresses of all parties to the transaction.

(b) Any antique collector who intends to sell, exchange, or transfer more than five antique slot machines within a calendar year shall register as a manufacturer or distributor as otherwise required by this chapter.

(c) The records of slot machine transactions and the inventory of slot machines in the possession of any antique collector shall be subject to inspection by representatives of the Commission or the Bureau during normal business hours.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12302. Delegation of Authority; Process Times.

(a) The Executive Director shall review and grant or deny applications for registration in accordance with this chapter.

(b) The Executive Director shall approve an application for registration under this chapter if the application satisfies the requirements of Section 12301(b) of this chapter.

(c) The Executive Director shall notify the applicant in writing within ten business days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information required in order to complete the application. If the

applicant fails to provide the required information within 45 days, the application shall be deemed abandoned and no further action will be taken on it.

Upon determination that an application for registration is complete, the application shall be processed within ten business days and the Executive Director shall either issue the registration applied for or shall notify the applicant of denial and the grounds therefore.

(d) Notwithstanding any other provision of this chapter, including subsection (a) of Section 12301, the time within which to register as a manufacturer or distributor shall be extended during any time required by the Executive Director for consideration of a registration application that has been resubmitted pursuant to subsection (c) of this section.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805(b) and 19841(r), Business and Professions Code.

12303. Conditions of Registration.

(a) Each manufacturer or distributor shall, as a condition of continued registration, comply with the following continuing requirements:

(1) Submit in duplicate to the Commission, at its office in the City of Sacramento, within 30 days after the close of each calendar quarter, a report on sales and shipments of gambling equipment as follows:

(A) Except as provided in subparagraph (D) of this paragraph, for each shipment of gambling equipment received or sent out by the manufacturer or distributor from or to a location in the State of California during the preceding calendar quarter, the report shall include all of the following information:

1. The name and address of the sender.
2. The name and address of the recipient.
3. The date of shipment,
4. The bill of lading number.
5. The manufacturer of each item of gambling equipment if different from the sender.
6. The model (no.) of each item of gambling equipment.
7. The year of manufacture (if known) of each slot machine or device/essential part shipped.

8. The manufacturer's serial number, if any, of each slot machine or device/essential part.

9. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(B) For each sale, lease, or other transfer of gambling equipment not otherwise reportable under subparagraph (A) of this paragraph, and any transfer as an agent or broker on behalf of an antique collector, during the preceding calendar quarter by the manufacturer or distributor from or to a location within the State of California, the report shall include all of the following information:

1. The names and addresses of all parties to the sale or lease.

2. The date of the contract of sale or lease.

3. The date of shipment or delivery of the gambling equipment.

4. The name of the manufacturer of the gambling equipment if different from the seller.

5. The year of manufacture (if known) of each slot machine or device/essential part sold.

6. The manufacturer's serial number, if any, of each slot machine or device/essential part.

7. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(C) If a manufacturer or distributor delivers or ships gambling equipment to a purchaser or other recipient at a location in this state for subsequent transportation in interstate or foreign commerce as provided in California Penal Code section 330.8, the purchaser or other recipient shall be a registrant under this chapter. These transactions shall be reported pursuant to subparagraph (B) of this paragraph.

(D) Any shipment of gambling equipment sent by a manufacturer or distributor to a tribal gaming facility or sent by a tribal gaming facility to a manufacturer or distributor that is reported to the Bureau pursuant to the terms of the transportation agreement required by section 7.4.5 of the applicable Tribal-State Gaming

Compact, need only be reported to the Commission by reference to the recipient and date of the report sent to the Bureau, if the report provided to the Bureau specifies the manufacturer, model (no.), and manufacturer's serial number of the gambling equipment shipped and the shipment is transported in full compliance with all of the requirements of the transportation agreement, including the following:

1. The gambling equipment shall be located in a locked compartment or sealed container within the conveyance while being transported.

2. The gambling equipment shall not be accessible for use while being transported, and,

3. No gambling equipment shall be operated except on the Tribe's lands.

(E) The report shall also include a list of all items of gambling equipment or essential parts in the possession or custody of the registrant at any location in this state (other than a shipment in transit) during the reporting period and the address of each business location of the registrant in this state at which each listed item of gambling equipment or essential part was stored or otherwise located.

(F) The report shall include a statement that it is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(G) The initial quarterly report required by this section shall be for the first calendar quarter of 2003 and shall be submitted and received no later than 30 days following the close of that calendar quarter.

(2) Advise the Commission in writing of any new California business location or any termination of an existing business location, within 15 days following the change.

(3) Submit to any representative of the Commission or the Bureau any additional information requested by the representative concerning the registrant's activities as a manufacturer or distributor, including copies of any records maintained or retained pursuant to Title 15, United States Code,

section 1173. The information shall include a statement that the information is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(4) Submit to inspection and examination by the Bureau of all premises where gambling equipment is manufactured, sold, or distributed, pursuant to Business and Professions Code section 19827(a)(1)(B).

(5) Submit to audits by representatives of the Commission, upon request, during normal business hours in order to verify the accuracy of reporting under this chapter.

(b) The Commission may deny or revoke a registration, upon any of the following grounds, after a duly noticed hearing:

(1) The manufacturer or distributor has failed or refused to comply with any requirement of this chapter.

(2) The manufacturer or distributor has violated Penal Code sections 330a, 330b, 330.1, or 330.8.

(c) This section shall become operative on August 1, 2003, and applies to reports for all quarters beginning with the report for the third quarter of 2003, which report shall contain data reflecting the new requirements for the months of July, August, and September.

Note: Authority cited: Sections 19801(g), 19823, 19824, 19827(a)(1), 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

12304. Fines.

(a) In addition to, or in lieu of, any denial or revocation of registration under Section 12303(b), any violation of this chapter other than as provided in subsection (c) of this section shall be subject to a fine not to exceed ten thousand dollars ($10,000) upon first offense and twenty thousand dollars ($20,000) upon any second or subsequent offense for each separate violation, as provided by Business and Professions Code section 19930, subdivision (c).

(b) Each day a violation continues shall be deemed a separate violation commencing after receipt of notice of violation by the manufacturer or distributor from the Commission or Bureau or 30 days after commencement of the violation, whichever first occurs.

(c) A manufacturer or distributor shall be liable for a civil penalty not to exceed five hundred dollars ($500) per business day for each business day that the report required by Section 12303, subsection (a), paragraph (1), is overdue. For purposes of this chapter, the report shall be deemed overdue if not received by the Commission within 30 calendar days following the last day of the calendar quarter for which the report is required.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

12305. Availability of Records.

(a) Copies of any and all records provided to the Commission by applicants and registrants under this chapter shall be provided upon request to the Bureau and made available upon request to any law enforcement agency.

(b) Upon request of the Commission, copies of the following records shall be provided by the Bureau to the Commission:

(1) Any and all records received by the Bureau from manufacturers and distributors,

(2) Any and all transportation agreements and amendments to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306,

(3) Any and all records received by the Bureau pursuant to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b) and 19841, Business and Professions Code.

12306. Applicability on Indian Lands.

This chapter does not apply to the manufacture or distribution of gambling equipment conducted upon Indian lands in this state on which class III gaming has been authorized, in accordance with a Compact between a federally recognized Indian Tribe and the State of California, as provided in section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497), Title 25, United States Code, section 2710 and any amendments thereto; provided, that the manufacture or distribution is not prohibited by the laws of the United States and is limited to gambling equipment that is used or for use in the Tribe's gaming operation, including the sale of gambling equipment previously acquired for use in the Tribe's gaming operation.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Title 25, United States Code, section 2710.

12308. Penal Code Applicability.

Nothing in this chapter shall be construed to make lawful the manufacture, distribution, or transportation of any slot machine or device in violation of any provision of Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Chapter 10 (commencing with Section 330) of Title 9 of Part 1, Penal Code.

12309. Forms.

(a) Applications for registration under Section 12301(b) shall be submitted on the Application for Registration of Manufacturers or Distributors of Gambling Equipment, CGCC-025 (Rev. 12/06), which is hereby incorporated by reference.

(b) Quarterly Report, CGCC-040 (Rev. 04/08), which is hereby incorporated by reference, may but need not be used for submission of reports required by Section 12303.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19864, Business and Professions Code. Reference: Sections 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12310. Uniform Tribal Gaming Regulation Exemption.

There shall be exempt from this chapter all class B manufacturers and distributors that are subject to requirements of a Tribal Gaming Agency pursuant to a uniform regulation (1) that has been approved by the Association of Tribal and State Gaming Regulators, and is in effect as provided in section 8.4.1 of the Tribal-State Gaming Compacts, and (2) that includes the requirement for manufacturers and distributors to provide quarterly reports to the Commission pertaining to gaming device shipments pursuant to the Transportation Agreements entered into by Tribal Gaming Agencies and the State Gaming Agency pursuant to section 7.4.5 of the Tribal-State Gaming Compacts, which reports are verified by a declaration under penalty of perjury signed by the designated representative of the manufacturer or distributor that the report is true and correct.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code.

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

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12335. DEFINITIONS.

(a) Except as otherwise provided in section 12002(b) of these regulations, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Table Fee" means the fee established by Business and Profession Code, section 19951(b)(2).

(2) "Portable Persona Key Employee License" or "Key Employee License" means a license which authorizes the holder to be associated with any gambling enterprise as a key employee, provided the key employee terminates employment with one gambling enterprise before commencing work for another, as provided in Business and Professions Code sections 19805, subdivisions (w) and (x), and 19854, subdivision (c).

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19800, 19805 (w), 19805 (x), 19811, 19854 and 19951(b)(2), Business and Professions Code.

ARTICLE 2. GAMBLING LICENSES.

12340. GAMBLING LICENSES.

(a) No person may conduct a gambling operation without a current valid gambling license issued by the Commission.

(b) A gambling license shall be valid for a period of two (2) years.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852, 19853 and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851 and 19876(a), Business and Professions Code.

12341. FEE FOR INITIAL STATE GAMBLING LICENSE.

(a) The fee required by Business and Professions Code section 19951, subdivision (b)(2)(A) for initial issuance of a state gambling license shall be based on the number of tables authorized by the state gambling license and determined pursuant to the following schedule:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars ($300) for each table.

(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars ($550) for each table.

(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred dollars ($1,300) for each table.

(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred dollars ($2,700) for each table.

(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars ($4,000) for each table.

(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars ($4,700) for each table.

(b) Subsection (a) applies to the following:

(1) The initial issuance of a state gambling license to the holder of a provisional license as defined in Title 11, California Code of Regulations, Section 2140(c).

(2) The initial issuance of a state gambling license to a person who has purchased an existing gambling establishment and who is seeking issuance of an owner's state gambling license certificate pursuant to Business and Professions Code section 19851.

(c) Subsection (a) does not apply to the following:

(1) Changes in the ownership structure of currently licensed gambling establishments.

(2) Holders of newly acquired interests in currently licensed gambling establishments.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a), and 19951(b)(2)(A), Business and Professions Code. Reference: Section 19951(b)(2)(A), Business and Professions Code.

12342. Initial Gambling License Applications; Required Forms; Processing Times

(a) Any person applying for a gambling license shall, as appropriate, complete the following forms, which are hereby incorporated by reference:

(1) Application for State Gambling License, CGCC-030 (Rev. 05/08).

(2) Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).

(3) Gambling Establishment Owner Entity Supplemental Information for State Gambling License, BGC-APP-015B (Rev. 04/08).

(4) Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 04/08).

(5) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, BGC-APP-009A (Rev. 11-07).

(6) Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08).

(7) Declaration of Full Disclosure, BGC-APP-005 (Rev. 11/07).

(8) Authorization to Release Information, BGC-APP-006 (Rev. 04/08).

(9) Applicant's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-011 (Rev. 11/07).

(10) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-012 (Rev. 11/07).

(11) Spouse's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-013 (Rev. 11/07).

(12) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-014 (Rev. 11/07).

(13) Appointment of Designated Agent, BGC-APP-008 (Rev. 11/07).

(14) Key Employee Report, BGC-LIC-101 (Rev. 11/07).

(15) Instructions to Applicant's Spouse, BGC-APP-010 (Rev. 05/08).

(16) Notice to Applicants, BGC-APP-001 (Rev. 11/07).

(17) Request for Live Scan Service (California Department of Justice Form BCII 8016, Rev. 03/07).

(18) Request for Copy of Personal Income Tax or Fiduciary Return, FTB-3516C1 (Rev. 06/03 side 1-PIT).

(19)Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return FTB-3516C1 (Rev. 06/03 side 2-CORP).

(20)Request for Transcript of Tax Return IRS 4506-T, Rev. 01/08).

(b) Except as provided in subsection (c), initial gambling license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 20 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030, as referred to in paragraph (1) of subsection (a) of this section. An application is not complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a gambling license. In addition, an applicant shall submit with the application, any supplemental information required in paragraph (a) of this section for review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a gambling license and the supplemental information shall be forwarded by the Commission to the Bureau within 10 days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(4) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the

status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

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

(c) The processing times specified in subsection (a) may be exceeded in any of the following instances:

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

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

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

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841 and 19868, Business and Professions Code.

12345. License Renewals; Processing Times.

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

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

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

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

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

(d) If, after a review of an application for renewal of a gambling license, the Bureau determines that further investigation is needed, the applicant shall submit an additional 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) Except as provided in subsection (f), renewal gambling or key employee license applications submitted pursuant to subsection (a) of this section shall be processed within the following timeframes:

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

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

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

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

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

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

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

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

(g) An application for license renewal that was not submitted at least 120 days in advance of the expiration of the existing license shall be subject to the same timeframes

as specified in paragraphs (2) through (4) of subsection (e). However, if the Bureau and the Commission cannot complete their review and approval of the application prior to the expiration of the existing license due to the late submittal of the renewal application, the gambling enterprise shall cease all gambling operations on the expiration date of the license. Gambling operations shall not resume until the renewal application is approved by the Commission.

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

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

12346. Mandatory and Discretionary Grounds for Denial of Application for a Gambling License.

(a) An application for a gambling license shall be denied by the Commission if any of the following apply:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(2) The Commission finds that the local ordinance does not conform to the requirements of Business and Professions Code section 19860.

(b) An application for a gambling license may be denied if:

(1) The Commission finds that the applicant meets any of the criteria for license denial set forth in Business and Professions Code section 19862, subdivision (a).

(2) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(3) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in

Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(4) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824,19840, 19841, 19850, 19861, 19870, 19872, 19880, 19890, and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19857,19858, 19859, 19860, 19862, 19863, and 19960, Business and Professions Code.

12347. State Gambling License; Surrender; Abandonment.

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

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

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

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

(3) Business and Professions Code section 19963 precludes that cardroom from being reopened in that jurisdiction or in any other jurisdiction.

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

12348. State Gambling Licenses: Prior Surrender or Abandonment.

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

(1) The applicant seeking to reinstate the license must be the last holder of the license that he or she is seeking to reinstate.

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

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

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

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

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

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

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

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

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

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

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

(1) Generally, whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 3. PORTABLE PERSONAL KEY EMPLOYEE LICENSE

12350. INITIAL LICENSES; REQUIRED FORMS; PROCESSING TIMES.

(a) Except as provided in Business and Professions Code section 19883 and Section 12354, no person may be associated with a gambling enterprise as a key employee without a valid key employee license issued by the Commission.

(b) A key employee license, including an interim key employee license, shall be valid for a period of two (2) years. If an interim key employee license is issued pursuant to Section 12354, the term of the subsequently issued initial key employee license shall be for the remaining unexpired term of the interim license.

(c) Any person applying for a key employee license shall submit the following:

(1) A completed "Application for Gambling Establishment Key Employee License CGCC-031 (Rev. 08/09)," which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee application.

(4) Key Employee Supplemental Background Investigation Information, BGC-APP-016A (Rev. 08/09), which is hereby incorporated by reference.

(5) Authorization to Release Information, BCG-APP-006, as referred to in paragraph (8), subsection (a) of Section 12342.

(6) Request for Live Scan Service, BCII 8016, as referred to in paragraph (17), subsection (a) of section 12342.

(d) Except as provided in subsection (e), initial key employee license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application. For the purposes of this section, "application" means the Application for Gambling Establishment Key Employee License, CGCC-031, referred to in paragraph (1) of subsection (c) of Section 12350. An application is not complete unless accompanied by the fee specified in subsection (b) of Section 12008. In addition, an applicant shall submit with the application, any supplemental information required by subsection (c) of this section for review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a key employee license and the supplemental information shall be forwarded by the Commission to the Bureau within five working days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

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

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

(e) The processing times specified in subsection (d) may be exceeded in any of the following instances:

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19876(a), 19951 and 19982, Business and Professions Code.

12351. License Renewals; Required Forms; Processing Times.

(a) Each application for renewal of a portable personal key employee license shall be accompanied by all of the following:

(1) A completed "Application for Gambling Establishment Key Employee License, CGCC-031," as referred to in paragraph (1) of subsection (c) of Section 12350.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee renewal application.

(b) If, after a review of an application for renewal of a key employee license, the Bureau determines that further investigation is needed, the applicant shall submit 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.

(c) Except as provided in subsection (d), key employee renewal license applications shall be processed within the following timeframes:

(1) An application for renewal of a key employee license shall be filed by the key employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application. For the purposes of this section, “application” means the Application for Gambling Establishment Key Employee License, CGCC-031, as referred to in paragraph (1) of subsection (c) of Section 12350. An application is not complete unless accompanied by the fee as specified in subsection (b) of Section 12008 for a key employee license.

(3) A renewal application for a key employee license shall be forwarded by the Commission to the Bureau for processing within five days of the date that the Commission determines that the application is complete.

(4) If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current

license, unless that application is filed with the Commission less than 120 days prior to the expiration of the current license.

(d) The processing times specified in subsection (c) may be exceeded in any of the following instances:

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19851, 19854 and 19951, Business and Professions Code. Reference: Sections 19826, 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

12352. Employment Status Notification; Replacement License; Required Forms; Processing Times.

(a) The holder of a valid key employee license shall notify the Commission within 10 days of acceptance or termination of employment by a gambling enterprise by submitting a completed Notification of Change in Employment Status, CGCC-033 (New 08/09), which is attached in Appendix A to this chapter.

(b) The holder of a valid key employee license may request a replacement license in the event the license has been lost, stolen, damaged, or as needed to reflect a change of name by submitting the following:

(1) A completed Request for Replacement Key Employee License, CGCC-034 (New 08/09) which is attached in Appendix A to this chapter.

(2) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee license replacement request.

(3) A nonrefundable fee payable to the Commission as specified in subsection (b) of Section 12008.

(c) The Executive Director shall issue a replacement portable personal key employee license to the holder as long as there is not any cause for revocation of the key employee license.

(d) A replacement key employee license issued pursuant to this section shall be valid during the unexpired term of the replaced key employee license.

(e) Upon issuance of the replacement key employee license, the previously issued key employee license shall become invalid and shall not be used thereafter.

(f) Applications submitted pursuant to subsection (b) of this section shall be processed within the following time frames:

(1) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(2) A replacement key employee license shall be either issued or denied within 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

12353. License Content; License Display and Presentation.

(a) A key employee license issued by the Commission shall contain all of the following on the front of the license:

(1) A photograph of the licensee,

(2) The first name of the licensee;

(3) The license number; and

(4) The expiration date of the license.

(b) A key employee license issued by the Commission shall contain the full name of the licensee on the reverse side of the license.

(c) A key employee must wear in a visible and conspicuous manner, their key employee license at all times while on duty in the gambling establishment.

(d) A key employee license shall be presented upon request without delay or interference, to the employee's gambling enterprise employer or supervisor, a representative of the Commission or Bureau, or anyone requesting to verify the key employee has a valid license.

(e) A key employee license shall not be altered in any manner nor shall the content contained on the license be obstructed from view.

(f) A key employee license that has expired or is determined to be invalid, pursuant to any applicable provision of the Act or this division, shall not be used to gain employment or perform any duties which require a valid key employee license. Any expired or invalid license shall be surrendered to the Commission or Bureau upon request.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841, and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19854, 19855, 19864, Business and Professions Code.

12354. Interim Key Employee Licenses; Processing Times.

(a) An individual, if holding a valid work permit for any gambling enterprise, may immediately begin to work as an interim key employee provided that the individual submit the following to the Commission within 10 days of hiring:

(1) An Application for Interim Key Employee License, CGCC-035 (New 08/09), which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee pursuant to subsection (b) of Section 12008.

(3) A copy of the employee's valid work permit issued pursuant to section 19912 of the Business and Professions Code for any gambling enterprise.

(4) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the interim key employee application, which shall be in addition to the photograph submitted for the initial portable personal key employee license.

(b) Applications for issuance of an interim key employee license by the Executive Director shall be processed within the following timeframes:

(1) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(2) An interim key employee license shall be either granted or denied within 15 working days after the filing of a complete application.

(c) Interim key employee license approvals are subject to the following conditions:

(1) An application package for an initial portable personal key employee license as required in subsection (c) of Section 12350 must be submitted to the Commission within 30 days of assuming a key employee position.

(2) An interim license shall be valid for a period of two years from the date it is issued.

(3) Issuance of an interim license does not obligate the Commission to issue a regular key employee license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license.

(5) The interim key employee shall cease working in a key employee position if, during the term of the interim license, any of the following occurs:

(A) The application for key employee license is abandoned or denied.

(B) The interim key employee's work permit expires, is revoked, or is cancelled before the key employee license is approved.

(C) The Executive Director notifies the applicant and gambling enterprise that the interim status is cancelled pursuant to subsection (e), of this section.

(d) Upon issuance or denial of a regular key employee license by the Commission, the interim license previously issued shall become invalid and shall not be used thereafter.

(e) With ten day's advance written notice to the interim key employee and to the gambling enterprise, the Executive Director shall cancel the interim key employee license based upon the following:

(1) Evidence showing that the applicant has sustained any disqualifying criminal convictions;

(2) Evidence showing that the applicant is statutorily ineligible for a key employee license under the Act;

(3) Evidence which discloses that having the applicant serve as an interim key employee pending determination of their application may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state;

(4) A determination by the Executive Director that the applicant has failed to reveal any fact that is material to, or supplied materially untrue or misleading information on, the applicant's key employee license application;

(5) A Bureau recommendation of denial of the applicant's key employee application;

(6) Referral by the Commission of the applicant to an evidentiary hearing with direction to the Executive Director to cancel the interim key employee status; or

(7) A determination by the Executive Director that the gambling enterprise using the interim key employee procedure has shown a pattern or practice of hiring or promoting persons to key employee positions in violation of subsection (a) above or that the gambling enterprise has acted in bad faith, with actual knowledge that the persons hired or promoted would be ineligible for licensure.

(f) Within ten days of the date of notice of a cancellation of interim status pursuant to this section, the gambling enterprise shall notify the Commission in writing of the effective date of the position change for or suspension of the employee, and shall describe the employee's revised job duties, if any.

(g) Judicial review of a cancellation of interim status shall be by petition pursuant to section 1085 of the Code of Civil Procedure.

(h) This section shall apply to any individual employed in the capacity of a key employee, whether employed in a gambling establishment owned by a non-corporate licensee or by a corporate licensee, as provided in Business and Professions Code section 19883.

Note: Authority cited: Sections 19823, 19824, 19840, 19841 and 19883, Business and Professions Code. Reference: Sections 19805(w), 19805(x), 19850, 19855, 19856, 19857, 19859, 19866, 19870 and 19883, Business and Professions Code.

12355. Mandatory and Discretionary Grounds for Denial of Application for a Key Employee License.

(a) An application for a portable personal key employee license shall be denied by the Commission if any of the following applies:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(b) An application for a key employee license may be denied if:

(1) The Commission finds that an applicant has attempted to communicate or has communicated *ex parte*, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(2) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(3) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling or key employee license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19870, 19872, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19856, 19857, 19858 and 19859, Business and Professions Code.

ARTICLE 4. TABLE FEE; REQUESTS FOR ADDITIONAL TABLES.

12357. TABLE FEE.

The fee required by Business and Professions Code section 19951, subdivision (b)(2)(B) shall be based on the criteria in subsection (a) or (b) of this section, whichever is applicable, and shall be due and paid annually by the holder of a state gambling license to the Commission no later than 120 calendar days following the end of the licensee's fiscal year.

(a) The fee specified in Business and Professions Code section 19951, subdivision (c) shall be based on the number of tables authorized by the license during the licensee's preceding fiscal year.

(b) The fee specified in Business and Professions Code section 19951, subdivision (d) shall be based on the owner licensee's gross revenues for the preceding fiscal year.

(c) Each holder of a state gambling license shall submit to the Commission, together with their payment of the annual fee specified in this section, a completed form Gambling Establishment Annual Fee Calculation, CGCC-028 (New 08/07), which is hereby incorporated by reference.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a) and 19951, Business and Professions Code. Reference: Sections 19841, 19876(a) and 19951, Business and Professions Code.

12358. Request for Additional Temporary Tables for Tournaments or Special Events.

(a) An owner licensee of a gambling establishment may apply to operate, on a limited and temporary basis, for a tournament or special event (hereinafter, event), more tables than the gambling establishment is authorized to regularly operate. To apply for additional tables, the applicant must submit to the Commission, no less than 45 days prior to the event, the following for each event:

(1) A completed and signed application form entitled "Request for a Certificate to Operate Additional Tables on a Temporary Basis" CGCC-024 (Rev. 04/08), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of $500, plus a Bureau review deposit, pursuant to California Code of Regulations, Title 11, Section 2037, made payable to the California Gambling Control Commission.

(3) Fees for the additional tables, as calculated according to the form in paragraph (1) of this subsection.

(b) The Commission shall not grant the application if a review by the Bureau discloses any of the following:

(1) The requested temporary increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction where the gambling establishment is located.

(2) The requested temporary increase in the number of tables has been denied by the local jurisdiction where the gambling establishment is located.

(3) The gambling establishment's state gambling license is suspended or contains conditions precluding the approval of a temporary increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) The Commission may deny the application if the application as submitted was untimely or incomplete.

(d) A request by an applicant to withdraw the application shall result in the application being considered abandoned, and the fees for the additional tables and unused deposit amounts returned, with no further action to be taken by the Commission.

(e) The Commission may delegate the authority to deny the requested temporary increase or to issue a license certificate approving the requested temporary increase in the number of tables to any employee of the Commission. Commission staff shall commence the initial review and shall forward the application to the Bureau for review within 7 days of receipt of the application. The Bureau shall complete its review and return its findings to the Commission within 25 days of receipt of the application from the Commission. Commission staff shall then complete the review within 13 days of receiving the Bureau's findings and notify the applicant.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841(a)-(c) and (p), 19864, 19950(b) and 19952, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

12359. Request for Additional Permanent Tables.

(a) The owner licensee of a gambling establishment may apply to operate additional tables on a permanent basis by submitting the following to the Executive Director:

(1) A completed and signed application form entitled “Application for Additional Authorized Permanent Tables,” CGCC–027 (Rev. 04/08), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of $500, plus a Bureau review deposit, pursuant to California Code of Regulations, Title 11, Section 2037, made payable to the California Gambling Control Commission.

(b) The Commission shall not grant the application if any of the following are disclosed by the application or the results of the investigation of the applicant by the Bureau:

(1) The requested increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction in which the gambling establishment is located.

(2) The requested increase in the number of tables has been denied by the local jurisdiction in which the gambling establishment is located.

(3) The gambling establishment's state gambling license is suspended or is subject to conditions precluding the approval of an increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) A request by an applicant to withdraw the application shall result in the application being considered abandoned and unused deposit amounts returned, with no further action to be taken by the Commission.

(d) Commission staff shall commence the initial review and shall forward the application to the Bureau for investigation within 7 days of receipt of the application. The Bureau shall complete its review and return its findings to the Commission within 25 days of receipt of the application from the Commission. Commission staff shall then complete the review and set the request on the Commission agenda within 90 days of receiving the Bureau's findings and advise the applicant of the agenda date and any required table fees due. If the request for additional permanent tables is approved, applicant must pay the required table fees due before placing the additional tables in operation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19864, 19950(b) and 19951, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

APPENDIX A FORMS

See following page

State Of California
California Gambling Control Commission
CGCC - 024 (Rev. 03/08)

Commission Use Only	
Date Cashiered:	
Fee Received:	

REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Type or print (in ink) all information requested on this application form. If additional space is needed, please note response on a separate sheet of paper and attach to the application. Any corrections, changes, or other substitutions must be initialed and dated by the applicant.
Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.
PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231
Attach a payment *(payable to the California Gambling Control Commission)*, for the total amount of the following fees and deposit:
A non-refundable $500 application fee
Temporary tables fees (see reverse for instructions)
A review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street City State Zip Code

Business Telephone Number: ( )

Business Facsimile Number (if applicable): ( )

SECTION 2: EVENT INFORMATION

A)	Number of Presently Authorized Permanent Tables:	
B)	Number of Requested Additional Temporary Tables for the Event:	
C)	Total Number of Proposed Tables during the date listed in this request: (Total Amount of A and B)	
D)	Amount of table fees included with this request: *(Refer to instructions for additional information.)*	
E)	Proposed Date(s) and Time(s) of the Event *(If the number of tables vary on multiple dates, attach a list by date):*	
F)	Name of the Event:	
G)	Location of the Event within the Gambling Establishment:	
H)	Approved Games or Gaming Activities to be offered during this Event: *(If Division approval is pending, please so state.)*	

SECTION 3: DECLARATION

I request the issuance of a Certificate to Operate Additional Tables on a Temporary Basis at the above-named gambling establishment.

I understand that the establishment identified above will not be allowed to legally operate more than the number of tables for which a fee is being paid.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee:_____

Print Name: Date: / /

Designated Contact for this Application Telephone Number: ( )

REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in this application may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

SECTION 2: EVENT INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting to operate on a temporary basis. Also provide the total number of tables that the gambling establishment wishes to operate and all relevant event information. Note: All requests are subject to compliance with local ordinances and state gambling laws.

INSTRUCTIONS FOR CALCULATING THE AMOUNT OF TABLE FEES TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Determine the amount of the required fee that must be included with this request by completing the following steps and using the table below:

Number of Tables	Per Table Fee
One to Five	$300
Six to Eight	$550
Nine to Fourteen	$1,300

Number of Tables	Per Table Fee
Fifteen to Twenty-five	$2,700
Twenty-six to Seventy	$4,000
Seventy-one or more	$4,700

1. Add the current number of authorized tables licensed by the Commission to operate to the number of special event tables.
2. Multiply the total number of tables by the per table fee indicated in the above table.
3. From this total, subtract the basic table fees previously assessed for the current year.
4. Divide this figure by 365. This establishes the additional daily table fee for the event.
5. Multiply this total by the number of event days (fractions or portions of a day are considered a full day) and round your result up to the nearest whole number.
6. Multiply this number by two. This final figure is the table fee for the tournament or special event.

EXAMPLE: Gambling establishment "A" proposes to operate an additional 3 tables during a 5-day tournament. Establishment "A" is licensed/certified by the Commission for 24 tables and has been previously assessed a fee of $64,800 (24 tables x $2,700 per table = $64,800)

1. Add the current number of tables and the additional number of tournament tables (24 current + 3 additional = 27 total)
2. Multiply this amount by the per table fee shown above (27 total # tables x $4,000 per table = $108,000).
3. From this amount, subtract the previously assessed fee for the year ($108,000 - $64,800 previously assessed fee = $43,200).
4. Divide this amount by 365 ($43,200 ÷ 365 = $118.36).
5. Multiply this amount by the number of days of the tournament ($118.36 x 5 days = $591.80) and round this number up to the nearest whole number ($592).
6. Multiply this amount by two ($592 x 2 = $1184). The final fee for Establishment "A" to operate the additional tables for its tournament would be $1184.

SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.

State of California
California Gambling Control Commission
CGCC – 027 (Rev. 03/08)

Commission Use Only
Fee Received:_____
Date to DGC:_____

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Please refer to the instructions when completing the application. Type or print (in ink) all information requested on this application form.
If additional space is needed, please note response on a separate sheet of paper and attach to the application. .
Any corrections, changes, or other substitutions must be initialed and dated by the applicant.
Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.
PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231
Attach a payment *(payable to the California Gambling Control Commission)*, for the total amount of the following fee and deposit:
A non-refundable $500 application fee
A review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street City State Zip Code

Mailing Address *(if different than Business Address)*:

Street City State Zip Code

Business Telephone Number: ( )

Business Facsimile Number (if applicable): ( )

SECTION 2: TABLE INFORMATION

A) Number of Presently Authorized Permanent Tables:	
B) Number of Requested Additional Permanent Tables:	
C) Total Number of Proposed Tables: (Total Amount of A and B)	

SECTION 3: DECLARATION

I request approval to operate additional permanent tables, described in Section 2, at the gambling establishment described in Section 1.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee:_____

Print Name:

Date: / /

Designated Contact for this Application

Telephone Number: ( )

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Retain a photocopy of the complete application packet for your permanent records.

Applications not fully and accurately completed (including all required supporting materials) will be returned to the sender for completion. If the application is returned at any point in the processing, the applicant will need to follow the directions included with it and resubmit it in a timely manner. If any or all information is not provided, the application may be delayed, returned for completion, or denied.

The applicant is responsible for providing the appropriate information needed to determine eligibility for additional authorized permanent tables. If a question is not applicable, indicate with "N/A." If additional space is needed, use a separate sheet of paper and precede each response with the applicable section and item. Attach the paper to the back of the application.

Items required for the application to be considered complete:

- Application for Additional Authorized Permanent Tables (CGCC-027)
- A non-refundable $500 application fee
- A Division review deposit, pursuant to California Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in the *Additional Authorized Permanent Tables CGCC-027* may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

SECTION 2: TABLE INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting. Also provide the total number of tables that the gambling establishment wishes to operate.
Please note that all requests are subject to compliance with local ordinances and state gambling laws.

SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

ARTICLE 1. GENERAL PROVISIONS.

12360. CHAPTER DEFINITIONS.

The definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805, subdivision (ac).

(b) "Security department," means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

(1) Maintaining order and security;

(2) Excluding underage patrons;

(3) Responding to incidents involving patrons or others;

(4) Detecting, reporting and deterring suspected illegal activity; and

(5) Completing incident reports.

(c) "Surveillance unit," means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, and assisting the personnel of the security department in the performance of their duties.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19924, Business and Professions Code. Reference: Sections 19805, 19841, 19860, and 19924, Business and Professions Code.

12362. STATEWIDE INVOLUNTARY EXCLUSION LIST.

(a) A licensee may remove a person from the gambling establishment pursuant to Business and Professions Code section 19801, subdivision (i), or Business and Professions Code section 19845. A gambling establishment may also have an internal removal list to bar certain individuals from entering the specific gambling establishment only.

(b) A licensee or government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) ("requestor") may submit, on form CGCC – 12362 (New 10-08) "Request for Statewide Involuntary Exclusion of an Individual," which is attached in Appendix A to this chapter, a request to exclude an individual from all California gambling establishments based upon the reasons listed in Business and Professions Code section 19844 or 19845, subdivision (a)(7). Such request shall have the protections afforded under Business and Professions Code section 19846, subdivision (a).

(c) Removal of an individual from a specific gambling establishment, as described in subsection (a) above, or statewide exclusion, pursuant to the request described in subsection (b) above, shall not be based upon the sex, race, color, religion, ancestry, national origin, marital status, sexual orientation, medical condition, or disability of the individual, with the exception that a problem or pathological gambler may be excluded pursuant to Article 6 of these regulations (commencing with section 12460) or involuntarily excluded pursuant to this section.

(d) Upon receipt of a request by a licensee or governmental official for statewide involuntary exclusion of an individual, the Executive Director shall review the reason for exclusion. If there appears to be good cause to place an individual on the statewide involuntary exclusion list, the Executive Director shall cause a notice of exclusion to issue to the individual. Such notice shall state the grounds for exclusion and may be served by personal service, by certified mail at the last known address of the individual, or by publication daily for 1 week in a newspaper of general circulation in the vicinity of the requestor. The exclusion shall be effective upon perfection of notice and shall remain in effect until the individual is removed from the list by Commission decision.

(e) An individual may contest the Commission's notice of exclusion by requesting a hearing from the Commission. Such hearing may be pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director. Such hearing shall occur within 60 days of the request for hearing, unless the time of the hearing is changed by agreement of the Commission and the individual requesting the hearing.

(f) If the individual fails to appear at the time and place set for hearing, and the individual does not contact the Commission within 24 hours to give good cause why the hearing should be reset, a default decision shall issue affirming the exclusion.

(g) At the hearing, the individual may appear in person and/or be represented by counsel at the individual's own expense and present relevant testimony or documentary evidence. If a governmental agency requested that the individual be placed on the statewide involuntary exclusion list, the governmental agency may appear. If a licensee

requested that the individual be placed on the statewide involuntary exclusion list, then the licensee or designated agent may appear.

(h) The standard of proof shall be preponderance of the evidence that the individual poses a threat either to the public, gambling enterprise employees, or the gambling industry, or should be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). The burden of proof shall be on the Commission staff. Evidence of exclusion or discipline by another gaming jurisdiction based upon the factors described in Business and Professions Code section 19844 or 19845, subdivision (a)(7) may be introduced.

(i) The final decision in the matter shall be in writing, shall state any term-length for the exclusion if other than lifetime, shall be sent by certified mail or personal service to the individual and the governmental agency or gambling establishment which requested the individual be placed on the statewide involuntary exclusion list, and shall be effective immediately.

(j) If the individual requested a hearing after the Commission's notice of exclusion and was given a final decision in the matter that affirmed the exclusion, that individual shall not petition the Commission to be removed from the statewide involuntary exclusion list for a minimum of one year after the date of the final decision.

(k) Petitions to be removed from the statewide involuntary exclusion list shall be in writing, directed to the Executive Director, and sent to the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833. Petitioners should clearly state the circumstances of the ejection or exclusion, any new evidence which is material and necessary, including evidence that circumstances have changed since placement on the statewide involuntary exclusion list, and why they do not pose a threat to the public, gambling enterprise employees, the gambling industry, or should otherwise not be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). This statement shall be signed under penalty of perjury under the laws of the State of California. The Executive Director may summarily deny the petition without prejudice due to lack of compliance with this subsection. If not summarily denied, the Executive Director shall provide notice and opportunity to comment to the requestor. After review of the requestor's comments, the Executive Director, may notify the Bureau to remove the individual from the statewide involuntary exclusion list, or may set the matter for hearing pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director.

(l) The Executive Director may order an individual removed from the list after verified information is received that the individual is deceased and shall so notify the Bureau.

(m) If the Commission determines that an individual should be removed from the statewide involuntary exclusion list, the Commission's decision shall include an order removing the individual's name from the list, and shall so notify the Bureau. The Bureau shall amend the exclusion database and send notification to all gambling establishments and to the requestor.

(n) Judicial review of the Commission's decision shall be in accordance with Code of Civil Procedure, section 1094.5.

(o) The statewide involuntary exclusion list shall be maintained by the Bureau, sent or made available to all gambling establishments, and may be shared with law enforcement personnel of any jurisdiction.

(p) Licensees shall implement policies and procedures designed to thwart excluded persons, as noticed by the Bureau, from entering the gambling establishment, ejection or removal procedures of any patrons once recognized as being a known excluded person, and notification to the Bureau of any incidents of attempted entry, entry, or removals of known excluded persons. This regulation does not require a licensee's policies and procedures to include patrons providing proof of identification before entering the gambling establishment. This regulation does not require the gambling establishment to use physical force in ejecting or removing an excluded person.

(q) The Commission may discipline a licensee that knowingly fails to take prompt, reasonable action to eject or exclude an individual listed on the statewide involuntary exclusion list, or fails to notify the Bureau of any entries or attempts to enter by an excluded person, pursuant to Chapter 10 of these regulations.

(r) This regulation does not create any right or cause of action against a gambling establishment, government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) by an excluded person or abrogate the existing statutory privileges and immunities of a licensee or requestor, or limit or expand the provisions of Business and Professions Code section 19846.

Note: Authority cited: Sections 19840 and 19844, Business and Professions Code.
Reference: Sections 19801(i) and (l), 19844, 19845, 19846, and 19940, Business and Professions Code.

ARTICLE 2. EMERGENCY PREPAREDNESS AND EVACUATION PLAN.

12370. EMERGENCY PLANNING AND PREPAREDNESS.

(a) As required by California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401), and Title 19, Section 3.09, a gambling establishment shall prepare and maintain a fire safety and evacuation plan, conduct emergency evacuation drills and conduct employee training on the content of their fire safety and

evacuation plan. Fire safety and evacuation plans, emergency evacuation drills and employee training procedures adopted pursuant to this section shall comply with, as applicable, California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401) and Title 19, Section 3.09, or those standards adopted by local ordinance pursuant to Health and Safety Code section 13143.5.

(b) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Commission one copy of a current fire safety and evacuation plan, pursuant to this section, together with those application documents required by Section 12342.

(c) Each licensee shall submit one copy of its current fire safety and evacuation plan, pursuant to this section, with the first biennial license renewal application submitted after the effective date of this section, and with every second renewal application submitted thereafter.

(d) If a licensee's fire safety and evacuation plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations of phones, fire extinguishers, manual fire alarm pull stations or exits, or which alters evacuation routes or procedures, the licensee shall submit one copy of its revised fire safety and evacuation plan with the first biennial license renewal application submitted immediately following any revision, and, subsection (c) notwithstanding, with every second renewal application submitted thereafter.

(e) Each fire safety and evacuation plan submitted to the Commission pursuant to this Section shall include the following documentation, as applicable:

(1) If the responsible local authority provides reviews, the licensee shall send to the Executive Director documentation showing that the local authority approved the fire safety and evacuation plan, pursuant to Health and Safety Code section 13143.5 and California Code of Regulations Title 24, Part 9, Chapter 1, Section 111.2.1.1. Health and Safety Code section 13143.5, subdivision (f), paragraph (2), provides that any fee charged pursuant to the enforcement authority of subdivision (f) shall not exceed the estimated reasonable cost of providing the service for which the fee is charged.

(2) If the responsible local authority does not provide reviews, the licensee shall send the fire safety and evacuation plan to the State Fire Marshal, and shall send to the Executive Director documentation showing that the State Fire Marshal has approved the fire safety and evacuation plan.

(f) Failure by a licensee to develop and implement a fire safety and evacuation plan, conduct emergency evacuation drills or conduct employee training on the content of its fire safety and evacuation plan pursuant to this section, constitutes an unsuitable method of operation and also may result in denial of an application for license renewal,

pursuant to Section 12348, or in the suspension or revocation of its existing license, pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least $500 but not more than $5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Sections 19801, 19823, 19841, 19860, 19920 and 19924, Business and Professions Code.

12372. Security and Surveillance Plan.

(a) No later than December 1, 2011, each gambling establishment in Tier I and Tier II, as provided in subsection (b) of Section 12380, shall develop and implement a written security and surveillance plan for the gambling establishment that includes, but is not limited to, provisions for the following:

(1) Close monitoring and control of all controlled gambling and gaming activity;

(2) Close monitoring and control of access to restricted areas of the gambling establishment that include, but are not limited to, cages, count rooms, vaults, security offices and surveillance rooms;

(3) Surveillance procedures, including video recording requirements, as applicable;

(4) Lighting in and around the gambling establishment;

(5) Specific conditions, procedures and instructions for reporting suspected criminal incidents or activity to state and local law enforcement agencies;

(6) Procedures for securing or protecting persons, property, assets and records.

(b) No later than December 1, 2011, each gambling establishment in Tiers III through and including V, as provided in subsection (b) of Section 12380, shall develop and implement a security and surveillance plan for the gambling establishment that, in addition to the requirements of subsection (a), includes, but is not limited to, provisions for the following:

(1) A listing of the names and job titles of the employees who are responsible for making decisions that involve the security of patrons, patrons' property, employees, employees' property, and the gambling establishment's property, cash or equivalent assets and records;

(2) The presence and duties of uniformed security personnel;

(3) Surveillance procedures, including video recording and monitoring requirements, as applicable;

(4) Specific conditions, procedures and instructions for stopping controlled gambling and gaming activities; and

(5) Specific employee training schedules that relate to the gambling establishment's security and surveillance plan.

(c) (1) Each security and surveillance plan shall identify and comply with all state and local requirements and shall implement all applicable provisions of Article 3 of this chapter. Each licensee shall submit, pursuant to paragraph (2), (3) or (4), as an attachment to its security and surveillance plan, copies of identified, applicable local ordinances and any locally-issued certificate of compliance with those ordinances.

(2) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Commission one copy of a current security and surveillance plan, pursuant to this section, together with those application documents required by Section 12342.

(3) Each licensee shall submit to the Commission one copy of its current security and surveillance plan with the first biennial license renewal application that is submitted eighteen months after the effective date of this section, and with every second renewal application submitted thereafter.

(4) If a licensee's security and surveillance plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations or configurations of any restricted areas of the gambling establishment, or which alters or affects any security or surveillance capabilities or procedures, the licensee shall submit one copy of its revised security and surveillance plan with the first biennial license renewal application submitted immediately following any revision to its security and surveillance plan, and, paragraph (3) notwithstanding, with every second renewal application submitted thereafter.

(5) If the responsible local authority provides reviews of security or surveillance plans, the licensee shall send documentation of the areas reviewed by the responsible local authority and whether or not the responsible local authority approved those areas of the security and surveillance plan under the responsible local authority's jurisdiction.

(d) The Bureau shall review the licensee's security and surveillance plan, including those provisions under the responsible local authority's jurisdiction, whether reviewed

by the local authority or not, and those provisions not under the responsible local authority's jurisdiction. If the Bureau determines that the licensee's security and surveillance plan does not address the elements set forth in this section, then the Bureau may issue a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured.

(e) (1) Each licensee shall, at least annually, provide for a review of the requirements of the security and surveillance plan with those employees that have been assigned duties under the plan, ensuring that each employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan. This annual review shall be documented, including a signature from each employee indicating that they have participated in the review and a signature from the person who provided the review.

(2) When a new employee begins work, the licensee, or the licensee's designate, shall review the requirements of the security and surveillance plan with the new employee, ensuring that each new employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan. This initial review shall be documented as provided in paragraph (1).

(f) Failure by a licensee to develop and implement a security and surveillance plan, or to cure a deficiency identified pursuant to subsection (d), constitutes an unsuitable method of operation and also may result in denial of an application for license renewal pursuant to Section 12348, or in the suspension or revocation of its existing license pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least $500 but no more than $5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19860, 19920 and 19924, Business and Professions Code.

ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS FOR GAMBLING ESTABLISHMENTS.

12380. MINIMUM INTERNAL CONTROL STANDARDS; GENERAL TERMS, CONDITIONS, DEFINITIONS.

(a) "Minimum Internal Control Standards," or "MICS," are the minimum requirements to operate a gambling establishment as set forth in this chapter, and include, but are not limited to, administration controls, and controls requiring segregation of duties. A

licensee must meet or exceed these requirements in controlling their gambling operation.

(b) The purposes of the MICS are to better ensure the maintenance of accurate records, the recording of all income, the safeguarding of assets and records of the gambling establishment, operational efficiency and integrity, and adherence to prescribed policies and procedures.

(c) Failure by a licensee to comply with the requirements of this article constitutes an unsuitable method of operation and is a ground for disciplinary action.

(d) For purposes of this article:

(1) "Tier I licensee," means an owner licensee authorized to operate one to five tables.

(2) "Tier II licensee," means an owner licensee authorized to operate six to ten tables.

(3) "Tier III licensee," means an owner licensee authorized to operate eleven to thirty tables.

(4) "Tier IV licensee," means an owner licensee authorized to operate thirty-one to sixty-tables.

(5) "Tier V licensee," means an owner licensee authorized to operate sixty-one or more tables.

(6) Absent specific reference to a particular tier, any requirement of any regulation in this article shall be deemed to be applicable to all licensees.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code.
Reference: Sections 19840, 19841, 19922 and 19924, Business and Professions Code.

12381. Policies and Procedures.

(a) All licensees shall have written policies and procedures that meet or exceed the MICS contained in this article.

(b) A licensee's policies and procedures shall be communicated to employees through new employee orientations and periodic training sessions.

(c) Adherence to the policies and procedures established to comply with this article shall be required.

(d) On request, copies of a licensee's policies and procedures shall be provided, within a reasonable time specified, for the Commission and/or Bureau to review.

(e) Unless otherwise specified in this chapter, all forms, books, records, logs, lists and any and all other original source or duplicate documentation required to be maintained by a licensee pursuant to this chapter shall be:

(1) Recorded in English;

(2) Recorded in a permanent form or media; and

(3) Maintained for a minimum of three years, unless otherwise specified, in a secured area on site at the gambling establishment or at a California facility approved in advance by the Bureau.

(f) In addition to the requirements of subsection (a) through and including (e), licensees in Tiers II through and including V shall assign the overall responsibility for establishing, periodically reviewing, monitoring, and testing for compliance with their MICS policies and procedures to a specific owner licensee or key employee and shall document the assignment in the licensee's policies and procedures. Tests for compliance with MICS policies and procedures shall be performed at least annually, and may be performed by a licensee's staff, other than the person or persons who normally perform the duties being tested, or by agents or outside consultants (e.g., a certified public accountant) for the licensee. The results of the tests, and a detailed record of the efforts to correct any noncompliance found as a result of the tests, shall be documented and the documentation retained by the licensee.

(g) Licensees shall establish and implement policies and procedures in accordance with the applicable provisions of this section no later than April 1, 2010.

Note: Authority cited: Sections 19827, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

12384. Drop and Drop Collection.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the drop and collection of the drop for non-electronic gambling tables:

(1) Drop collection fees shall be deposited into a secure container, known as a "drop box," that shall be securely attached to the gambling table. A drop box shall be constructed and controlled in a manner to provide for the security of its contents.

(2) If a jackpot or any other player-funded gaming activity is offered, jackpot collections shall be deposited into a separate drop box, or otherwise segregated, and accounted for separately.

(3) Drop boxes shall have all of the following:

(A) A lock securing the contents.

(B) A separate lock securing the drop box to the gambling table. This lock shall be keyed differently from the lock securing the contents of the drop box.

(C) An individual identifier that corresponds to the gambling table to which the drop box is attached and the shift, if applicable, for which it is used, and that can be documented when the box is removed from the table. Visible drop box identifiers shall be imprinted or impressed on the box and capable of being seen and read in video surveillance recordings, either while attached to the table or when removed from the table and immediately displayed to a surveillance camera. If a bar code or an equivalent system is used, in addition to the imprinted or impressed identifiers, it shall have the capability to identify each drop box by shift and table, the person or persons performing the collection, and the date and time of the collection.

(D) An opening through which chips collected for fees shall be inserted.

(4) An emergency, interim, or temporary drop box may be maintained without a number or marking, if the applicable designation is permanently imprinted or impressed thereon and, when put into use, it is temporarily marked as provided in subparagraph (C) of paragraph (3) above.

(5) A drop box, when removed from a gambling table, whether in use or not, shall be afforded security sufficient to protect the drop box and its contents and shall be stored in a secure area while awaiting the count.

(6) A drop box, when not in use during a shift, may be stored on a gambling table.

(7) The licensee shall establish and schedule the time(s) for the collection of drop boxes and shall ensure that the entire drop collection process is recorded by video surveillance. Except as otherwise provided in subsection (c), the drop box collection may be performed more frequently or less frequently than the time(s) scheduled by the licensee when circumstances warrant a reasonable deviation from the established schedule.

(8) The drop collection shall be performed by at least one licensed or permitted individual.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for drop collection:

(1) All drop boxes, whether in use or not, shall be removed from the gambling table as provided in subsection (a) by at least one employee of the gambling establishment who holds a valid license or work permit, accompanied by at least one member of the security department or its equivalent. The employee of the gambling establishment shall not be a member of the security department or its equivalent.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, or any other provision of this article related to the designation of employees to perform the drop collection, a Tier III licensee that does not directly employ security personnel may have the drop collection performed by at least two employees of the gambling establishment who hold a valid license or work permit and who are each assigned to a different department.

(3) The names of the individuals performing the drop collection shall be documented either by software or in writing and, when documented in writing, those individuals who performed the collection shall legibly print their names and sign the documentation.

(4) A drop box, when not in use during a shift, may be stored on a gambling table if the entire area is covered by recorded video surveillance during that period of time.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include standards for drop collection that provide for the designation of at least one employee of the gambling establishment who holds a valid license or work permit to video monitor the drop box collection process and that the entire drop collection process be continuously recorded by video surveillance.

(d) Licensees shall establish and implement the applicable standards for drop collection specified in subsections (a) through and including (c) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12385. COUNT; COUNT ROOM FUNCTIONS.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for count room functions:

(1) The licensee shall ensure that the contents of drop boxes are counted and recorded in a manner and in a location within the licensed gambling establishment that ensures the appropriate security and proper accounting of all gambling chips.

(2) The licensee shall designate an individual or individuals, each holding a valid gambling license or work permit, who shall be responsible for performing the drop count. The opening, counting and recording of the contents of a drop box shall be performed in the presence of and by the designated individual(s).

(3) (A) Drop box counts shall be permanently recorded, in ink or another form approved by the owner licensee, on a daily count sheet or the equivalent, which documents all of the following information, as applicable:

1. The name of the gambling establishment;
2. The date and time of the count;
3. The shift, individual box number and table number of each box counted;
4. The amount in each individual box;
5. The total number of boxes counted; and
6. The printed or recorded name(s) of the individual(s) conducting the count and, if a hard copy record, the signature(s) of the individual(s).

(B) Corrections to the information initially recorded for the drop count prior to the completion and signing of a hard copy daily count sheet shall be permitted. Corrections shall be made by drawing a single line through the error and writing the correct figures above the original figures or by another method approved by the Bureau. The designated individual making the correction shall write his or her initials and the date, in ink, immediately next to the correct figures. The correction, in a hard copy of a daily count sheet, of errors discovered subsequent to the completion and signing by the designated individual(s) shall require the completion of a revised or amended count sheet, which shall be maintained with the original count sheet.

(4) The entire count process, beginning with the opening of the first drop box and continuing through completion of the count sheet, shall be continuously recorded by video surveillance.

(5) The contents of a drop box shall not be mixed or commingled with the contents of any other drop box prior to the counting and recording of its contents.

(6) A drop box shall be emptied in a manner that will identify and record the box identification, as specified in Section 12384, subsection (a), paragraph (3), subparagraph (C), and paragraph (4), and so that video surveillance recording will document that all contents are removed from the drop box for the count.

(b) (1) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall include standards for count room functions that require the use and maintenance of a secured area known as the count room for the counting of gambling chips, which shall:

(A) Be designed and constructed to provide appropriate security for the materials housed therein and for the activities conducted therein;

(B) Not be used as a storage facility for items or materials not directly associated with the count process or cage functions, nor have any removable containers other than drop boxes that could be used to conceal chips or cash.

(2) If the count room is used to store chips, cash, drop boxes or any other items or materials that are directly associated with the count, the interior of the room and all of its contents shall be under constant recorded video surveillance.

(c) In addition to the requirements of subsection (a) and (b), the policies and procedures for Tiers III through and including V shall include the following standards for count room functions:

(1) The number of individuals designated by the licensee, pursuant to paragraph (2) of subsection (a), to perform the drop count shall not be less than two individuals, or one individual using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(2) The designated individuals performing the count shall be attired so as to reduce their ability to conceal chips on their person; for example, by wearing, over their regular clothing, smocks or other clothing with no pockets.

(3) At the conclusion of the count, a cage or vault cashier or at least the equivalent shall count the chips received and verify the accuracy of the count and count sheets.

(4) Count sheets verified pursuant to paragraph (3) above shall, immediately following verification, be remitted to the accounting department or its equivalent, or deposited in a locked box, located in a secure area of the gambling establishment, the contents of which are accessible only by the accounting department or its equivalent. Count sheets shall be maintained and controlled by the accounting department or its equivalent.

(d) In addition to the requirements of subsections (a) through and including (c), the policies and procedures for Tiers IV and V shall include the following standards for count room functions:

(1) The count room shall be a fully enclosed room that is separate and apart from all other rooms in the gambling establishment and is equipped with an alarm system or device connected to all entrances to the count room which causes a signaling to the surveillance unit or its equivalent, whenever any door to the count room is opened.

(2) Immediately prior to the commencement of the count, one of the designated individuals shall notify the surveillance unit, or its equivalent, that the count is about to begin. At least one employee of the gambling establishment who holds a valid license or work permit shall be designated to video monitor the count process and the entire count process shall be continuously recorded by video surveillance.

(3) Immediately prior to the opening of a drop box, the door to the count room shall be secured. Except as otherwise authorized by the licensee's policies and procedures, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

(e) In addition to the requirements of subsections (a) through and including (d), the policies and procedures for Tier V shall include standards for count room functions that require the drop count to be performed by not less than three individuals designated by the licensee pursuant to paragraph (2) of subsection (a), or two individuals using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(f) Licensees shall establish and implement the applicable standards for count and count room functions specified in subsections (a) through and including (e) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12386. CAGE FUNCTIONS.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the cage:

(1) The licensee shall maintain within the gambling establishment at least one separate and secure area at a fixed location that is accessible to the public, and that is designated as the cage. The cage shall be located, designed, constructed and operated to provide appropriate security and accountability for funds.

(2) The licensee shall designate at least one employee to process monetary transactions through the cage. All employees designated to process monetary transactions through the cage shall be listed by title or position on the gambling establishment's organizational chart, and shall be responsible for any or all of the following:

(A) Custody of the cage or individual cage drawer inventory, which is comprised of currency, coin, patron checks, gambling chips, forms, documents and records consistent with the operation of a cage or individual cage drawer.

(B) Receipt, distribution, and redemption of gambling chips.

(C) Deposits to and withdrawals from players' banks and dealers' banks.

(D) Cashing checks and/or extensions of credit for patrons, as permitted by the licensee's policies and procedures.

(E) Preparation of cage accountability reconciliations and records necessary to document compliance with the requirements of this chapter.

(F) Record patron information that is necessary for compliance with the requirements of sections 5313 and 5314 of Title 31 of the United States Code, sections 103.21, 103.22, 103.23, 103.63 and 103.64 of Title 31 of the Code of Federal Regulations, and subsection (a) of Section 12404 of this chapter.

(G) Ensuring the proper accounting and safeguarding of funds and chips.

(3) Routine access and entry into the cage area shall be limited to on-duty cage personnel-designated pursuant to paragraph (2) of this subsection. Other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the cage area for the purpose of performing their duties.

(4) A log shall be maintained to document entry into the cage by any person not authorized access pursuant to paragraphs (2) and (3) of this subsection. The log must contain the person's name, title, date of entry, and time entering and exiting; or provide substantially equivalent information through an automated access control system. Any automated access control system must provide a secure, tamperproof means of recording and maintaining entry and exit information.

(5) Cage activity shall be reconciled after each shift by the incoming and outgoing designated cage employees. If an imprest drawer is used, each outgoing designated cage employee responsible for an imprest drawer shall reconcile his or her drawer to the imprest amount. All transactions that flow through the cage shall be appropriately summarized and documented, in writing, for each shift. The cage activity reconciliations shall be posted and reconciled to the general ledger at least monthly. For the purposes of this paragraph, the word “shift” means an individual employee’s shift, or two or more employees that work the same schedule.

(6) The purchase or redemption of chips by a patron may only occur at the cage or from a designated gambling establishment employee on the gambling floor. Licensees shall not permit proposition player services providers to purchase or redeem chips for cash or cash equivalents from a patron or to sell chips to a patron. For the purposes of this article, the purchase or redemption of chips or the sale of chips shall not include the exchange of a chip or chips of one total value for a chip or chips of an equal total value.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for the cage:

(1) The cage and cage activities shall be under continuous recorded video surveillance.

(2) The reconciliation of the cage transactions provided for in paragraph (5) of subsection (a), shall be summarized on a cage accountability form that shall include, at a minimum, all of the following, as applicable:

(A) The date of the reconciliation;

(B) The designation of the shift being reconciled;

(C) An accounting of all items in the cage inventory (e.g., cash, coin, chips, players' and dealers' banks, etc.), for each cage window, drawer or bankroll in use during the subject shift, including:

1. The beginning shift balances, unless an imprest drawer is used;

2. All credits (receipts);

3. All debits (disbursements);

4. The ending balances;

5. An identification of any overage or shortage with an explanation, if known.

(D) The printed name and signature of each designated cage employee (incoming and outgoing, unless an imprest drawer is used) performing the reconciliation.

(3) The cage activity reconciliations specified in paragraph (2) of this subsection shall be posted and reconciled to the general ledger, as provided in paragraph (5) of subsection (a), by someone other than a designated cage employee or cage supervisor.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include the following standards for the cage:

(1) The design and construction of the cage shall include:

(A) A manually triggered silent alarm system connected directly to the surveillance unit, or its equivalent, or an alarm monitoring agency; and

(B) Access through a secured door or doors, which shall be under constant recorded video surveillance.

(2) In addition to the information specified in paragraph (2) of subsection (b), the cage accountability form referenced therein shall include an itemization of the following, with beginning and ending balances for non-imprest drawers, and ending balances for imprest drawers:

(A) Cash and coin by denomination;

(B) Chips by denomination;

(C) All other items of monetary value (e.g., markers, patron checks, players' and dealers' banks, chip runners' banks, etc.), specifying the source of each;

(3) The licensee shall maintain a list of the names of all persons designated pursuant to paragraph (2) of subsection (a) as being authorized to access and/or enter the cage, which list shall specify those persons who possess the combination or the keys or who control the mechanism to open the devices securing the entrance to the cage, and those who possess the ability to operate the alarm system.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier V shall include standards for the cage that require monitored and recorded video surveillance of the interior of the cage and all of its contents, and the exterior of all access doors.

(e) Licensees shall establish and implement the applicable standards for cage functions specified in subsections (a) through and including (d) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12388. Extension of Credit, Check Cashing, and Automatic Teller Machines (ATMs).

(a) A licensee may extend credit to a patron if, prior to extending credit to the patron, the licensee determines that an extension of credit is not prohibited by any statute, law, regulation, or local ordinance. A licensee shall not extend credit to an owner, supervisor, player, or other employee of a gambling business (as defined in Title 4 CCR Section 12220) that is occupying a player-dealer position in any game in any gambling establishment owned by the licensee. A licensee shall not extend credit to an owner, supervisor, player, or other employee of a third-party provider of proposition player services (as defined in Title 4 CCR Section 12200) that is a party to a contract with the licensee to provide third party proposition player services in a game with a player-dealer position in any gambling establishment owned by the licensee. A licensee may not extend credit to an employee of the licensee to act as a "house prop player" or "public relations player" in any controlled game. In addition to complying with all laws regarding the issuance of credit, a licensee that extends credit to a patron shall address, in written policies and procedures and credit application form(s), the following requirements for the extension and collection of credit:

(1) Establish a method for determining the maximum amount which will be advanced to a patron, changes in the credit amount, the maximum time an extension of credit will be outstanding, and repayment terms.

(2) Prior to extending credit to a patron for the first time, ensure that the person requesting the credit is identified by examining the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport.

(3) Ensure that the patron is credit worthy through an assessment of one of the following:

(A) Receipt of patron information on a credit application form which includes the patron's name and signature, current address, telephone number, social security number, bank and/or trade references, employment information and income information, which shall be verified and used to form an assessment of the patron's financial situation, collateral circumstances and credit worthiness.

(B) Receipt of a signed and dated authorization from the patron to access their consumer credit report from a bona fide credit-reporting agency to show the patron has an established credit history consistent with approved credit policies and receipt of information from a bona fide credit-reporting agency that the patron has an established credit history consistent with approved credit policies.

(C) If any previous credit transactions exist between the patron and the gambling establishment, an examination of those records showing that the patron has paid in a timely manner all credit instruments and/or otherwise documenting that there is a reasonable basis for extending the credit amount to the patron.

(4) An owner or designated key employee other than a dealer must approve any credit application.

(5) No credit may be extended to any patron who has signed a self-exclusion form (Title 4 CCR Section 12464) or has self-restricted access to credit (Title 4 CCR Section 12463) for the time period of the exclusion or restriction.

(6) Notify the patron of the issuance or denial of credit. The notification for issuing credit shall include the date of issuance, terms of repayment, and

interest charges, if applicable. If a patron is denied credit, and the denial is based, in whole or part, on any information contained in a consumer credit report, the licensee shall comply with Civil Code section 1785.20.

(7) If a patron is approved for credit pursuant to subparagraph (B) of paragraph (3), a copy of the patron's consumer credit report obtained by the licensee shall be kept on file with the cardroom for as long as that patron's credit account is open.

(8) Written or electronic records shall be maintained on each attempt to collect on delinquent credit accounts.

(9) For each patron issued credit, the licensee shall maintain a record of the patron's credit limit, payment schedule, outstanding credit balance, and the patron's signature on a credit agreement.

(b) For each patron that is issued credit for the first time, the following information shall be collected and maintained:

(1) Patron's name, current address and telephone number;

(2) A photocopy of the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport;

(3) Basis upon which credit verified, as listed in subsection (a)(3);

(4) Documentation of authorization by a person designated by management to approve credit.

(c) If payment upon an extension of credit is delinquent for more than 90 days, as determined by the original credit agreement, the person to whom credit was extended shall be prohibited from obtaining additional credit until the amount owed is paid in full.

(d) No gambling enterprise shall cash any check if cashing such a check is prohibited by any statute, regulation, or ordinance. No gambling enterprise employee shall be permitted to cash any check drawn against any federal, state, county, or other government fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments, as outlined in Business and Professions Code section 19841, subdivision (q), unless the check is for wages or payment for goods or services.

(e) A licensee who does not deposit a patron's check within three banking days after receipt shall be considered to have extended credit to that patron.

(f) (1) A licensee shall not allow a patron to replace, redeem, reclaim or repurchase a personal check with a subsequent personal check, unless that patron has been approved for an extension of credit as provided in this Article and the amount of the check or checks to be replaced is within the patron's approved credit limit.

(2) A subsequent personal check used by a patron to replace a previous personal check may not be replaced with another personal check at any time after receipt by the licensee.

(3) Paragraph (1) of this subsection shall not apply to a personal check that has not been deposited by a licensee within three banking days after a receipt, or to a dishonored check.

(g) A licensee that cashes checks for a patron shall address, in written policies and procedures, the following requirements for the cashing of checks:

(1) Prior to cashing a check for a patron, the designated employee shall determine that

(A) The licensee's records do not contain information reflecting that the patron presenting the check has signed a self-exclusion form or self-restricted access to check cashing for the time period of the exclusion or restriction,

(B) Cashing such check is not prohibited,

(C) Cashing such check conforms to the licensee's approval process,

(D) The check is for a specific amount and within the patron's established check cashing amount limit, and, in the case of a personal check, includes the current date, and,

(E) In the case of a third party check, the check is endorsed over to the gambling establishment.

(2) If personal checks, cashier's checks, or payroll checks are cashed, the licensee or designated employee shall examine and, if the patron is not approved for credit or check cashing, record an unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport. If the patron's identification information is already on file with the licensee, then retrieval and examination of this identification file by the licensee or designated employee shall satisfy the provisions of this paragraph.

(3) Records of all returned checks shall be maintained by the gambling establishment and shall include, at a minimum, the following:

(A) Date on the check.

(B) Name of the customer presenting the check.

(C) Amount of the check

(D) Date(s) the check was dishonored.

(E) Date(s) and amount(s) of any collection received on the check after being returned by a bank.

(4) If a check is dishonored, the person who proffered the check shall be prohibited from cashing additional checks until the amount owed is paid in full, but may replace a dishonored check in accordance with the policies of the licensed gambling establishment.

(5) The licensee shall include written procedures for the collection of checks dishonored for non-sufficient funds (NSF), including a point in time that the NSF check will be written off as a bad debt.

(h) If a licensee that cashes checks for a patron charges a check-cashing fee, the licensee shall obtain and maintain an unexpired California Department of Justice Check Cashing Permit pursuant to Civil Code section 1789.37.

(i) Checks accepted or credit instruments completed in accordance with this Article are valid and enforceable instruments.

(j) A licensed gambling establishment shall not have an ATM (automatic teller machine or cash- or voucher-dispensing machine) accessible by an individual while physically seated at a gaming table, unless otherwise required under the Americans with Disabilities Act.

(k) ATMs shall be configured to reject Electronic Benefit Transfer cards (EBTs) issued by the State of California or by any city, county, or city and county therein.

Note: Authority cited: Sections 19811, 19823, 19840, 19841(g), (o) and (q), 19901, 19905 and 19920, Business and Professions Code. Reference: Sections 19801, 19841(g), (o) and (q), 19901, 19905 and 19920, Business and Professions Code.

12395. Security.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for security:

(1) Access to restricted areas of the gambling establishment, including but not limited to cages, count rooms, vaults, security offices and surveillance rooms, shall be limited to authorized personnel in the performance of their duties and shall be closely controlled.

(2) For the purpose of video surveillance recordings, gambling establishments shall provide adequate lighting of all public areas, entrances and exits, and for all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(3) Licensees shall file an incident report with the Bureau's Criminal Intelligence Unit within five business days of either of the following:

(A) Any owner or key employee contacting a local law enforcement agency, pursuant to the provisions of the licensee's security plan, regarding any reasonably suspected violation of the Act, this division, Division 3 of Title 11 of the California Code of Regulations, any statute set forth in sections 330 through 337z of the Penal Code that pertains to gambling, section 1916-3(b) of the Civil Code (loan-sharking), chapter 1 (commencing with section 11000) of division 10 of the Health and Safety Code (illegal possession or distribution of controlled substances), section 4022 of the Business & Professions Code (illegal possession or distribution of dangerous drugs), or any violation of the following Penal Code sections: 186.10 (money laundering), 211 (robbery), 245 (assault with deadly weapon), 266h (pimping), 266i (pandering), 459 (burglary), 470 (forgery), 476 (fraud), 487 (grand theft), 488 (petty theft), 503 (embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency), 653.22 (loiter for prostitution), 653.23 (pimping), or 647(b) (prostitution).

(B) Any owner or key employee obtaining knowledge or notice of any reasonably suspected violation listed in subparagraph (A).

(4) An incident report shall include, when available and applicable, the following information:

(A) The date and time of the incident or event.

(B) The identity of each perpetrator or suspect, including the following:

1. Full name.

2. Address.

3. Date of birth.

4. Driver license or identification card number.

(C) Law enforcement report number.

(D) Detailed description of the event or suspected incident, including an identification of any witnesses and a description of any evidence.

(5) Licensees shall maintain a list of all mechanical keys or electronic card keys to the locking devices used to secure the gambling establishment, restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment used in the gambling operation, the names of all gambling establishment employees who have been issued, possess or have access to any of those keys, and the location where un-issued keys are stored. If any coded mechanical or electronic locking devices are used, the list shall include all access codes and combinations, as applicable, and the names of all gambling establishment employees who possess any code or combination, or who control the mechanism to open any of the locks. The licensee may maintain a master list or separate departmental lists. Each list shall be:

(A) Continuously maintained while current, at a minimum, in a permanent, written form and dated as of the date created or updated;

(B) Updated as changes in the information contained in the list changes;

(C) Kept in a secure, locked receptacle, such as a key control box, safe, locking file drawer or similar container; and

(D) Retained for a minimum of one year after the list has been updated.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall meet or exceed the following standards for security:

(1) Except as otherwise provided, licensees shall install and maintain a minimum of at least one secure key control box for the storage and safeguarding of all un-issued gambling-related keys and access code cards associated with the gambling establishment; e.g., keys to the gambling establishment, cage, count room or other restricted areas of the gambling establishment, and any fixtures, appurtenances and equipment used in the gambling operation, including but not limited to gambling tables and drop

boxes. This paragraph does not apply to an individual licensee, who does not employ, except in unforeseeable exigencies, more than one person or any person except members of his or her **immediate family**. For the purposes of this paragraph, "**immediate family** member" means spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

(2) All key control boxes shall meet or exceed the following requirements:

(A) The key control box shall have a minimum of one keyed locking mechanism. A coded key lock or a mechanical or electronic combination lock is acceptable.

(B) The key control box shall be securely attached to a permanent structure within the gambling establishment. The hardware used to attach the box shall not be visible or accessible externally.

(C) All keys, stored within a key control box shall be easily identifiable and individually labeled.

(D) Access to a key control box shall be limited to the licensed gambling establishment owners, key employees, or other employees designated by the owner of the gambling establishment.

(3) Licensees shall maintain a key control log for each key control box maintained pursuant to paragraph (1). The key control log shall document the issuance and return of all gambling-related keys used to control access by gambling establishment employees to restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment, associated with the department or operation.

(4) During any period of time, between one-half hour before or after sunset and one-half hour before or after sunrise, in which the gambling establishment is open for business or patrons are present on the premises, licensees shall have at least one uniformed security officer on duty, who shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons. Any security officer, whether an employee, agent or contractor of the licensee, who is a gambling enterprise employee as defined in subdivision (m) of section 19805 of the Business and Professions Code, shall be required to hold a work permit pursuant to paragraph (1) of subdivision (a) of section 19912 of the Business and Professions Code, and Chapter 2 of this division. Any contract security officer whose scope of employment is limited to performance of his or her

duties exclusively outside the licensee's gambling establishment shall not be required to hold a work permit under these regulations.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall meet or exceed the following standards for security:

(1) Licensees shall install and maintain a backup generator that is sufficient, during power outages, to provide for the operation of lighting systems, information systems, and surveillance and recording systems for a time necessary to protect the safety and security of patrons and employees, patrons' property, and the licensee's assets and property while gambling operations are terminated and patrons exit the premises.

(2) Any gambling establishment that elects to continue gambling operations during a power outage shall install and maintain a backup generator that is sufficient to provide for the full and continued operation of all lighting systems, all information systems, and all surveillance and recording systems.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall continuously patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(f) Licensees shall establish and implement the applicable standards for security specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19801(g), 19826(b), 19840, 19841, 19856(c), 19857 and 19924, Business and Professions Code. Reference: Sections 19841, 19856(c), 19857, 19912, 19922 and 19924, Business and Professions Code.

12396. Surveillance.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for surveillance:

(1) Licensees shall install and maintain, on site in their gambling establishment, a surveillance system, with video recording and closed circuit television

(CCTV) monitoring capabilities, to record critical activities related to the licensees' gambling operations. The surveillance system shall record with reasonable coverage and clarity, at a minimum, the gambling operation, the payment of player drop fees, the collection of drop boxes, the drop count processes, cage and cashier activities, gambling equipment storage areas, except for furniture storage areas, and the interior of gambling establishment entrances and exits. The video recording equipment shall include date and time generators which shall display the current date and time of recorded events on videotape or digital recordings. The displayed date and time shall not significantly obstruct the view of recorded images. The surveillance system may have remote, off-site access capabilities, but only ancillary to any on-site systems required by this section.

(2) All surveillance recordings shall be made in real time mode, or at a speed sufficient to capture and record with reasonable completeness the actions of all individuals being observed, except that any recordings of the gambling establishment parking areas, and the gambling establishment entrances and exits may be recorded in time-lapse mode, at a minimum speed of 15 frames per second.

(3) All video surveillance cameras shall be installed in a manner that prevents them from being intentionally obstructed, tampered with or disabled by patrons or employees, to the extent reasonably possible. All recording and monitoring equipment shall be located in secure rooms or areas of the gambling establishment so that access is controlled.

(4) The surveillance system operation shall be checked daily to ensure that all surveillance equipment is functioning properly and reasonable efforts shall be made to repair malfunctioning surveillance equipment within 72 hours of the discovery of the malfunctions.

(5) If a digital video recording (DVR) system is utilized, the system shall meet the following standards:

(A) The DVR system shall have a failure notification system that, at a minimum, provides a visual notification of any failure in the surveillance system or the DVR media storage system.

(B) The DVR system shall have a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system.

(C) The DVR system shall have the capability to reproduce or copy all or any portion of the stored data from the media storage system to a digital video disk (DVD).

(D) A single DVR system shall not have more than 8 cameras required by the standards of this section, unless the DVR system has an appropriate backup system to ensure that there is no loss of data in the event of a failure of the primary DVR system or any single component of that system.

(6) Videotapes or other recording media shall be marked or coded to denote the activity recorded.

(7) (A) Unless otherwise requested by the Bureau, all recordings shall be retained for a minimum of seven complete days of operation, except that recordings that are determined by the Bureau or a law enforcement agency to be of evidentiary value shall be retained for a period specified in writing by the determining agency. Recordings of any criminal offense subject to reporting pursuant to paragraph (3) of subsection (a) of Section 12395 shall be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph (A) shall be increased to 14 days no later than June 1, 2013.

(8) For the purpose of enforcing the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations, Bureau staff, with the approval of the chief, may, at any time during the gambling establishment's actual hours of operation, demand immediate access to the surveillance room and any area of the gambling establishment where surveillance equipment is installed or maintained or where surveillance video recordings are stored, and such access shall be provided by the licensee or the licensee’s authorized representative. The Bureau may, pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of section 19827 of the Business and Professions Code, take custody of and remove from the gambling establishment the original of any video recording, or a copy of any digital recording, required to be made and maintained pursuant to the Act or this division. Any surveillance video recording that is in the custody of the Bureau pursuant to this paragraph may be disclosed by the Bureau only when necessary to administer or enforce the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations or when necessary to comply with a court order. Upon

reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings shall be made and left on the premises if copying equipment is available to enable Bureau staff to make copies. If copying equipment is not available to Bureau staff, upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings will be provided to the licensee at the licensee's expense, unless the Bureau expressly waives its costs of providing the copies.

(9) Licensees shall prominently display in a place and manner conspicuous to all patrons entering and exiting the gambling establishment, a sign containing the following statement printed in bold lettering of sufficient size to be visible and readable: **"All Public Areas, Entrances and Exits of This Establishment are Subject to Surveillance and Video Recording."** The lettering and background shall be of contrasting colors, and the sign shall comply in all respects with applicable signage requirements, if any, of the local jurisdiction.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall meet or exceed the following standards for surveillance:

(1) The surveillance system shall, at a minimum, record both the interior and the exterior of gambling establishment entrances and exits.

(2) The surveillance system shall have a sufficient number of cameras dedicated to gambling tables to be capable of viewing and recording, with reasonable coverage and clarity, patrons, dealers, wagers, cards, and game outcome at each table. For the purposes of this paragraph, an overhead view of patrons and dealers is acceptable. This paragraph shall not apply to demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

(3) The surveillance system shall include an audio recording of, at a minimum, any areas of the gambling establishment that are used for vault or count room functions.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers III through and including V shall include standards for surveillance that require the surveillance system to include coverage and recording of all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include a requirement that, during all hours of operation, a gambling establishment owner or key employee be on duty who has the ability to access live video from surveillance cameras and previous surveillance video recordings.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall meet or exceed the following standards for surveillance:

(1) Licensees shall establish a surveillance unit separate and apart from the security department. The head of the surveillance unit and all surveillance unit personnel shall be independent of the security department and have no other gambling-related duties.

(2) Licensees shall establish and maintain a separate surveillance room that meets or exceeds the following requirements:

(A) The surveillance room shall have controlled access through a secured door or doors, which shall be under constant recorded video surveillance.

(B) No entrance or exit door of a surveillance room shall be readily observable or accessible from the gambling operation area.

(3) Routine access and entry into the surveillance room shall be limited to on-duty employees of the surveillance unit assigned to monitor gambling operations. Owners, managers and other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the surveillance room for the purpose of performing their duties. Other persons may be granted limited access to the surveillance room for educational, investigative or maintenance purposes, if accompanied at all times by a surveillance unit employee.

(4) At least one surveillance employee shall be present in the surveillance room and actively monitoring the gambling operations, via the surveillance room equipment, during all hours of operation, except that the surveillance room may be unattended for no more than a total of one hour during any shift or eight-hour period to allow for required meal and rest breaks for staff. No controlled gambling may take place when a surveillance employee is not present and on duty in the gambling establishment, whether on a break or not.

(5) Count room surveillance shall include closed circuit television (CCTV) monitoring and video recording.

(6) Licensees shall maintain a record of all surveillance activity in the surveillance room, by surveillance period or shift, in a surveillance activity log. The surveillance activity log entries shall be made by on-duty surveillance personnel and shall include, at a minimum, the following:

(A) The date and time of commencement of the surveillance period or shift;

(B) The printed name(s) of the person(s) conducting the surveillance;

(C) The date and time of termination of the surveillance period or shift;

(D) A summary of the results of the surveillance, including a notation of the time of recording of any event, activity, occurrence, process or procedure that was monitored during the surveillance period or shift, whether the recording or monitoring was required or not;

(E) A notation of the time of the discovery or occurrence of any equipment or camera malfunctions during the surveillance period or shift;

(F) A notation of the time of the correction or repair of any equipment or camera malfunctions occurring during the surveillance period or shift, if corrected or repaired during that period or shift;

(G) A notation of the time of the correction or repair of any equipment or camera malfunctions discovered and noted in a previous surveillance period or shift, if corrected or repaired during the current period or shift;

(H) A notation of the time of occurrence of any medical emergency event or law enforcement event, including any incident number generated by the responding entity, if available;

(I) A notation of the time(s) of drop box collection occurring during the surveillance period or shift;

(J) A notation of the time of drop count procedure(s) occurring during the surveillance period or shift; and

(K) A notation of the times of patron disputes occurring during the surveillance period or shift that require the intervention of the security department, if any.

(7) Each gambling table must have a dedicated camera, meeting the requirements of paragraph (2) of subsection (a), providing clear surveillance coverage of all controlled gambling at all hours of operation. In addition, one Pan/Tilt/Zoom (PTZ) camera must be installed for every ten or fewer authorized tables present in any gambling operations area of the gambling establishment. A reasonable attempt must be made to pan the faces of patrons and dealers for identification at least once per work shift of surveillance unit employees.

(f) Licensees shall establish and implement the applicable standards for surveillance specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

ARTICLE 4. ACCOUNTING AND FINANCIAL REPORTING.

12400. DEFINITIONS.

(a) Except as otherwise provided in subdivision (b), the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Authorized game" means a controlled game approved by the Bureau of Gambling Control.

(2) "Dealer's bank" means the total amount of moneys a dealer of the gambling establishment has on deposit with the gambling establishment for chip trays.

(3) "Drop" means the total amount of compensation collected from patrons of a gambling establishment to play in controlled games.

(4) "Fiscal year" means the annual period used by a licensee for financial reporting purposes.

(5) "Group I licensee" means a licensee with ~~a~~ reported gross revenue of $10 million or more for the preceding fiscal year.

(6) "Group II licensee" means a licensee with ~~a~~ reported gross revenue of $2 million or more but less than $10 million for the preceding fiscal year.

(7) "Group III licensee" means a licensee with ~~a~~ reported gross revenue of less than $2 million for the preceding fiscal year.

(8) "Jackpot" means a gaming activity appended to the play of an authorized game in a gambling establishment in which a prize is awarded based on predetermined criteria.

(9) "Jackpot administrative fee" means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(10) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805 (ac).

(11) "Player's bank" means the total amount of moneys a patron of the gambling establishment has on deposit with the gambling establishment.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805 and 19841, Business and Professions Code.

12401. Accounting Records.

Each licensee shall:

(a) Maintain accurate, complete, and legible records of all transactions pertaining to gross revenue as defined in Business and Professions Code section 19805(q). Records must be maintained in sufficient detail to support the amount of revenue reported to the Commission in renewal applications.

(b) Maintain accounting records identifying the following:

(1) Revenues, expenses, assets, liabilities, and equity for the gambling establishment.

(2) Records of all players' banks, dealers' banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).

(3) Records required by the licensee's written system of internal controls.

(4) Records of all jackpot moneys contributed by the gambling establishment, jackpot moneys collected from patrons, or both, and moneys withdrawn for either jackpot administrative fees or payment to patrons.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12402. Chart of Accounts.

Each licensee shall:

(a) Maintain a uniform chart of accounts and accounting classifications in order to ensure consistency, comparability, and effective disclosure of financial information. The

chart of accounts shall provide the classifications necessary to prepare a complete set of financial statements including but not limited to a statement of financial position, a statement of operations, a statement of changes in equity, a statement of cash flows, or other statements appropriate for the licensee. If the licensee elects to submit to the Bureau and the Commission copies of its federal income tax return as provided in Section 12403, the chart of accounts shall contain classifications necessary to prepare the licensee's federal income tax return.

(b) Within 90 days of the effective date of these regulations, submit the chart of accounts to the Commission for approval. The Commission shall submit a copy of the chart of accounts to the Bureau for review and comment. The Bureau shall provide the Commission with comments, if any, within 15 days of the submission to the Bureau. If the Bureau does not respond within 15 days, it shall be deemed that the Bureau does not object to the chart of accounts or have comments. The Commission shall then have 30 days to approve, reject, request additional information, or approve with modification(s) the chart of accounts and advise the licensee.

(c) Not use a chart of accounts other than the approved chart of accounts, but may create subaccounts for some or all accounting classifications. The licensee may alter the account numbering system, provided that the licensee maintains and provides to the Commission a cross-reference to the approved chart of accounts no later than 30 calendar days following the end of the fiscal year in which the change occurs.

(d) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (a) of this section. General accounting records shall be maintained on a double entry system of accounting with recorded transactions supported by detailed subsidiary records, including but not limited to ledgers, invoices, purchase orders, and other source documents.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12403. Financial Statements and Reporting Requirements.

(a) A licensee shall prepare financial statements covering all financial activities of the licensee's gambling operation for each fiscal year, in accordance with generally accepted accounting principles unless otherwise provided in this section. If the licensee (or a person or entity that has an interest, control, or common control with the licensee) owns or operates lodging, food, beverage, or any other non-gambling operation at the establishment, the financial statements must reflect the results of the gambling operation separately from those non-gambling operations.

(1) A Group I licensee shall engage an independent accountant licensed by the California Board of Accountancy to audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The Bureau or Commission may require the licensee, or the licensee may elect, to engage, an independent accountant licensed by the California Board of Accountancy to audit the annual financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(3) A Group III licensee with a gross revenue of $500,000 or more per year shall prepare financial statements including at a minimum a statement of financial position, a statement of income or statement of operations, and disclosure in the form of notes to the financial statements. If the licensee is unable to produce the financial statements, it shall engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards, including full disclosure in the form of notes to the financial statements. The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(4) (A) A Group III licensee with a gross revenue of less than $500,000 per year shall prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the licensee is unable to produce the financial statements, it shall do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards and management may elect not to provide footnote disclosures as would otherwise be required by generally accepted accounting principles.

2. Submit to the Bureau and Commission no later than 120 calendar days following the end of the year covered by the federal income tax return, copies of the licensee's complete signed and duly filed federal income tax return for the tax year in lieu of the financial statements as otherwise required under this section.

(B) The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

1. Inadequate internal control procedures;

2. Insufficient financial disclosure;

3. Material misstatement in financial reporting;

4. Inadequate maintenance of financial data; or

5. Irregularities noted during an investigation.

(b) Unless otherwise provided in this section, a licensee shall submit copies of the annual financial statements, with the independent auditor's or accountant's report issued to meet the requirements under this section, to the Bureau and Commission no later than 120 calendar days following the end of the fiscal year covered by the financial statements. If a management letter is issued, a copy of the management letter must also be submitted to the Bureau and Commission, including the licensee's reply to the management letter, if any.

(c) The Bureau or Commission may request additional information and documents from either the licensee or the licensee's independent accountant, regarding the annual financial statements or the services performed by the accountant.

(d) The Bureau or Commission may require the licensee to engage an independent accountant licensed by the California Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are suspected.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12404. Records and Reports of Monetary Instrument Transactions.

(a) A gambling establishment, as defined in section 19805(n) of the Business and Professions Code, is required to file a report of each transaction involving currency in excess of $10,000, in accordance with section 14162(b) of the Penal Code.

(b) A gambling establishment shall comply with sections 5313 and 5314 of Title 31 of the United States Code and with sections 103.21, 103.22, 103.23, 103.63, and 103.64 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(c) A gambling establishment, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency in excess of $10,000. These reports shall be available for inspection at any time as requested by the Bureau or the Commission. These reports shall include, but not be limited to:

(1) Patron's name

(2) Patron's address

(3) Patron's identification

(4) Amount of transaction

(5) Type of transaction

(6) Date of transaction.

(d) Nothing in this section shall be deemed to waive or to suspend the requirement that a gambling establishment make and keep a record and file a report of any transaction otherwise required by the Bureau or the Commission.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12405. Record Retention and Disclosure.

The licensee shall retain within California all records required to be maintained by the Act or by these regulations for at least seven years after the records are made. Upon request of the Bureau or Commission, a licensee shall provide the Bureau or Commission with copies of such records, within the time period specified in the request. If the records are maintained in electronic form and the licensee is requested to do so, the licensee shall provide a printed copy pursuant to this section.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12406. Language.

A licensee shall make and maintain all books, accounts, and other financial records in English.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12410. Unclaimed or Abandoned Property.

A licensee shall establish written policies and procedures which comply with California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a gaming table or in any player's bank deemed inactive by the terms of the licensee's policies and procedures, un-deposited checks issued by the licensee to a patron, and un-deposited checks drawn on a licensee's account.

Records of the date and amount of any unclaimed property sent or reported to the State Controller shall be kept by the licensee.

Note: Authority cited: Sections 19811, 19840, 19841(g), (h), and (j), and 19920, Business and Professions Code. Reference: Sections 19801 and 19841(g), (h) and (j), Business and Professions Code. Title 10, Chapter 7 (Commencing with section 1500), Code of Civil Procedure.

ARTICLE 6. PROGRAM FOR RESPONSIBLE GAMBLING.

12460. ARTICLE DEFINITIONS.

For purposes of this Article:

(a) "Self-Exclusion" means an irrevocable voluntary agreement to be excluded from gambling establishments and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses for a specified term. A Self-Exclusion list shall be maintained by the Bureau and shall not be open to public inspection.

(b) "Self-Restriction" means an irrevocable voluntary agreement for a specified term to:

(1) Completely exclude from a particular gambling establishment and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses,

(2) Exclude from the play of a particular game or gaming activity, if the gambling establishment determines that such segregation of games is feasible,

(3) Restrict the amount of credit and/or check cashing that may occur at that particular gambling establishment, and/or

(4) Exclude from any marketing or promotional activities of the particular gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Section 19845, Business and Professions Code.

12461. POSTING REFERRAL INFORMATION.

(a) Each licensee, by July 1, 2007, shall post or provide, at patron gambling entrances or exits, and in conspicuous places in or near gambling areas and any areas where cash or credit are available to patrons, accessible written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "1-800-GAMBLER."

(b) If the licensee operates a web site for the gambling establishment, by July 1, 2007, that web site shall contain a responsible gambling message and a link to the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "http://www.problemgambling.ca.gov."

(c) If the licensee produces any advertising material, by July 1, 2007, such material shall contain a responsible gambling message and shall refer to the telephone number listed in subsection (a) above and/or the link to the web site listed in subsection (b) above.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12462. Training Requirements.

(a) Each licensee shall implement, by July 1, 2007, procedures to conduct new employee orientations and annual training for all employees, excluding food and beverage servers, who directly interact with gambling patrons in gambling areas.

(b) New employee orientations and annual training shall be documented, including signatures by the employee and the licensee or key employee who coordinated the training, the date and length of the training, and the name of the trainer, as part of the licensee's application for renewal. Copies of this documentation shall be kept in an employee's personnel file for a minimum of five years.

(c) The training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior, assisting patrons in obtaining information about problem gambling programs, and information on the self-restriction and self-exclusion programs.

(d) Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures.

(e) This section shall not be construed to require employees to identify problem gamblers.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12463. Self-Restriction Program.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-limit their access to the gambling establishment entirely, or to the issuance of credit, check cashing, or marketing by that licensee. Such program shall contain, at a minimum, the following:

(1) The development of written materials for dissemination to patrons explaining the program;

(2) The development of written forms allowing patrons to participate in the program, which may include use of a form entitled "Self-Restriction Form," CGCC-036 (Rev. 04/08), attached in Appendix A to this chapter;

(3) Policies and procedures for maintaining and updating a list of self-restricted persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(4) Policies and procedures that allow a patron to be excluded from certain games or gaming activities within the gambling establishment, if the gambling establishment determines that such segregation of games is feasible, or from the gambling establishment completely during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including:

(A) Removal procedures for patrons who attempt entry after requesting to be excluded,

(B) Notification to the Bureau of any incidents of removals where the police and/or security are called to remove a person from the premises, and

(C) Forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling;

(5) Policies and procedures that allow a patron to be excluded from access to check cashing or the issuance of credit during the term of restriction;

(6) Policies and procedures that allow a patron to be excluded from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment during the term of restriction;

(7) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the gambling establishment.

(b) This section does not mandate that a gambling establishment provide the services of a notary public for persons who wish to complete the Self-Restriction form.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801, 19920, and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

12464. SELF-EXCLUSION PROGRAM.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-exclude themselves from gambling establishments using a form entitled "Self-Exclusion Form," CGCC-037 (Rev. 04/08), attached in Appendix A to this chapter. Such program shall contain, at a minimum, the following:

(1) Policies and procedures for providing Self-Exclusion forms and for sending any completed Self-Exclusion forms to the Bureau;

(2) Policies and procedures for maintaining and updating a list of self-excluded persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(3) Policies and procedures designed to thwart self-excluded patrons, as noticed by the Commission or Bureau, from entering the gambling area during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including removal procedures for patrons who attempt entry after requesting to be excluded and notification to the Bureau of any incidents of removals, where the police and/or security are called to remove a person from the premises;

(4) Policies and procedures for the forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling;

(5) Policies and procedures for removal of a patron from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment;

(6) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the gambling establishment.

(b) This section does not mandate that a gambling establishment provide the services of a notary public for persons who wish to complete the Self-Exclusion form.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801, 19920, and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

12466. Responsible Gambling Program Review.

(a) The Executive Director or Bureau staff may require that any licensee make available for review or submit any of the elements of its program described in this article, to the Executive Director or Bureau staff for review. If the Commission makes an administrative determination that the licensee's program does not adequately address the standards as set forth in this article, then the Executive Director may issue such a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured. Judicial review of the Executive Director's decision is subject to the limitation of Business and Professions Code section 19804.

(b) Failure by a licensee to establish the programs set forth in this article, or to cure a deficiency identified pursuant to subsection (a), constitutes an unsuitable method of operation and is in violation of this section.

(c) Protecting the confidentiality of self-restriction or self-exclusion lists includes:

(1) Not willfully disseminating self-excluded or self-restricted patrons' names, photos, or other personally identifying information to third parties or confirming to third parties whether or not a patron is on a self-exclusion or self-restriction list.

(2) Not posting self-excluded or self-restricted patron photos or other personally identifying information in areas where other patrons would readily notice the information.

(d) In addition to any other remedy under the Act, the Commission may assess a monetary penalty not exceeding $1,000 for each violation of this article.

(e) This article does not create any right or cause of action on behalf of an individual who participates in self-restriction or self-exclusion under this article against the state of California, the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, or any gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

Appendix A Forms

See following page

State of California
California Gambling Control Commission
CGCC-036 (Rev. 04/08)

State of California Use Only
Date Received:_____
Data Input Date:_____
Date to CGCC:_____

SELF-RESTRICTION FORM

Type or print (in ink) all information requested on this form.
If additional space is needed, please note response on a separate sheet of paper and attach to the form.

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

First | Middle (if applicable) | Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

Home Address:

Street | City | State | Zip Code

Mailing Address (*if different than Home Address*):

Street | City | State | Zip Code

Home Telephone Number: ( )

Business Number: ( )

Games most often played:

SECTION 2: RESTRICTION FOR_____ (NAME OF CARDROOM OR PARTICIPATING GAMBLING FACILITY)

TOTAL EXCLUSION: Initial Appropriate Term: One Year _____ Five Years _____ Lifetime _____

Please delete me from any MARKETING or PROMOTIONAL information: ☐

Please exclude me from this GAME or GAMING ACTIVITY_____

Please restrict me from any CHECK-CASHING privileges: ☐ Or Limit as follows: _____

Please restrict me from any CREDIT: ☐ Or Limit as follows: _____

SECTION 3: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐ Female ☐ Date of Birth: / / Race/Ethnicity:

Height: Weight: Hair Color/Type: Eye Color:

Date of Photograph: / / CA Drivers License:

AFFIX A RECENT PASSPORT QUALITY PHOTOGRAPH HERE SHOWING HEAD AND SHOULDERS OF PERSON TO BE EXCLUDED

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

Type of vehicle normally driven: License Plate:

SECTION 4: DECLARATION

I understand English or have had an interpreter read and explain this form to me from _____.
(Language)

I understand that the ultimate responsibility to limit my access to the Gambling Establishment or participating gambling facility or gaming services in the State of California remains mine alone.

I voluntarily seek to exclude or restrict myself as indicated in Section 2.

If I choose Total Exclusion:

_____ (Initial Here) I agree that I will not attempt to enter and/or use any of the services or privileges of a California Gambling Establishment or participating gambling facility during the period checked in Section 2.

_____ (Initial Here) I acknowledge and understand that should I attempt to enter a California Gambling Establishment or participating gambling facility or use the services of a Gambling Establishment or participating gambling facility during the Term of Exclusion, once identified, I shall be escorted from the Gambling Establishment or participating gambling facility and any winnings or prizes I may have accrued or losses recovered will be confiscated and remitted by the Gambling Establishment or participating gambling facility for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling.

_____ (Initial Here) This self-exclusion request is irrevocable during the time period checked in Section 2.

I understand that disclosure of certain information is necessary to effect my request for self-exclusion or restriction. Disclosure may also occur if needed for the conduct of an official investigation or if ordered by a court of competent jurisdiction.

I will not seek to hold the Gambling Establishment or participating gambling facility liable in any way should I enter a Gambling Establishment or participating gambling facility and/or use any of the services or privileges therein despite this exclusion/restriction request, and I agree to indemnify the State of California, the California Gambling Control Commission, the Bureau of Gambling Control and the Office of Problem Gambling for any liability relating to this request. Specifically, I for myself, my heirs, executors, administrators, successors, and assigns, hereby release and forever discharge the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, the Gambling Establishment, participating gambling facility, their agents, employees, officers, and Directors and those with whom they may lawfully share information regarding this exclusion or restriction (collectively, the "Released Parties") from any and all claims in law or equity that I now have, or may have in the future, against all or any of all of the Released Parties arising out of, or by reason of, the performance or non-performance of this self-exclusion/restriction request, or any matter relating thereto. I further agree, in consideration for the Released Parties' efforts to implement my exclusion or restriction, to indemnify and hold harmless the Released Parties to fullest extent permitted by law for any and all liabilities, judgments, damages, and expenses of any kind, including reasonable attorneys' fees, resulting from or in connection with the performance or non-performance of the self-exclusion/restriction requested herein.

I declare that all information submitted on or with this self-restriction form is true, correct, and complete.

Signature:_____

Print Name: _____ Date: ____ / ____

SECTION 5: NOTARIZATION

Subscribed and sworn to (or affirmed) before me this _____day of _____, 20_____,

By _____,

☐ personally known to me *OR* ☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public Seal:

Signature of Notary Public_____

My Commission expires on: ____ / ____

OR

WITNESS BY KEY EMPLOYEE

As a Key Employee of _____, I affirm that on
(name of Establishment or participating facility)

_____day of _____, 20_____,

I witnessed_____,
(individual's name)

complete this form and that this person is:

☐ personally known to me *OR*

☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature of Key Employee_____

State of California
California Gambling Control Commission
CGCC – 037 (New 04/08)

State of California Use Only
Date Received:_____
Data Input Date:_____
Date to CGCC:_____

SELF-EXCLUSION FORM

Type or print (in ink) all information requested on this form.
If additional space is needed, please note response on a separate sheet of paper and attach to the form.
You may hand this completed form in to any Cardroom, to the Division of Gambling Control, or the California Gambling Control Commission. Or you may mail this completed form to: **California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231**

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

First | Middle (if applicable) | Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

Home Address:

Street | City | State | Zip Code

Mailing Address (if different than Home Address):

Street | City | State | Zip Code

Home Telephone Number: ( )

Business Number: ( )

Games most often played:

SECTION 2: TERM OF EXCLUSION

Please Initial Appropriate Term: One Year _____ Five Years _____ Lifetime _____

SECTION 3: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐ Female ☐ Race/Ethnicity:

Height: Weight: Hair Color/Type: Eye Color:

AFFIX A RECENT PASSPORT QUALITY PHOTOGRAPH HERE SHOWING HEAD AND SHOULDERS OF PERSON TO BE EXCLUDED

Date of Photograph: / /

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

Type of car normally driven (if any): License Plate (if any):

SECTION 4: DECLARATION

I understand English or have had an interpreter read and explain this form to me.

I voluntarily seek to exclude myself as described checked in Section 2 above.

_____ (Initial Here) I agree that I will not attempt to enter and/or use any of the services or privileges of a California Gambling Establishment during the period checked in Section 2 above.

I acknowledge and understand that should I attempt to enter a California Gambling Establishment or use the services of a Gambling Establishment during the Term of Exclusion, once identified, I shall be escorted from the Gambling Establishment and any winnings or prizes I may have accrued or losses recovered will be confiscated and donated by the Gambling Establishment to the Office of Problem Gambling.

_____ (Initial Here) I understand that the ultimate responsibility to limit my access to the Gambling Establishment or gaming services in the State of California remains mine alone.

This self-exclusion request is **irrevocable** during the time period checked in Section 2 above.

_____ (Initial Here) I understand that, while the information I have provided above will be treated as confidential, disclosure of certain information is necessary to effect my request for self-exclusion. Disclosure may also occur if needed for the conduct of an official investigation or if ordered by a court of competent jurisdiction.

I will not seek to hold the Gambling Establishment liable in any way should I enter a Gambling Establishment and/or use any of the services or privileges therein despite this exclusion request, and I agree to indemnify the State of California, the California Gambling Control Commission, and the Division of Gambling Control for any liability relating to this request. Specifically, I for myself, my heirs, executors, administrators, successors, and assigns, hereby release and forever discharge the California Gambling Control Commission, the Division of Gambling Control, the Gambling Establishment, their agents, employees, officers, and Directors and those with whom they may lawfully share information regarding this exclusion (collectively, the "Released Parties") from any and all claims in law or equity that I now have, or may have in the future, against all or any of all of the Released Parties arising out of, or by reason of, the performance or non-performance of this self-exclusion request, or any matter relating thereto. I further agree, in consideration for the Released Parties' efforts to implement my exclusion, to indemnify and hold harmless the Released Parties to fullest extent permitted by law for any and all liabilities, judgments, damages, and expenses of any kind, including reasonable attorneys' fees, resulting from or in connection with the performance or non-performance of the self-exclusion requested herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this self-exclusion form is true, correct, and complete.

Signature:_____

Print Name: _____ Date: ____ / ____ / ____

SECTION 5: NOTARIZATION

Subscribed and sworn to (or affirmed) before me this _____day of _____, 20_____,

By _____,

☐ personally known to me *OR* ☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public Seal:

Signature of Notary Public_____

My Commission expires on: ____ / ____

OR

WITNESS BY KEY EMPLOYEE

As a Key Employee of _____ (name of Establishment or participating facility), I affirm that on _____day of _____, 20_____,

I witnessed_____ (individual's name),

complete this form and that this person is:

☐ personally known to me *OR*

☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature of Key Employee_____

State of California
California Gambling Control Commission
CGCC – 12362 (New 10/08)

State of California Use Only
Date Received:_____
Data Input Date:_____

REQUEST FOR STATEWIDE INVOLUNTARY EXCLUSION OF AN INDIVIDUAL

Type or print (in ink) as much information as possible on this form. If additional space is needed, please note response on a separate sheet of paper and attach to the form. *NOTE:* THIS IS NOT A VOLUNTARY SELF-RESTRICTION OR SELF-EXCLUSION FORM.

Mail this completed form to: **California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento CA 95833.**

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

First | Middle (if applicable) | Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

Home Address:

Street | City | State | Zip Code

Mailing Address (*if different than Home Address*):

Street | City | State | Zip Code

Home Telephone Number: ( )

Business Number: ( )

Games most often played:

SECTION 2: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐ Female ☐ Date of Birth: / / Race/Ethnicity:

Height: Weight: Hair Color/Type: Eye Color:

AFFIX A RECENT PASSPORT QUALITY PHOTOGRAPH HERE SHOWING HEAD AND SHOULDERS OF PERSON TO BE EXCLUDED

Date of Photograph: / / CA Drivers License or other ID_____

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

Type of vehicle normally driven: License Plate:

SECTION 3: AFFIRMATION BY KEY EMPLOYEE OR OWNER OR BY GOVERNMENT EMPLOYEE

NOTE: This form is not for voluntary self-restriction or self-exclusions. This form is not to be completed by patrons.

The facts and reasons why the individual should be excluded are as follows:

The information provided above is true and accurate to the best of my knowledge and **the individual described above should be excluded because he or she poses a threat** to the public, gambling enterprise employees, or the gambling industry.

Signature:_____ Date: / /

Print Name, Title, and Gambling Establishment or Facility Name or Governmental Entity:

CHAPTER 8. BINGO.

ARTICLE 1. BINGO EQUIPMENT, DEVICES AND SUPPLIES.

12480. DEFINITIONS.

(a) Except as otherwise provided in Section 12002 and subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 and Penal Code sections 326.3 and 326.5 (p), shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Administrative duties" include activities relating to coordinating all aspects of remote caller bingo games including, but not limited to, planning, organizing, and scheduling with sponsoring and cosponsoring organizations.

(2) "Automatic daubing" or "auto daub" means the input or recording, by any means or in any manner, of any number or symbol announced by a live caller in the play of any bingo game, into a card-minding device without manual action of the player.

(3) "Bingo equipment" includes, but is not limited to, any card-minding device; the point of sale system for card-minding devices; all network and telecommunications equipment used to communicate from the calling station to card-minding devices; the calling station and all related equipment; the main flashboard and all related equipment, the balls, the verifier, and the game pacer used in the playing of remote caller bingo games.

(4) "Bingo supplies" include, but are not limited to, any bingo paper or cards, daubers, and related supplies used in the playing of remote caller bingo games.

(5) "Caller" means an individual who is present at a host game site and who announces the numbers or symbols from randomly drawn plastic balls.

(6) "Check" means a negotiable instrument drawn against deposited funds, to pay a specified amount of money to a specific person upon demand.

(7) "Distributor" means any person that directly or indirectly distributes; supplies; vends; leases; or otherwise provides card-minding devices for use in this state; including the supplying, repairing, and servicing if authorized by the manufacturer, whether from a location within this state or from a location outside this state.

(8) "Employee" means an individual who is paid a reasonable fee for the performance of duties related to the conduct of remote caller bingo games in any of the following categories:

(A) Administrative;

(B) Financial;

(C) Managerial;

(D) Security; or

(E) Technical.

(9) "Fiduciary" means an individual who is designated in writing by an authorized organization to manage the finances of the organization's remote caller bingo operation for the benefit of the organization rather than the benefit of the designated individual, exercising the highest level of good faith, loyalty, and diligence.

(10) "Financial duties" include, but are not limited to, cashiering, maintaining accounts payable and receivable, payroll processing, and maintenance of financial accounting books and records, on behalf of an organization or a vendor.

(11) "Game" is defined as beginning when the first ball or number symbol is called and ends when all succeeding balls or number symbols are returned to the cage or blower and the machine has been cleared. A game may have two or more parts with different winning patterns for each part.

(12) "Game pacer" means an electrical or electronic device that is set to a predetermined interval establishing the timing of bingo calls. The game pacer may be a separate device or may be incorporated into the bingo calling station.

(13) "Host site" means the location at which the live bingo game is conducted and the transmission of the remote caller bingo game originates.

(14) "Interim approval" means:

(A) Approval by the Commission of a card-minding device for use in the play of any bingo game based on a certification from the manufacturer, pursuant to Section 12486, that the device complies in all respects with the provisions of Penal Code section 326.5, subdivision (p), paragraphs (1) and (2), including the requirement that the device be both portable and hand-held.

(B) Approval by the Commission, pursuant to Section 12488, of any bingo or remote caller bingo equipment or supplies used in the play and transmission of any remote caller bingo game.

(15) "Interim license" means a license issued by the Commission pursuant to Section 12492 or Section 12500 that allows the following:

(A) A fiduciary, site manager, or caller of an authorized organization to conduct remote caller bingo games; or

(B) An owner-licensee of a manufacturing, distributing, or vending business to provide remote caller bingo equipment, supplies, and services or card-minding devices in this state.

(16) "Managerial duties" include providing assistance to the site manager, and may include, but are not limited to, the oversight and supervision of the employees, members, and patrons at a remote caller bingo game site.

(17) "Manufacturer" means any person that directly or indirectly does one of the following:

(A) Manufactures, distributes, supplies, vends, leases, or otherwise provides bingo equipment or supplies used in a remote caller bingo game.

(B) Manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices, including the assembly, production, programming, or modification of card-minding devices, in this state or for use in this state.

(C) Performs any of the functions listed in subparagraphs (A) or (B) in a location outside of this state, with respect to remote caller bingo equipment and supplies or card-minding devices intended for operation in this state.

(18) "Member" means an individual who belongs to an authorized organization and assists with the conduct of remote caller bingo games.

(19) "Modification" means a change or alteration in card-minding device software that affects the manner or mode of play of the device.

(20) "Net receipts" means the total revenue from all activities connected with participation in a game of remote caller bingo after costs and expenses are deducted.

(21) "Nonrecurring capital acquisition" means any money, property, or equipment acquired in a single transaction.

(22) "Organization" or "Authorized Organization," means an organization that is exempt from the payment of the bank and corporation tax by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code; a mobile home park association; a senior citizens organization; or a charitable organization affiliated with a school district.

(23) "Owner" means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other entity that has 10 percent or more interest in or has the power to exercise significant influence over a manufacturing, distributing, or vending business and is endorsed on the license certificate issued to the owner-licensee.

(24) "Owner-licensee" means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other owner of a manufacturing, distributing, or vending business that holds an interim or regular license issued by the Commission.

(25) "Point of sale system" means a financial interface software system used to track transactions involving card-minding devices and customer accounts.

(26) "Profit" means the gross receipts collected from one or more bingo games, less reasonable sums necessarily and actually expended for prizes, licensing fees, overhead costs, and other allowable expenses.

(27) "Progressive prize" means any prize that increases or accumulates as consecutive remote caller bingo games are played.

(28) "Record" includes, but is not limited to, ledgers and accounts relating to inventory, proceeds, expenditures, and the distribution of all profits derived from remote caller bingo games.

(29) "Recognized organization" means an organization recognized by the Commission pursuant to Section 12505.

(30) "Regular approval" means:

(A) Approval by the Commission of a card-minding device for use in the play of any bingo game based on a finding that the device complies in all respects with the provisions of Penal Code section 326.5, subdivision (p), paragraphs (1) and (2), including the requirement that the device be both portable and hand-held, and any specific additional criteria established by the Commission in regulation;

(B) Approval by the Commission of any bingo or remote caller bingo equipment or supplies used in the play and transmission of any remote caller bingo game based on a finding that the equipment and supplies comply in all respects with any specific standards and testing procedures for the approval of equipment or supplies established by the Commission in regulation.

(31) "Regular license" means a license issued by the Commission pursuant to the provisions of Section 12500, section 326.3(q)(1) of the Penal Code, and any specific additional licensing criteria established by the Commission in regulation.

(32) "Remote caller bingo equipment" includes, in addition to the equipment specified in paragraph (3), all network, video, audio and telecommunications equipment used for the purpose of transmitting the play of a bingo game from a host site to one or more satellite sites.

(33) "Satellite site" means the location at which the transmission of the live bingo game from a host site is received.

(34) "Security duties" include, but are not limited to, physically safeguarding the authorized organization's patrons, staff, assets, and property, including the site's surrounding area and parking facility.

(35) "Site" means the property owned or leased by the licensee, or property whose use is donated to the licensee and which property is used by such licensee for performance of the charitable purpose for which the organization is organized.

(36) "Site manager" means an individual who is physically present at a remote caller bingo game site and is the primary person responsible for the game conduct, staff, and patrons present at the site and obtaining the declared winner's identifying information and mailing address.

(37) "Sponsor" means an authorized organization conducting remote caller bingo games, which has met the requirements of section 326.3(b)(1) of the Penal Code.

(38) "Technical duties" include, but are not limited to, providing expertise related to the maintenance, repair and operation of remote caller bingo equipment.

(39) "Vendor" means, for purposes of section 326.3 of the Penal Code, a person that directly or indirectly provides equipment, supplies, or services to an authorized organization for use in remote caller bingo games, including

management companies that have a written agreement with an organization to assist with or conduct remote caller bingo games.

(40) "Volunteer" means a member of an organization that assists with the conduct of remote caller bingo games and is not compensated for the performance of their duties and does not benefit financially from the conduct of remote caller bingo games.

(41) "Work permit" means a card, certificate, or permit issued by the Commission pursuant to Section 12503 or by a county, city, or city and county, that authorizes the holder to be employed by a vendor or organization to conduct remote caller bingo games in the following categories:

(A) Administrative;

(B) Financial;

(C) Managerial;

(D) Security; or

(E) Technical

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12482. Assistance to Bingo Players with Disabilities.

Pursuant to the provisions of paragraph (6) of subdivision (p) of section 326.5 of the Penal Code, the following requirements are established as means by which the operator of a bingo game shall, as required by applicable law, offer assistance to players with disabilities:

(a) For players with disabilities consistent with definitions set forth in the Americans with Disabilities Act (ADA), when those disabilities would restrict a player's ability to mark cards:

(1) The operator of a bingo game that offers card-minding devices shall reserve at least two card-minding devices, approved pursuant to Section 12486, for use by disabled players. If there are no requests for use of the reserved card-minding devices prior to fifteen minutes before the scheduled start of a session, the reserved devices may be made available for use by any player.

(2) If the operator of a bingo game, or any other person involved in the conduct of a bingo game, charges players a fee for the use of card-minding devices,

players with disabilities as described in subsection (a) shall not be required to pay that fee or to comply with a minimum purchase requirement imposed on players utilizing card-minding devices, if any. Those players are required to comply with any minimum purchase requirement imposed on all players by an operator.

(3) The operator of a bingo game that offers card-minding devices shall allow players with disabilities as described in subsection (a) to claim prizes by presenting a printout of a winning card, or other evidence of a winning card approved by the Commission.

(b) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict a player's ability to verbally announce "BINGO," the operator of a bingo game shall allow those players to utilize a form of visual or audible signaling to notify the operator of a winning pattern or "bingo," which may include a flag, paddle, light, horn, bell or whistle, or other means approved by the Commission.

(c) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict the players' ability to mark cards, or to announce "BINGO," the operator of a bingo game shall allow another individual to assist the disabled players in the play of bingo. The assisting individual shall not be counted towards the 750-player maximum applicable to remote caller bingo as provided in subdivision (i) of section 326.3 of the Penal Code.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

ARTICLE 2. BINGO EQUIPMENT, DEVICES, AND SUPPLIES.

12486. APPROVAL OF CARD-MINDING DEVICES.

(a) Beginning January 1, 2009, any card-minding device that is used in the play of any bingo game, as described in subdivision (p) of section 326.5 of the Penal Code, shall be approved by the Commission in advance as meeting the requirements of section 326.5. An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6. Until such time as the Commission establishes in regulation specific additional criteria for the approval of card-minding devices, interim approval may be obtained from the Commission pursuant to this section, subject to the following conditions:

(1) An interim approval shall be valid for one year from the date it is granted by the Commission or until regulations specifying additional criteria for card-minding devices become effective, whichever is later.

(2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right in the holder to either an extension of the interim approval or to the granting of a subsequent regular approval.

(3) An interim approval does not in any way change the legal requirement that the applicant bears the burden of establishing that a specific device is manufactured to be used in compliance with all of the provisions of paragraphs (1) and (2) of subdivision (p) of section 326.5 of the Penal Code.

(4) Issuance of an interim approval concerning a specific card-minding device has no bearing on the question of whether the manufacturer of the device, or any affiliated person, will qualify for issuance of any Commission permit, registration, or license. Any interim approval will be cancelled in the event that the manufacturer of the device is subsequently determined to be ineligible for licensure.

(5) If, during the term of an interim approval, it is determined that any particular card-minding device is not qualified for approval, the Executive Director shall prepare an order to show cause why that device's interim approval should not be cancelled. The manufacturer of the device shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the manufacturer's response, or if the manufacturer fails to respond within the specified time, the matter shall be set for consideration at a noticed Commission meeting. The manufacturer may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(b) A specific model of card-minding device and its designated software version shall be deemed approved on an interim basis by the Commission if the following requirements are satisfied:

(1) The chief executive officer or other authorized representative of the business entity that manufactures the card-minding device certifies under penalty of perjury using the form "Application for Interim Approval of Bingo Card-Minding Device," CGCC-615 (New 11/08), which is attached in Appendix A to this chapter, that the specific model and its designated software version satisfies all the requirements set out in Penal Code section 326.5(p)(1)(A-D) and (2)(A-D). An application fee of $50 for each specified model and its designated software version for which approval is being requested shall accompany the application.

(2) The Commission has issued an interim approval for the specified model and its designated software version, having found that the certification has satisfied the requirements of this section.

(c) Any material change in the software used in a previously approved card-minding device shall require application for approval of the subject model and its revised software version, as provided in subsection (b)(1), and approval by a designated member of the Commission staff.

(d) When using any card-minding device, players shall manually input or daub each individual number or symbol announced by a live caller into the individual player-operated units or components of the device; automatic daubing shall not be permitted. Any card-minding device possessing automatic daubing capabilities shall have that capability disabled as a condition of approval.

(e) Each application for interim approval shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this section, the manufacturer shall be provided a written list of deficiencies.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and, 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12488. Approval of Remote Caller Bingo Equipment.

(a) This section does not apply to card-minding devices.

(b) Beginning on the effective date of these regulations, any equipment used in the conduct of remote caller bingo must be approved by the Commission in advance. An interim approval process is established to further the legislative intent of avoiding delays in implementing the California Remote Caller Bingo Act, as expressed in Section 19850.6 of the Business and Professions Code. Until such time as the Commission establishes specific standards and testing procedures for the approval of remote caller bingo equipment, such equipment shall be approved on an interim basis pursuant to this section.

(c) At least 30 days prior to conducting a remote caller bingo game, an organization that conducts or cosponsors the game must submit a written list to the Commission of all equipment to be used, including any equipment used in the transmission of the game. The list must include the make and model number of the equipment to be used and, to the extent feasible, the manufacturer, distributor or vendor from which the item was purchased, leased or otherwise acquired. Equipment lists shall only be accepted from authorized organizations, as defined in this chapter. Unless disapproved by the Executive Director, the equipment listed on the equipment list shall be deemed approved 30 days after the submission date.

(d) (1) Any equipment purchased, leased or otherwise acquired after the effective date of this section and used in the play of remote caller bingo, except for audio and video technology used to transmit a live bingo game from a host site to a satellite site, must be manufactured by a licensed manufacturer and distributed through a licensed distributor as provided in Section 12492.

(2) Any audio and video technology used to transmit a live bingo game from a host site to a satellite site purchased after the effective date of these regulations must either:

(A) Be manufactured by a licensed manufacturer and distributed through a licensed vendor as provided in Section 12492; or

(B) Be commercially available and able to send the transmission of the live bingo game from the host site to any and all satellite sites in a manner that is secure, accurate, and simultaneous.

(e) Any approval received pursuant to this section is subject to the following conditions:

(1) An interim approval shall be valid for one year from the date it is granted or until regulations specifying additional standards and requirements for the approval and testing of remote caller bingo equipment become effective, whichever is later.

(2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right to either an extension of the interim approval or to the granting of a subsequent regular approval.

(3) Issuance of an interim approval for bingo equipment has no bearing on whether the equipment will meet standards later established by the Commission.

Note: Authority cited: Section 19850.6, Business and Professions Code; and Section 326.3(s). Reference: Section 19850.6, Business and Professions Code; and Section 326.3(s), Penal Code.

ARTICLE 3. MANUFACTURERS, DISTRIBUTORS, AND VENDORS OF BINGO EQUIPMENT, DEVICES, SUPPLIES AND SERVICES.

12492. INTERIM LICENSES; INITIAL AND RENEWAL; CONDITIONS.

(a) An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may manufacture, distribute, or provide remote caller bingo equipment, supplies, or services or card-minding devices in this state unless they have a valid interim license issued by the Commission pursuant to this article.

(c) Any manufacturer or distributor of card-minding devices or any vendor providing remote caller bingo equipment, supplies, or services in this state on or after April 24, 2009, shall apply for an interim license, pursuant to this article, within 30 days of the effective date of this section.

(d) Any person applying for an initial interim license as the owner-licensee, as defined in subsection (b) of Section 12480 of the manufacturer, distributor, or vendor business shall submit the following:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, CGCC-610 (Rev 03/10), which is attached in Appendix B.

(2) A non-refundable application fee of $500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(e) Any person applying for an initial interim license as an owner, as defined in subsection (b) of Section 12480, of a manufacturing, distributing, or vending business shall submit the following:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services CGCC-610 (Rev 03/10), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(f) Interim license approvals pursuant to this article, are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12493, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(g) Any person applying for a renewal interim license as the owner-licensee of the manufacturing, distributing, or vending business shall submit the following no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors or Bingo Equipment, Devices, Supplies, and Services, CGCC-610 (Rev 03/10), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(h) Any person applying for a renewal interim license as an owner of the manufacturing, distributing, or vending business shall submit the following no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Bingo Equipment Manufacturers and Distributors, CGCC-610 (New 03/09), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(i) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(j) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12493. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12496. Change of Business Location.

A manufacturer, distributor, or vendor shall advise the Commission in writing of any new California business locations, or any terminations of existing business locations, within 15 days following the change.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3, 326.4, and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

ARTICLE 4. REMOTE CALLER BINGO INTERIM LICENSES AND INTERIM WORK PERMITS.

12500. INTERIM LICENSES; INITIAL AND RENEWAL; CONDITIONS.

(a) An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may perform in the capacity of a fiduciary, site manager, or caller for the purposes of conducting remote caller bingo games unless that person has a valid interim license issued by the Commission pursuant to this article. A person may hold one of each license type simultaneously but shall not perform in the capacity of more than one during the same remote caller bingo game or session.

(c) Any fiduciary, site manager, or caller applying for an initial interim license shall submit the following:

(1) Application for Interim License for Remote Caller Bingo, CGCC-620 (Rev. 03/10), which is attached in Appendix C.

(2) A non-refundable application fee of $50.00.

(3) Completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(d) Interim license approvals are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the

Commission subsequently determines that the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12501, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(e) Any fiduciary, site manager, or caller applying for a renewal interim license shall submit the following no later than 90 days prior to expiration of that license:

(1) Application for Interim License for Remote Caller Bingo, CGCC-620 (Rev. 03/10), referred to in paragraph (1) of subsection (c).

(2) A non-refundable application fee of $50.00.

(f) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of deficiencies.

(g) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Section 326.3, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Section 326.3, Penal Code.

12501. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12503. Interim Work Permits; Initial and Renewal; Conditions.

(a) No person may act in the capacity of an employee, as defined in subsection (b) of Section 12480, without a current interim work permit issued by the Commission pursuant to this article or by a city, county, or city and county.

(b) Any employee applying for a remote caller bingo interim work permit shall submit the following:

(1) Application for Interim Work Permit for Remote Caller Bingo, CGCC-622 (Rev. 03/10), which is attached in Appendix C.

(2) A non-refundable application fee of $50.00.

(3) A completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(c) An interim work permit is subject to the following conditions:

(1) An interim work permit shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular work permit have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim work permit will not be eligible for renewal.

(3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or the granting of a subsequent regular work permit.

(4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for issuance for any Commission permit, registration, or license.

(5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12504, the Executive Director shall prepare an order to show cause why that interim work permit should not be cancelled. The holder of the interim work permit shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(d) Any employee applying for renewal of a remote caller bingo interim work permit shall submit to the Commission the following no later than 90 days prior to expiration of the work permit:

(1) Application for Interim Work Permit for Remote Caller Bingo, CGCC-622 (Rev. 03/10) referred to in paragraph (1) of subsection (b).

(2) A non-refundable application fee of $50.00.

(e) Each application for an initial or renewal interim work permit shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(f) A renewal interim work permit shall be valid for up to one year from the date of approval of the renewal application or from the expiration of the prior interim work permit, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3, Penal Code.

12504. Interim Work Permit Denial; Applicant Disqualification.

(a) An application for an interim work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12505. Recognition of Organizations Conducting Remote Caller Bingo Games.

(a) No organization may conduct remote caller bingo games in this state unless it has been recognized by the Commission pursuant to this article.

(b) Any organization requesting recognition by the Commission shall:

(1) Meet the requirements specified in section 326.3(b)(1-5) of the Penal Code.

(2) Submit a Statement of Eligibility to Conduct Remote Caller Bingo, CGCC-618 (New 03/09), which is attached in Appendix C to this Chapter.

(3) Submit a non-refundable processing fee of $50.00.

(c) Any organization recognized by the Commission shall annually submit the following within 120 calendar days after the close of the organization's fiscal year:

(1) Statement of Eligibility to Conduct Remote Caller Bingo, CGCC-618 (New 03/09), referred to in paragraph (2) of subsection (b), specifying any changes in the information included in the organization's last statement of eligibility filed with the Commission.

(2) A non-refundable processing fee of $25.00.

(d) Each statement received pursuant to this section shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the statement does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies. The Commission reserves the right to refuse recognition to any organization that does not meet the requirements specified in subsection (b).

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

Article 5. Remote Caller Bingo Requirements; Standards of Play.

12508. Remote Caller Bingo Requirements.

(a) An organization conducting remote caller bingo shall have been recognized by the Commission pursuant to Section 12505.

(b) Any vendor providing remote caller bingo services must have a valid interim license issued pursuant to Section 12492.

(c) Organizations and vendors shall retain records in connection with their remote caller bingo games for a period of five (5) years. Records shall be maintained in California, written in English, and must include the following:

(1) Full and accurate records of the income received and expenses disbursed in connection with the operation, conduct, promotion, supervision, and any other related activity of remote caller bingo games. Such records shall be maintained in accordance with generally accepted principles of accounting.

(2) Full and accurate records of the names and license or permit numbers, if applicable, of all organization members, including any volunteers, and any employees conducting or providing remote caller bingo services.

(d) The records kept by organizations and vendors, pursuant to paragraph (1) of subsection (c), shall be audited by an independent California certified public accountant at least annually, and copies of the audit reports shall be provided to the Commission within 120 days after the close of the organization's and vendor's fiscal years.

(e) In addition to the requirements of subsections (c) and (d), the following requirements shall apply to organizations that conduct remote caller bingo:

(1) The operation of remote caller bingo may not be the primary purpose for which the organization is organized.

(2) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.

(3) Organizations authorized to conduct remote caller bingo shall provide copies of the records pertaining to those games to the Commission within 30 days after the end of each calendar quarter. A loan reimbursement payment, as prescribed by paragraph (2) or subdivision (d) of section 326.4 of the Penal Code, for reimbursement of the loan from the Indian Gaming Special Distribution Fund to the Charity Bingo Mitigation Fund shall accompany the submission of records, as specified in this paragraph, the amount of which shall be based on the gross revenues from all remote caller bingo games conducted during the calendar quarter for which the records are submitted.

(f) An organization authorized to conduct remote caller bingo games shall provide the Commission with at least 30 days advance written noticed of its intent to conduct those games. The notice shall include all of the following:

(1) The legal name of the organization and the address of record of the agent upon who legal notice may be served.

(2) The locations of the caller and remote players, whether the property is owned by the organization or donated, and if donated, by whom.

(3) The name of the licensed caller and site manager.

(4) The names of administrative, managerial, technical, financial, and security personnel employed.

(5) The name of the vendor and any person or entity maintaining the equipment used to operate and transmit the game.

(6) The name of the person designated as having a fiduciary responsibility for the game.

(7) The license numbers of all persons who are required to be licensed.

(8) A copy of the local ordinance for each city, county, or city and county in which the game will be played.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code. Reference: Sections 326.3(b), 326.3(j)(4), 326.3(s), and 326.3(w), Penal Code.

12510. Cosponsor Requirements.

The following requirements related to cosponsor agreements shall be in place for each remote caller bingo game.

(a) Except as provided in subsection (b), an organization shall not cosponsor a remote caller bingo game with one or more other organizations unless one of the following is true:

(1) All of the cosponsors are affiliated under the master charter or articles and bylaws of a single organization.

(2) All of the cosponsors are affiliated through an organization described in Penal Code section 326.3(b)(1), and have the same Internal Revenue Service activity code.

(b) No more than ten (10) unaffiliated organizations may enter into a cosponsor agreement and the remote caller bingo game shall not have more than ten (10) locations.

(c) An organization shall not conduct remote caller bingo more than one day per week.

(d) Copies of cosponsor agreements shall be forwarded to the Commission ten (10) days before sponsoring or operating any remote caller bingo game.

(e) Cosponsor agreements shall contain language requiring the cosponsors to comply with the standards of play adopted by the organization.

(f) Cosponsor agreements shall contain language requiring the cosponsors to comply with any regulations adopted by the Commission.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code. Reference: Section 326.3(n), Penal Code.

12511. Standards of Play for Remote Caller Bingo.

(a) Prior to conducting a remote caller bingo game, the organization shall submit to the Commission the controls, methodology, and standards of game play, including the equipment used to select bingo numbers and create or originate cards, control or maintenance, distribution to participating locations, and distribution to the players.

(b) The controls, methodologies, and standards shall be subject to prior approval by the Commission, provided that controls shall be deemed approved by the Commission after 90 days from the date of submission unless disapproved.

(c) No person may operate, supervise, or staff a remote caller bingo game unless that person is a member of the authorized organization or they have been approved by the Commission to work in an administrative, managerial, technical, financial, or security personnel capacity.

(d) The following standards related to the location of play shall be in place for each remote caller bingo game.

(1) A remote caller bingo game shall not include any site that is not located within the state of California.

(2) Games shall be conducted only on property that is owned or leased by the organization or donated to the organization.

(3) Games are to be open to the public, not just to the members of the authorized organization.

(e) The following standards related to bingo prizes shall be in place for each remote caller bingo game.

(1) Every game shall be played until a winner is declared.

(2) Prizes awarded during the conduct of any remote caller bingo game shall not exceed 37 percent of the gross receipts for that game.

(3) Progressive prizes are prohibited.

(4) To claim a prize a player must present a covered or marked tangible card.

(5) Prizes are to be paid only by check. Organizations may issue a check to the winner at the time of the game, or may send a check to the declared winner by US Postal Service certified mail, return receipt requested.

(6) The declared winner of a remote caller bingo game shall provide his or her identifying information and mailing address to the onsite manager of the remote caller bingo game.

(7) Prize money exceeding state and federal exemption limits shall be subject to income tax reporting and withholding and shall be forwarded, within ten business days, to the appropriate state or federal agency on behalf of the winner.

(f) The following standards related to players shall be in place for each remote caller bingo game.

(1) No persons under the age of 18 shall be allowed to participate.

(2) No more than 750 players per site may participate in a game, unless the Governor of California or the President of the United States declares a state of emergency in response to a natural disaster and the net proceeds of the games are donated to or expended exclusively for the relief of the victims of the disaster, in which case the organization must advise the Commission in writing at least ten days prior to conducting the game.

(3) No person shall be allowed to participate unless the person is physically present at the time and place where the remote caller bingo game is being conducted.

(4) A player shall not use a card-minding device unless the device is both portable and hand-held.

(g) The following standards related to game play shall be in place for each remote caller bingo game.

(1) Electronics or video displays shall not be used in connection with the game of bingo, except in connection with the caller's drawing of numbers or symbols and the public display of that drawing, or Commission-approved card-minding devices.

(2) The drawing of each ball bearing a number or symbol shall be visible to all players as the ball is drawn, including through simultaneous live video feed at remote locations.

(3) Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected. A refund for a canceled game or games shall be provided to the purchasers.

(4) The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game.

(5) All preprinted cards shall bear the legend, "For sale or use only in a bingo game authorized under California law and pursuant to local ordinance."

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code. Reference: Sections 326.3(f), (g), (h), (i)(1)-(3), (j)(1), (m), (o), (t)(3)-(4), Penal Code; and Section 6500 Family Code.

ARTICLE 6. ACCOUNTING AND FINANCIAL REPORTING.

12514. AUDITS.

(a) The Commission shall have the authority to conduct audits of any organization engaged in the conduct or cosponsoring of remote caller bingo to ensure compliance with Section 326.3 of the Penal Code. The audit may be conducted at any time and prior notification is not required. No audit shall be conducted until on or after January 1, 2010.

(b) Each organization that conducts or cosponsors remote caller bingo shall allow the Commission complete access to all records, documents, and files in any form related to the conduct or cosponsoring of remote caller bingo and to any personnel involved in the conduct or cosponsoring of remote caller bingo.

(c) The Commission shall have the authority to make copies of any and all documents deemed necessary by the auditor to substantiate audit findings.

(d) Pursuant to subdivision (c) of section 19821 of the Business and Professions Code, all information obtained by the Commission during an audit shall be exempt from disclosure.

(e) Each organization that conducts remote caller bingo shall contract with an independent California certified public accountant to conduct an audit of all records at least annually. Copies of the audit report shall be provided to the Commission within 120 days after the close of the organization's fiscal year.

Note: Authority cited: Section 19850.6, Business and Professions Code; and Section 326.3(v), Penal Code. Reference: Section 19821(c), Business and Professions Code; and Section 326.3(v), Penal Code.

APPENDIX A

APPLICATION FOR INTERIM APPROVAL
OF BINGO CARD-MINDING DEVICE
CGCC-615 (New 11/08)

State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR INTERIM APPROVAL OF BINGO CARD-MINDING DEVICE

Pursuant to California Code of Regulations, Title 4, section 12482 and California Penal Code (PC) section 326.5(p)(3), the California Gambling Control Commission (Commission) shall approve in advance any card-minding device to be used in the play of any bingo game. Card-minding devices must meet all requirements indicated in PC section 326.5(p)(1)(A-D), and must not perform any of the functions indicated in PC section 326.5(p)(2)(A-D).

Send the completed *Application for Interim Approval of Bingo Card-minding Device* form with a **$ 50.00** application fee for each card-minding device model and its designated software version to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

APPROVAL TYPE	
☐ Initial Approval	☐ Modification of Commission-Approved Device

SECTION 1a – MANUFACTURER BUSINESS INFORMATION		
Name of Business		
Principal Place of Business Address		
Mailing Address (if different than business address)		
Telephone Number ( )	Fax Number ( )	Website Address (if any)
Name of Contact Person	Title	
Telephone Number ( )	Fax Number ( )	E-mail Address (if any)

SECTION 1b – MANUFACTURER LICENSE INFORMATION
If additional space is needed, please attach a listing of the requested information on a separate sheet of paper.

Has the business been licensed with any gaming agency including any other State, City, County, Federal, Country, or Tribal agency? ☐ Yes ☐ No

If yes, please list the gaming agency and the license, certificate, registration, etc. information below.

Gaming Agency Name	License Number	Expiration Date

SECTION 2 – CARD-MINDING DEVICE INFORMATION

Complete the information below for each card-minding device model and its designated software version you are certifying as meeting the requirements indicated in PC 326.5(p)(1) and (2). Any material change in the software used in a previously approved card-minding device requires a modification approval. If you are requesting interim approval of more than four devices, please make an additional copy of this page and attach to the application.

Model Name	Model Number
Software (Firmware) Version	Software (Firmware) Build Date

Answer the following questions regarding the card-minding device model and its designated software version listed above.

1. Is the model a hand-held, portable device?	☐ Yes	☐ No
2. Has this model and software version been previously tested and certified by an independent laboratory? **If yes, attach copies of certification documents.**	☐ Yes	☐ No
3. Is this device model and its designated software version capable of automatic daubing?	☐ Yes	☐ No
Complete only if you answered "Yes" to question 3. 4. Can the automatic daubing function be disabled?	☐ Yes	☐ No

Model Name	Model Number
Software (Firmware) Version	Software (Firmware) Build Date

Answer the following questions regarding the card-minding device model and its designated software version listed above.

1. Is the model a hand-held, portable device?	☐ Yes	☐ No
2. Has this model and software version been previously tested and certified by an independent laboratory? **If yes, attach copies of certification documents.**	☐ Yes	☐ No
3. Is this device model and its designated software version capable of automatic daubing?	☐ Yes	☐ No
Complete only if you answered "Yes" to question 3. 4. Can the automatic daubing function be disabled?	☐ Yes	☐ No

Model Name	Model Number
Software (Firmware) Version	Software (Firmware) Build Date

Answer the following questions regarding the card-minding device model and its designated software version listed above.

1. Is the model a hand-held, portable device?	☐ Yes	☐ No
2. Has this model and software version been previously tested and certified by an independent laboratory? **If yes, attach copies of certification documents.**	☐ Yes	☐ No
3. Is this device model and its designated software version capable of automatic daubing?	☐ Yes	☐ No
Complete only if you answered "Yes" to question 3. 4. Can the automatic daubing function be disabled?	☐ Yes	☐ No

Model Name	Model Number
Software (Firmware) Version	Software (Firmware) Build Date

Answer the following questions regarding the card-minding device model and its designated software version listed above.

1. Is the model a hand-held, portable device?	☐ Yes	☐ No
2. Has this model and software version been previously tested and certified by an independent laboratory? **If yes, attach copies of certification documents.**	☐ Yes	☐ No
3. Is this device model and its designated software version capable of automatic daubing?	☐ Yes	☐ No
Complete only if you answered "Yes" to question 3. 4. Can the automatic daubing function be disabled?	☐ Yes	☐ No

SECTION 3 – CERTIFICATION / SIGNATURE
An authorized representative of the manufacturer must sign on behalf of the business.

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, the information contained herein and in any attachments, is true, accurate, and complete. I also certify that any card-minding device and its designated software version indicated on this form meets the requirements of PC 326.5(p) and understand that the interim approval is subject to the following conditions:

(1) An interim approval shall be valid for one year from the date it is granted by the Commission or until regulations specifying additional criteria for card-minding devices become effective, whichever is later.
(2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right in the holder to either an extension of the interim approval or to the granting of a subsequent regular approval.
(3) An interim approval does not in any way change the legal requirement that the applicant bears the burden of establishing that a specific device complies with all of the provisions of paragraphs (1) and (2) of subdivision (p) of section 326.5 of the Penal Code.
(4) Issuance of an interim approval concerning a specific card-minding device has no bearing on the question of whether the manufacturer of the device, or any affiliated person, will qualify for issuance of any Commission permit, registration, or license. Any interim approval will be cancelled in the event that the manufacturer of the device is subsequently determined to be ineligible for licensure.
(5) If, during the term of an interim approval, it is determined that any particular card-minding device is not qualified for approval, the Executive Director shall prepare an order to show cause why that device's interim approval should not be cancelled. The manufacturer of the device shall be given at least 30 days to respond in writing. After receipt of the manufacturer's response, the matter shall be set for consideration at a noticed Commission meeting. The manufacturer may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.
(6) Any card-minding device and its designated software version that possess an automatic daubing capability shall have that capability disabled.

Name of Individual Completing this Application (*typed or printed*)	Title
Signature	Date

APPENDIX B

State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR INTERIM LICENSE FOR MANUFACTURERS, DISTRIBUTORS, AND VENDORS OF BINGO EQUIPMENT, DEVICES, SUPPLIES AND SERVICES
CGCC-610 (Rev. 03/10)

Pursuant to Penal Code sections 326.3 and 326.5, the California Gambling Control Commission (Commission) shall license manufacturers and distributors of card-minding devices and any vendor providing bingo supplies, equipment, or services used in the playing of remote caller bingo games. California Code of Regulations, Title 4, Section 12492 allows for the issuance of an interim license in order to avoid disruption to fundraising efforts by nonprofit organizations. In order to apply for an interim license, an application is required to be submitted by the "owner-licensee" and every "owner" (individual or entity) that has a 10 percent or greater interest in or significant influence over, the business.

Instructions:
Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your license.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – INTERIM LICENSE TYPE AND FEE
Please check the appropriate boxes below indicating whether you are applying for an *initial* or *renewal* interim license, the type of interim license you are applying for, and submit the corresponding application fee.

Name of Business	Name of Applicant (Individual or Entity)

☐ **Initial Interim License: $500.00** (non-refundable fee, per application)

☐ **Renewal Interim License: $500.00** (non-refundable fee, per application)

Indicate the interim license type you are applying for:

☐ **Manufacturer of:** ***(Check one)***
- ☐ Card-Minding Devices
- ☐ Remote Caller Bingo Equipment or Supplies

☐ **Distributor of Card-Minding Devices**

☐ **Vendor of:** ***(Check all that apply)***
- ☐ Remote Caller Bingo Equipment or Supplies
- ☐ Remote Caller Bingo Services

SECTION 2 – TYPE OF OWNER APPLICATION

Check one box indicating the type of owner application. Submit the application with the required fee and forms/information listed below with your *initial* or *renewal* application.

☐ **Business Entity (Owner-licensee):** (The owner of the business for which the interim license is to be issued, which may include any of the entity types listed in section 3b.)

- ✓ Complete all sections except section 4.
- ✓ Attach the following to the application:
  - Current Organization Chart
  - Listing of any gaming licenses
  - Copy of organizing documents (i.e., Articles of Incorporation, Articles of Organization, Partnership Agreement, etc.)

Note: Sole Proprietors must complete all sections of the application. If you are applying for an initial interim license fingerprints must also be submitted. See instructions under "Individual Owner Applicant" below.

☐ **Individual Owner Applicant:** (Any owner of the business entity that is to be endorsed on the owner-licensee's certificate, which may include any of the individual owner titles listed in section 4a.)

- ✓ Complete sections 4, 5, and 6 only.
- ✓ Submit fingerprints – ***Initial Application Only***
  - If residing within the state of California, follow the steps below:
    1) Locate and call a Live Scan provider. Determine if an appointment is required. Take the Request for Live Scan Service, BCII 8016 form to a Live Scan provider.
    2) The provider will process the fingerprints via Live Scan. Note: Applicants are not required to pay the processing fee associated with the processing and transmitting of fingerprints as these fees will be billed directly to the requesting agency.
    3) Attach a copy of the Request for Live Scan Service form to this application confirming that fingerprints have been submitted.
  - If residing outside of California, two FBI fingerprint cards may be obtained from the Commission and taken to any law enforcement agency for fingerprinting.

☐ **Entity Owner Applicant:** (An owner of the business entity that is endorsed on the owner-licensee's certificate, which may include any of the entity types listed in section 3b.

- ✓ Complete sections 3, 5, and 6 only.
- ✓ Attach the following to the application:
  - Current Organization Chart
  - Copy of organizing documents (i.e. Articles of Incorporation, Articles of Organization, Partnership Agreement, etc.)

SECTION 3a – BUSINESS ENTITY INFORMATION

If the business has more than one location, attach a list of all California business locations.

Name of Business		
Principal Place of Business Address		
Mailing Address (if different than business address)		
Telephone Number ( )	Fax Number ( )	Website address (if any)
Federal Employer Identification Number (if any)	Social Security Number (if no FEIN)	
What fiscal year does the business use? ☐ Calendar year (January – December) ☐ Other: From: _____ To: _____		

SECTION 3b – ENTITY STRUCTURE

Attach a current organization chart for the entity indicating names and job titles.

Check the appropriate box below:

- ☐ Sole Proprietor
- ☐ General Partnership
- ☐ Limited Partnership
- ☐ Joint Venture
- ☐ Limited Liability Company
- ☐ Corporation:
  - ☐ Publicly Traded
  - ☐ Private:
    - ☐ Sub-Chapter S
    - ☐ Sub-Chapter C
- ☐ Trust:
  - ☐ Revocable
  - ☐ Irrevocable
- ☐ Other: _____

Provide the following information regarding the business. Include all shareholders with a greater than 10% in ownership. For members of a Limited Liability Company, list membership interest in the ownership column. For partners, indicate whether general or limited partner after their name. For officers, directors, and principal management employees that have no ownership, enter 0% in the ownership column. If additional space is needed, use a separate sheet of paper.

Entity/Individual's Name	Title	Ownership/Membership Interest Percentage	Compensation Arrangement (salary, hourly, incentives, bonuses, etc.)
		%	
		%	
		%	
		%	
		%	
		%	
		%	
		%	

SECTION 3c – GENERAL INFORMATION: BUSINESS ENTITY

If you answer "yes" to any of the questions below, provide an explanation on a separate sheet of paper. If this is an application for *renewal*, you are only required to provide information not previously disclosed.

1. Has the business been licensed with any tribal, county, city, state, federal or international gaming agency? If yes, attach a listing of the gaming agency name, issue date, and expiration date.	☐ Yes ☐ No
2. Has the business applied for a permit, license, finding of suitability, certificate, registration, or authorization related to bingo in any jurisdiction that was withdrawn or denied? If yes, attach a listing of the agency name and an explanation.	☐ Yes ☐ No

SECTION 4a – INDIVIDUAL APPLICANT INFORMATION

Please indicate your association with the business: (Check all that apply)

☐ Sole Proprietor	☐ Officer	☐ Board of Directors Member	☐ Trustor
☐ General Partner	☐ Director	☐ LLC Member	☐ Trustee
☐ Limited Partner	☐ Shareholder	☐ General Manager	☐ Current Beneficiary
☐ Other: _____			

SECTION 4a – INDIVIDUAL APPLICANT INFORMATION *(Continued)*

Last Name	First Name	Middle Initial

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes; legal or otherwise)

*Address of Record – Number/Street | Apt. / Unit Number

City | County | State | Zip Code | Country

Residence Address, if different than above | E-mail Address:

Contact Numbers

Home: ( ) | Work: ( ) | Cell: ( )

Birthdate (mm/dd/yyyy)	Gender ☐ Male ☐ Female	**Social Security Number

SECTION 4b – GENERAL INFORMATION: INDIVIDUAL APPLICANT

If you answer "yes" to any of the questions below, provide an explanation on a separate sheet of paper. If this is an application for renewal, you are only required to provide information not previously disclosed.

1. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendre?" If yes, provide the following information for each conviction: Date of conviction Crime convicted of Court location (city and state) Penalty received	☐ Yes ☐ No
2. Have you been issued a gaming license, certificate, permit, registration, finding of suitability, etc. by any tribal, county, city, state, federal, or international agency? If yes, attach a listing of the gaming agency name, issue date, and expiration date.	☐ Yes ☐ No
3. Have you applied for a license, certificate, permit, registration, finding of suitability, authorization, etc. related to bingo in any jurisdiction that was withdrawn or denied? If yes, attach a listing of the agency name and an explanation.	☐ Yes ☐ No

SECTION 5 – AUTHORIZED REPRESENTATIVE INFORMATION

Business entity applicants must assign an authorized representative to represent the business concerning this application and other matters regarding licensure. Individual applicants may designate another individual or themselves.

Last Name	First Name	Middle Initial

Relationship to Applicant (Entity or Individual):

☐ Owner ☐ Attorney ☐ Employee ☐ Self ☐ Other: _____

Business Name (if applicable)

Mailing Address

E-mail Address

Telephone Number	Cell Phone Number	Fax Number
( )	( )	( )

SECTION 6 – CERTIFICATION / SIGNATURE

If applying as a business entity, the highest ranking officer must sign on behalf of the entity. An applicant applying as an individual must sign on his or her behalf. If applying as a trust, the trustee must sign on behalf of the trust.

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim license is subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12493, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.

Signature	Date

* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).

** Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a $100 penalty against you.

APPENDIX C

State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

STATEMENT OF ELIGIBILITY TO CONDUCT REMOTE CALLER BINGO
CGCC-618 (New 03/09)

Pursuant to California Code of Regulations, Title 4, section 12504 and California Penal Code (PC) section 326.3(b)(1), remote caller bingo games may only be conducted by organizations that meet specific criteria. The California Gambling Control Commission (Commission) regulates remote caller bingo and recognizes organizations that are eligible to conduct remote caller bingo games.

Instructions:
Type or print legibly, in ink, all information requested on this statement. If a question does not apply, write "N/A" (Not Applicable). Incomplete statements will be returned. You must provide truthful information in all your responses. All answers to questions on this statement and on all supplemental documentation will be subject to verification.

Send the completed statement package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – STATEMENT OF ELIGIBILITY TYPE

☐ **Initial Statement: $50.00** (non-refundable fee)
Submit the following documents with your completed statement:

- ✓ Founding documents (i.e. Articles of Incorporation, bylaws, constitution, articles of association, trust instrument or will and decree of final distribution, or statement describing your operations and charitable purpose.)
- ✓ Copy of Certificate of Determination of Exemption from the Franchise Tax Board.
- ✓ Organization chart or a listing of the names and titles of trustees, directors, and officers

☐ **Annual Statement: $25.00** (non-refundable fee)

1) Have there been any changes to the organization's eligibility since last filing a statement?
   ☐ Yes: Complete all sections and attach any amended documents, if applicable.
   ☐ No: Complete section 1, 2, and 5 only

SECTION 2 – ORGANIZATION INFORMATION

Name of Authorized Organization			
Street Address of Principal Office	City	State	Zip
Mailing Address (if different than street address)	City	State	Zip
Telephone Number ( )	Fax Number ( )	Business Hours	

Provide at least one of the following:

Federal Tax Identification Number:_____ Corporate Number: _____

Charitable Trust Number: _____ Organization Number: _____

What fiscal year does the organization use?

☐ Calendar year (January – December) ☐ Other: From: _____ To:_____

SECTION 3 – ORGANIZATION ELIGIBILITY

1. Mark the box to indicate how the organization is eligible to conduct remote caller bingo.

☐ Mobilehome park association ☐ Senior citizens organization

☐ Charitable organizations affiliated with a school district

☐ Exempted from the payment of the following bank and taxes by the following Revenue and Taxation Code:

☐ 23701a ☐ 23701b ☐ 23701d ☐ 23701e ☐ 23701f
☐ 23701g ☐ 23701k ☐ 23701l ☐ 23701w

2. Provide the date the organization was incorporated or was established: _____

Note: The organization must be in existence for at least three years to be eligible to conduct remote caller bingo.

3. Provide the local agency that licenses or authorizes the organization to conduct bingo as specified in section 326.5(l) of the Penal Code. If additional space is needed, attach a separate sheet of paper.

Agency Name: _____

License Number: _____ Expiration Date: _____

4. Provide the charitable purpose for which the remote caller bingo game receipts will be used.

_____

_____

5. What is the primary purpose for which the organization is organized?

_____

_____

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION

The organization must assign an authorized representative to represent the organization on matters related to the conduct of remote caller bingo games.

Last Name	First Name	Middle Initial

Relationship to Organization:
☐ Attorney ☐ Member ☐ Employee ☐ Other: _____

Business Name, if applicable	E-mail Address (if any)

Mailing Address	City	State	Zip

Telephone Number	Cell Phone Number (if any)	Fax Number
( )	( )	( )

SECTION 5 – CERTIFICATION/SIGNATURE

The highest ranking officer of the organization must sign on behalf of the organization.

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete.

Signature	
Title	Date

State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR INTERIM LICENSE FOR REMOTE CALLER BINGO
CGCC-620 (Rev. 03/10)

Pursuant to California Code of Regulations, Title 4, Section 12500 and California Penal Code section 326.3(q)(1), the California Gambling Control Commission (Commission) shall regulate remote caller bingo. This includes the licensing of any person who conducts remote caller bingo, including, but not limited to, persons having fiduciary responsibility, site managers, and bingo callers.

Instructions:
Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application and on all supplemental documentation will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your remote caller bingo interim license.

Applicants must submit fingerprints via Live Scan by following the steps listed below.

1) Locate and call a Live Scan provider. Determine if an appointment is required and the preferred method of payment (e.g., cash, cashier's check, etc.). Applicants must pay the cost associated with the processing and transmitting of his/her fingerprints directly to the agency providing the service. Fees vary by provider.
2) Take the Request for Live Scan Service, BCII 8016 form to a Live Scan provider. The provider will process the fingerprints via Live Scan.
3) After the fingerprints have been taken, attach a copy of the Request for Live Scan Service form to this application confirming that fingerprints have been submitted.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – REMOTE CALLER BINGO INTERIM LICENSE	
Name of Applicant	Name of Authorized Organization or Vendor
☐ **Initial Interim License: $50.00** (non-refundable fee, per license type) Attach: Completed Request for Live Scan Service, BCII 8016	
☐ **Renewal Interim License: $50.00** (non-refundable fee, per license type)	
SECTION 2 – REMOTE CALLER BINGO INTERIM LICENSE TYPE	
☐ **Fiduciary:** Is an individual who is designated in writing by an authorized organization to manage the finances of the organization's remote caller bingo operation for the benefit of the organization rather than the benefit of the designated individual, exercising the highest level of good faith, loyalty, and diligence.	
☐ **Caller:** Is an individual who is present at a host game site and who announces the numbers or symbols from randomly drawn plastic balls.	
☐ **Site Manager:** Is an individual who is physically present at a remote caller bingo game site and is the primary person responsible for the game conduct, staff, and patrons at the site.	

SECTION 3a – APPLICANT INFORMATION

☐ Officer	☐ Treasurer	☐ Volunteer	☐ Other: _____
☐ Executive Director	☐ Director	☐ Employee	
☐ President	☐ General Manager	☐ Trustor	
☐ Vice-President	☐ Member	☐ Trustee	

Indicate your association with the authorized organization or vendor. (Check all that apply)

Description of your duties relating to the conduct of remote caller bingo operations:

Last Name	First Name	Middle Initial

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)

*Residence Address – Number/Street	Apt. / Unit Number

City	County	State	Zip Code

*Mailing Address, if different than above

Contact Numbers

Home: ( ) Work: ( ) Cell: ( )

E-mail Address (if any)

Birthdate (mm/dd/yyyy)	Gender ☐ Male ☐ Female	**Social Security Number

SECTION 3b – GENERAL APPLICANT INFORMATION

If you answer "yes" to any of the questions, provide an explanation on a separate sheet of paper.
If this is an application for renewal, you are only required to provide information not previously disclosed.

1. Have you been issued a gaming license, certificate, permit, etc. by any tribal, county, city, state, federal, or international agency? If yes, attach a listing of the gaming agency name, issue date and expiration date.	☐ Yes ☐ No
2. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendre?" If yes, provide the following information for each conviction: a. Date of conviction b. Crime convicted of c. Court location (city and state) d. Penalty received	☐ Yes ☐ No

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION

Complete this section *only* if you choose to designate someone to represent you concerning your application or other matters regarding licensure.

Last Name	First Name	Middle Initial

Relationship to Applicant:

☐ Attorney ☐ Employee ☐ Other: _____

Business Name, if applicable	E-mail Address (if any)

Mailing Address

Telephone Number	Cell Phone Number (if any)	Fax Number
( )	( )	( )

SECTION 5 – CERTIFICATION / SIGNATURE

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim license is subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12501, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.

Signature	Date

* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).

** Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a $100 penalty against you.

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www.cgcc.ca.gov

APPLICATION FOR INTERIM WORK PERMIT FOR REMOTE CALLER BINGO

CGCC-622 (Rev. 03/10)

Pursuant to California Code of Regulations, Title 4, Section 12503 and California Penal Code section 326.3(r) any person who conducts remote caller bingo and is paid a fee for performing any administrative, managerial, technical, financial, or security duties shall apply for, obtain, and maintain a valid interim work permit.

Instructions:
Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application and on all supplemental documentation will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your remote caller bingo interim work permit.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – REMOTE CALLER BINGO INTERIM WORK PERMIT	
Name of Applicant	Name of Authorized Organization or Vendor

☐ **Initial Interim Work Permit: $50.00** (non-refundable fee, per application)

Fingerprints must be submitted via Live Scan as follows:

1) Locate and call a Live Scan provider. Determine if an appointment is required and the preferred method of payment (e.g., cash, cashier's check, etc.). Applicants must pay the cost associated with the processing and transmitting of his/her fingerprints directly to the agency providing the service. Fees vary by provider.
2) Take the Request for Live Scan Service, BCII 8016 form to a Live Scan provider. The provider will process the fingerprints via Live Scan.
3) After the fingerprints have been taken, attach a copy of the Request for Live Scan Service form to this application confirming that fingerprints have been submitted.

☐ **Renewal Interim Work Permit: $50.00** (non-refundable fee, per application)

SECTION 2 –EMPLOYMENT DUTIES

Indicate your association with the authorized organization or vendor. (Check all that apply)

☐ Employee ☐ Member ☐ Other: _____

Indicate category of employment duties. (Check all that apply)

☐ Administrative ☐ Managerial ☐ Technical
☐ Financial ☐ Security

Provide a brief description of your duties relating to the conduct of remote caller bingo operations:

SECTION 3a – APPLICANT INFORMATION

Last Name	First Name	Middle Initial

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)

*Residence Address – Number/Street	Apt. / Unit Number

City	County	State	Zip Code

*Mailing Address, If different than above

Contact Numbers

Home: ( ) Work: ( ) Cell: ( )

E-mail Address (if any)

Birthdate (mm/dd/yyyy)	Gender ☐ Male ☐ Female	**Social Security Number

SECTION 3b – GENERAL APPLICANT INFORMATION

If you answer "yes" to any of the questions, provide an explanation on a separate sheet of paper.
If this is an application for renewal, you are only required to provide information not previously disclosed.

1. Have you been issued a gaming license, certificate, permit, etc. by any tribal, county, city, state, federal, or international agency? If yes, attach a listing of the gaming agency name, issue date and expiration date	☐ Yes ☐ No
2. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendre?" If yes, provide the following information for each conviction: a. Date of conviction b. Crime convicted of c. Court location (city and state) d. Penalty received	☐ Yes ☐ No

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION

Complete this section *only* if you choose to designate someone to represent you concerning your application or other matters regarding licensure.

Last Name	First Name	Middle Initial

Relationship to Applicant:

☐ Attorney ☐ Employee ☐ Other: _____

Business Name, if applicable	E-mail Address (if any)

Mailing Address

Telephone Number	Cell Phone Number (if any)	Fax Number
( )	( )	( )

SECTION 5 – CERTIFICATION / SIGNATURE

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim work permit is subject to the following conditions:

(1) An interim work permit shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular work permit have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim work permit will not be eligible for renewal.

(3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or the granting of a subsequent regular work permit.

(4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular work permit.

(5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12504, the Executive Director shall prepare an order to show cause why that work permit should not be cancelled. The holder of the interim work permit shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.

Signature	Date

* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).

** Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a $100 penalty against you.

CHAPTER 9. [RESERVED]

CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.

12550. PURPOSE AND SCOPE.

(a) The purpose of this chapter is to set forth disciplinary procedures and guidelines applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission. This chapter does not apply to any denial proceedings under the Act.

(b) The disciplinary guidelines in this chapter are designed to promote fairness and flexibility in dealing with a wide range of disciplinary scenarios. Variation in penalties based on circumstances and factors in aggravation or mitigation are part of this disciplinary scheme to promote compliance with applicable laws and regulations.

(c) Nothing in this chapter is intended to limit the authority of the Commission to issue orders of summary suspension pursuant to Business and Professions Code section 19913, or to limit the authority of the Bureau to issue emergency orders pursuant to Business and Professions Code section 19931.

(d) Nothing in this chapter shall be construed to prevent the Commission from:

(1) Ordering an investigation by Commission staff on a matter brought before the Commission;

(2) Instituting a civil action in any superior court to restrain a violation of the Act, pursuant to Business and Professions Code section 19824, subdivision (g);

(3) Referring a matter to the Attorney General or any district attorney or city attorney for civil, criminal or administrative action; or

(4) Requesting the Bureau to conduct an investigation pursuant to information gathered independently by the Commission or supplied to it by a third party.

(e) Nothing in this chapter precludes any person from notifying the Commission or the Bureau regarding any violations of law or reasons why the holder of any license, registration, permit, finding of suitability, or approval should be disciplined.

(f) Nothing in this chapter precludes the Bureau, in its discretion, from issuing warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or from withdrawing such upon further investigation.

Note: Authority cited: Sections 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19912, 19913, 19914, 19920, 19922, 19930, 19931, and 19984, Business and Professions Code.

12552. Settlements.

(a) At any time, the Commission and respondent may enter into a settlement of the accusation as provided in this section.

(b) Any settlement of an accusation shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to any penalty imposed, and shall be a full and final settlement of the violation including a complete waiver of all judicial or other review unless otherwise agreed to by the Commission.

(c) Any settlement of an accusation shall be submitted by the Bureau for approval by the Commission at a noticed Commission meeting. The Commission shall have final approval authority concerning any such settlement. If the Commission rejects a settlement or agreement, and no amended agreement or settlement is reached before two additional regularly noticed Commission meetings have concluded, or sixty days have elapsed, whichever is later, the Bureau shall proceed with the formal hearing process under this chapter.

Note: Authority cited: Sections 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19824, 19826, 19920, and 19930, Business and Professions Code.

12554. Formal Hearing Process.

(a) Upon the filing with the Commission of an accusation by the Bureau recommending revocation, suspension, or other discipline of a holder of a license, registration, permit, finding of suitability, or approval, the Commission shall proceed under Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Discipline shall be in accordance with the guidelines of this chapter, summarized for convenience only in CGCC-12554 (New 09/06), Summary Chart of Disciplinary Guidelines, attached as Appendix A to this chapter.

(b) In the event that the Bureau cannot present the accusation, the Commission may request outside counsel or representation by another state agency or may adequately segregate one or more Commission staff members from the Commissioners and Commission legal unit to present the accusation.

(c) The Administrative Law Judge and Commission shall base their decisions on written findings of fact, including findings concerning any relevant aggravating or mitigating factors. Findings of fact shall be based upon a preponderance of the evidence standard. The “preponderance of the evidence standard” is such evidence as when considered and compared with that opposed to it, has more convincing force, and

produces a belief in the mind of the fact-finder that what is sought to be proved is more likely true than not true.

(d) Upon a finding of a violation of the Act, any regulations adopted pursuant thereto, any law related to gambling or gambling establishments, violation of a previously imposed disciplinary or license condition, or laws whose violation is materially related to suitability for a license, registration, permit, or approval, the Commission may do any one or more of the following:

(1) Revoke the license, registration, permit, finding of suitability, or approval;

(2) Suspend the license, registration, or permit;

(3) Order the licensing authority of a city, county, or city and county to revoke a work permit, pursuant to Business and Professions Code section 19914, subdivision (a);

(4) Impose any condition, limitation, order, or directive (including but not limited to a directive to divest an interest in a business entity pursuant to Business and Professions Code, section 19879);

(5) Impose any fine or monetary penalty consistent with Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b);

(6) Stay, in whole or in part, the imposition of a revocation or suspension against the holder of a license, registration, work permit, finding of suitability, or approval; or

(7) Order the holder to pay a monetary penalty in lieu of all or a portion of a suspension. Within the guidelines of Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b):

(A) If the respondent is an owner licensee of a gambling establishment, the monetary penalty shall be equivalent of fifty percent of the average daily gross gaming revenue, but not less than $300, for the number of days for which the suspension is stayed.

(B) [RESERVED]

(C) If the respondent is an owner of a third-party provider of proposition player services and the violation did not involve a fraudulent, expired, borrowed, or stolen badge, and did not involve a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $100 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment

where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(D) If the respondent is an owner of a third-party provider of proposition player services and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $300 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(E) If the respondent is an owner of a gambling business, the monetary penalty shall be $1500 per day for the number of days for which the suspension is stayed.

(F) If the respondent is a key employee of a gambling establishment or a supervisor of a gambling business or third-party provider of proposition player services, the monetary penalty shall be $100 per day for the number of days for which the suspension is stayed.

(G) If the respondent is a holder of a work permit, a player or other employee of a gambling business or third-party provider of proposition player services, or a person not otherwise described above, the monetary penalty shall be $50 per day for the number of days for which the suspension is stayed.

(e) If a person's state gambling license for a gambling establishment is revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the gambling establishment, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from controlled gambling.

(f) If an owner of a third-party provider of proposition player services or gambling business has his or her owner's license or registration revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the third-party provider of proposition player services or gambling business, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or

which arise out of, are attributable to, or are derived from the provision of proposition player services.

(g) For decisions concerning a gambling establishment, findings shall be made regarding the number of tables in operation at the establishment and the annual gross gaming revenue of the establishment.

(h) For decisions concerning an owner of a third-party provider of proposition player services, findings shall be made regarding the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged.

(i) Any order to pay the costs of investigation or prosecution of the case shall be fixed pursuant to Business and Professions Code section 19930, subdivision (d).

(j) For multiple violations, or for suspensions imposed by other jurisdictions based on the same violations, the decision shall state whether any Commission-imposed suspensions shall run consecutively or concurrently.

(k) Where a violation arises from a practice that is repeated many times an hour or day in the conduct of controlled games, each instance of the practice shall not be charged as a separate violation; however, the frequency and duration of the practice shall be treated as aggravating or mitigating factors.

Note: Authority cited: Sections 19824, 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19879, 19930, and 19984, Business and Professions Code; Section 11045, Government Code; and Section 10335, Public Contract Code.

12556. Factors in Mitigation or Aggravation of Penalty.

Factors in mitigation may reduce a minimum penalty of suspension listed in this chapter, either in number of days suspended and/or in the proposal to stay a suspension for a period of probation and the payment of any monetary penalty. Factors in aggravation may increase a penalty or be taken into consideration in determining whether or not to allow a suspension to be stayed upon payment of a monetary penalty. If presented by complainant or respondent, the Commission shall consider the following factors in mitigation or aggravation of the penalty imposed:

(a) Violation of any previously imposed or agreed upon condition, restriction or directive.

(b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.

(c) The extent to which respondent cooperated with the Bureau or Commission during the investigation of the violation.

(d) The extent to which respondent was honest with the Bureau or Commission during the investigation of the violation.

(e) The extent to which respondent is willing to reimburse or otherwise make whole any person who has suffered a loss due to the violation.

(f) Whether respondent has initiated remedial measures to prevent similar violations.

(g) The extent to which respondent realized an economic gain from the violation.

(h) Disciplinary history of respondent, repeated offenses of the same or similar nature, or evidence that the unlawful act was part of a pattern or practice, including the frequency or duration of any pattern or practice which violates applicable law.

(i) Any other aggravating factors, including any factors which the Commission determines to bear on the health, safety, or welfare of the public.

(j) The extent to which there was actual or potential harm to the public or to any patron.

(k) The extent to which an owner licensee or key employee of a gambling establishment, owner or supervisor of a third-party provider of proposition player services, or owner or supervisor of a gambling business exercised due diligence in management or supervision.

(l) If the violation was caused by an employee of a third-party provider of proposition player services or gambling business, the extent to which the owner licensee, licensee, or registrant knew or should have known of the employee's improper conduct; the level of authority of the employee involved and the extent to which the employee acted within the scope of his or her authority in committing the violation.

(m) If the violation was caused by a third-party provider of proposition player services or gambling business, the extent to which the owner licensee or gambling establishment knew or should have known of the improper conduct.

(n) If the violation was caused by an independent contractor of a gambling business, the extent to which the gambling business owner licensee, licensee, or registrant knew or should have known of the independent contractor's improper conduct; the level of authority of the independent contractor involved and the extent to which the independent contractor acted within the scope of his or her authority in committing the violation.

(o) If the violation was caused or committed by a third party, the extent to which the owner licensee, licensee, or registrant knew or should have known of the third party's improper conduct.

(p) Any relevant evidence offered by respondent in mitigation of the violation.

Note: Authority cited: Sections 19825, 19840, and 19930, Business and Professions Code. Reference: Sections 19825, 19920, 19930, and 19984, Business and Professions Code.

12558. Disciplinary Guidelines for Holders of Work Permits.

Pursuant to Business and Professions Code, section 19914, the holder of a work permit shall be subject to a minimum penalty of a three-day suspension, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, up to a maximum penalty of revocation by the Commission if the Commission finds that the holder:

(a) Engaged in or committed a prohibited act specified in Business and Professions Code 19914, subdivision (a).

(b) Does not currently meet any criterion for eligibility or qualification.

(c) Violated or is in violation of any condition, limitation or directive previously imposed on the work permit.

(d) Violated or is in violation of any Commission or Bureau regulations, including those regulations regarding work permits in the California Code of Regulations, Title 4, Division 18, Chapter 2 (commencing with Section 12100).

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19824, 19878 19912, 19914, 19920, and 19930, Business and Professions Code.

12560. Disciplinary Guidelines for Third-party providers of proposition player services licensees or registrants.

(a) If the Commission finds that an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of proposition player services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which may be stayed on terms and conditions and

any monetary penalty as described in Section 12554 (d)(7) of this chapter, if the Commission finds that:

(1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,

(3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,

(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for third party providers of proposition player services,

(7) The owner has provided proposition player services in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(9) or (b)(11),

(8) The owner has failed to fully disclose financial arrangements in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(15),

(9) The primary owner has failed to report cheating, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(18),

(10) The owner has purchased, leased, or controlled equipment in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(21),

(11) The owner has failed to have the proposition player contract approved, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(22), or Section 12200.9,

(12) The owner has authorized or provided payment to or receipt by the gambling establishment, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c),

(13)The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,

(14)The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(15)The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(16)The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(17)The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(18)The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(19)The owner has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c)(19),

(20)The owner has violated the provisions regarding playing books listed in California Code of Regulations, Title 4, Section 12200.13,

(21)The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n), or

(22)The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq.

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of $100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,

(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling or the provision of proposition player services which is inimical to the health, welfare, or safety of the general public.

(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,

(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,

(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,

(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12200.21.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of $300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,

(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,

(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(8) The supervisor, player, or other employee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (19), or

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (b), (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or

(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12204 or 12218.11.

Note: Authority cited: Sections 19825, 19840, 19841, 19930, and 19984, Business and Professions Code. Reference: Sections 19824 and 19930, Business and Professions Code.

12562. Disciplinary Guidelines for Gambling Business Licensees or Registrants.

(a) If the Commission finds that an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of gambling business services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of $2500 and/or a discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation by the Commission if the Commission finds that:

(1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,

(3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services as a gambling business,

(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for gambling businesses,

(7) The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,

(8) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(9) The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(10) The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with Section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(11) The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(12) The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(13) The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq., or

(14) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsections (a), (b), (d), (e), (f), (l), or (m).

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of $100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property,

(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling which is inimical to the health, welfare, or safety of the general public.

(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,

(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,

(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,

(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12220.21.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum penalty of a monetary penalty of $300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,

(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,

(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(8) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18 subsections (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a gambling business, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or

(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12224 or 12220.11.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code.

12564. Disciplinary Guidelines for Manufacturers or Distributors.

A registration granted by the Commission for a manufacturer or distributor of gambling equipment shall be subject to suspension or revocation by the Commission if the Commission finds that the registrant has violated California Code of Regulations, Title 4, Section 12303, subsection (b).

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Section 19930, Business and Professions Code.

12566. Disciplinary Guidelines for Gambling Establishments.

(a) If the Commission finds that a gambling establishment is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, or any local ordinance which directly affects the public health, safety, or

welfare, which is not otherwise listed in these disciplinary guidelines, pursuant to Business and Professions Code section 19922, the penalty shall be one day of suspension, stayed upon the payment of a penalty, within the guidelines of Business and Professions Code, sections 19930, subdivision (c), and 19943, subdivision (b), as follows:

(1) If the establishment has five tables or less and has an annual gross gaming revenue up to and including $10,000, the penalty shall be between $50 and $100, based upon the factors in mitigation and aggravation.

(2) If the establishment has ten tables or less or has an annual gross gaming revenue over $10,000, up to and including $200,000, the penalty shall be between $100 and $2000, based upon the factors in mitigation and aggravation.

(3) If the establishment has annual gross gaming revenue over $200,000, the penalty shall be between $250 and $5,000, based upon the factors in mitigation and aggravation.

(b) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of suspension for 30 days of normal business operation, which may be stayed on terms and conditions and upon a monetary penalty of twenty-five percent of the average daily gross gaming revenue, not more than $10,000, but not less than $300, if the Commission finds that the establishment has violated any of the following but has not been disciplined by the Commission for such a violation previously:

(1) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(2) Failed to maintain adequate financing for chips in use or for player banks,

(3) [RESERVED]

(4) [RESERVED]

(5) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration),

(6) Violated Business and Professions Code, section 19912 (failure to have valid work permit),

(7) [RESERVED]

(8) Violated Business and Professions Code, section 19924 (failure to maintain security controls),

(9) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(10) Provided false or incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(11) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(12) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),

(13) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), or

(14) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities).

(c) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the establishment has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege,

(3) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) Failed to maintain adequate financing for chips in use or for player banks, and has been disciplined by the Commission for such a violation previously,

(5) Failed to report the operation of unregistered gambling businesses when the owners or management of the establishment knew or should have known that these gambling businesses were operating in the establishment, and has been disciplined by the Commission for such a violation previously,

(6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901,

(7) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration), and has been disciplined by the Commission for such a violation previously,

(8) Violated Business and Professions Code, section 19912 (failure to have valid work permit), and has been disciplined by the Commission for such a violation previously,

(9) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas), and has been disciplined by the Commission for such a violation previously, or violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed), unless the licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the licensee shows that the licensee has reasonably relied on picture identification which appears to be government issued, including determining that the identification looks real, there are no obvious alterations, the photograph and description reasonably match the person, and the person reasonably looks age 21 or over.

(10) Violated Business and Professions Code, section 19924 (failure to maintain security controls), and has been disciplined by the Commission for such a violation previously,

(11) Violated Business and Professions Code, section 19942 (willful failure to report or pay license fee),

(12) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982, and has been disciplined by the Commission for such a violation previously,

(13) Provided false or intentionally incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing

with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(14) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(15) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises), and has been disciplined by the Commission for such a violation previously,

(16) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), and has been disciplined by the Commission for such a violation previously, or

(17) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities), and has been disciplined by the Commission for such a violation previously.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19850, 19851, 19853, 19854, 19855, 19875, 19878, 19883, 19901, 19912, 19920, 19921, 19922, 19923, 19924, 19930, 19941, 19942, and 19982, Business and Professions Code; and *Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Board* (2004), 118 Cal. App. 4th 1429, 1444-1445.

12568. Disciplinary Guidelines for Holders of Licenses, Findings of Suitability, or Approvals.

(a) A license for an individual or any finding of suitability or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(3) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was a monetary fine,

(4) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(5) Committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(6) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling that is inimical to the health, welfare, or safety of the general public.

(b) A license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for five days of normal scheduled work and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(2) Intentionally provided untruthful responses during an investigation by the Bureau, pursuant to Business and Professions Code, section 19827,

(3) Willfully interfered with the performance of Commission or Bureau duties, pursuant to Business and Professions Code, section 19944,

(4) Committed an act prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, including but not limited to operation of a banked or percentage game (Penal Code, section 330), possession or sale of a slot machine (Penal Code, section 330b) or agreement for slot machine payout (Penal Code, section 330.1), bookmaking (Penal Code, section 337), and cheating (Penal Code, section 337x),

(5) Committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(6) Committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(7) Conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(8) As an owner licensee, not taken reasonable steps to prevent the crimes listed in subsection~~s~~ (b), paragraphs (5) through and including (7), from occurring at the gambling establishment, when the owner licensee knew or should have known that these crimes were being committed,

(9) Committed bribery (as that term is used in Penal Code section 67 or 67.5),

(10) Committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(11) Been convicted of a crime involving fiscal dishonesty, including but not limited to tax evasion (26 U.S.C. § 7201),

(12) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was more than a monetary fine, or

(13) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege.

(c) A state gambling license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to revocation by the Commission on any of the following grounds:

(1) If the Commission finds the holder to have been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure,

(2) If the Commission finds the holder to have engaged in or committed a prohibited act specified in Business and Professions Code section 19863 (no more than one gambling establishment at racetrack),

(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set forth in Business and Professions code sections 19857, 19858, or 19880, as applicable, or

(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19827, 19857, 19858, 19859, 19860, 19863, 19878, 19880, 19922, 19923, 19924, 19930, 19942, and 19944, Business and Professions Code.

12572. Precedential Decisions.

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any of the following as a precedential decision:

(1) An adopted final decision, or

(2) An adopted stipulated decision pursuant to a settlement agreement.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Note: Authority cited: Section 19840, Business and Professions Code. Reference: Section 19930, Business and Professions Code; and Section 11425.60, Government Code.

State of California
California Gambling Control Commission
CGCC – 12554 (New 09-08)

Summary Chart of Disciplinary Guidelines

This is a summary – please refer to the regulatory text for a full explanation. In case of any conflicts, the regulatory text will prevail. Minimum and Maximum penalties may be affected by factors in mitigation or aggravation, pursuant to regulation 12556.
If not otherwise listed, penalties may be stayed on the imposition of terms, conditions, or fines at the Commission's discretion, pursuant to regulation 12554, subsection (d).

Legend:
GGR = Average Daily Gross Gaming Revenue
TPPPPS = Third-Party Providers of Proposition Player Services

Type Of Offense	Type Of License	Minimum Penalty	Maximum Penalty	Regulation Reference (4 CCR)
Adequate Financing				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(2), stay 12566(b); 12566(c)(4)
Badge Violations				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(5)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(5)
Bribery				
	TPPPPS - Owner	5 days	Revocation	12560(b)(17)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(11)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(6)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(9)
Campaign Finance violation				
	TPPPPS – Owner	5 days	Revocation	12560(b)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(5)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(9), stay 12566(b); 12566(c)(12)

Cheating				
	TPPPPS – Owner	5 days	Revocation	12560(b)(9), (13)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(7)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(2)
Conviction – law related to gambling				
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day or 5 days	Revocation	12568(a)(2), (3); 12568(b)(12),(13)
Conviction - Moral Turpitude Crimes				
	TPPPPS – Owner or Employee	Revocation	Revocation	12560(e)(1)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1)
Dishonest controlled gaming activities				
	TPPPPS - Owner	5 days	Revocation	12560(b)(4)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(4)
Extortion				
	TPPPPS - Owner	5 days	Revocation	12560(b)(14)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(3)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(8)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(5)
Failure to Pay Fees				
	TPPPPS – Owner (Annual Fees)	5 days	Revocation	12560(b)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(6)
	Gambling Establishment	5 days	Revocation	12566(c)(11)
Fighting				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(6)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(6)

Loan-sharking				
	TPPPPS - Owner	5 days	Revocation	12560(b)(15)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(4)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(9)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(6)
Misrepresenting material fact on application				
	TPPPPS - Owner	5 days	Revocation	12560(b)(3)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(3)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(1)
Money Laundering				
	TPPPPS - Owner	5 days	Revocation	12560(b)(18)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(7)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(12)
	Gambling Business - Employee	5 days	Revocation	
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(10)
Narcotics				
	TPPPPS - Owner	5 days	Revocation	12560(b)(16)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(10)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(5)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(7)

Non-Qualification				
	Work Permitee	3 days	Revocation	12558(b)
	TPPPPS - Owner	Revocation	Revocation	12560(e)(1),(2)
	TPPPPS - Employee	Revocation	Revocation	12560(e)(1),(2)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1), (2)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1), (2)
	Gambling License, Finding of Suitability, Approval (not work permit)	Revocation	Revocation	12568(c)(1), (3), (4)
Property Damage				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(7)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(7)
Tips				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(8)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(8)
Unauthorized Practice				
	TPPPPS – Owner (12200)	5 Days	Revocation	12560(b)(22)
	Gambling Business– Owner (12220)	$2500 and/or 5 days	Revocation	12562(b)(13)
	Gambling Establishment	5 days	Revocation	12566(c)(5)
Unsuitable Gaming Activities				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(14), stay 12566(b); 12566(c)(17)
Violation of Gambling Control Act				
	Work Permitee - 19914	3 days	Revocation	12558(a)
	Gambling Establishment – 19850, 19851, 19853, 19854, 19855, 19883, 19901 (ownership/key)	5 days	Revocation	12566(c)(6)
	Gambling Establishment – 19878	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(5), stay 12566(b); 12566(c)(7)
	Gambling Establishment – 19912 (work permit)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(6), stay 12566(b); 12566(c)(8)

	Gambling Establishment – 19921 (failure to exclude)	5 days	Revocation	12566(c)(9)
	Gambling Establishment – 19924 (security controls)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(8), stay 12566(b); 12566(c)(10)
	Gambling Establishment – 19941 (under 21)	5 days	Revocation	12566(c)(9)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19817 (untruthful)	5 days	Revocation	12568(b)(2)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19944 (interference)	5 days	Revocation	12568(b)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19863 (racetrack)	Revocation	Revocation	12568(c)(2)
Violation of Chapter 9 and 10 of Penal Code				
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(4)
Violation of any gambling law				
	TPPPPS – Owner	5 days	Revocation	12560(b)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(2)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(1), stay 12566(b); 12566(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day; 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Violation of law – nexus				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(3)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – crime of fiscal dishonesty	1 day; 5 days	Revocation	12568(b)(11)

Violation of Regulations			
Work Permitee	3 days	Revocation	12558(d)
TPPPPS – Owner (12200.7(b)(9), (11), (15), (18), (19), (21), (22), or (c), or 12200.9)	5 days	Revocation	12560(b)(7)-(12), (19)
TPPPPS – Owner (12200.13, or 12200.18 (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n))	5 days	Revocation	12560(b)(20), (21)
TPPPPS - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12560(c)(8), (9)
TPPPPS – Employee (12200.7, 12200.18(b), (c), (d), (f), (g), (h), (i), (j), or (k))	$300 and/or 5 days	Revocation	12560(d)(8), (9)
Gambling Business - Owner (12220.18 a, b, d, e, f, l, m)	$2500 and/or 5 days	Revocation	12562(b)(14)
Gambling Business - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12562(c)(9), (10)
Gambling Business - Employee (12220.18 c, d, f, g, h, i, j, k)	$300 and/or 5 days	Revocation	12562(d)(8)
Manufacturers or Distributors (12303(b))	Suspension	Revocation	12564
Gambling Establishment (Accounting Regs)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(10), (11), stay 12566(b); 12566(c)(13), (14)
Gambling Establishment – 11 CCR 2050 (Key on premises)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(12); stay 12566(b); 12566(c)(15)
Gambling Establishment – 11 CCR 2052 (Failure to furnish information)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(13); stay 12566(b); 12566(c)(16)
Gambling Establishment – 11 CCR 2070 (unsuitable gaming activities)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(14); stay 12566(b); 12566(c)(17)

Violation of Act, Regulations or Ordinances, or mandatory duties not listed				
	TPPPPS – Owner	1 day, stay	1 day	12560(a)
	Gambling Business - Owner	1 day, stay	1 day	12562(a)
	Gambling Establishment	1 day, stayed on monetary penalty	1 day	12566(a)
Violation of Conditions				
	Work Permitee	3 days	Revocation	12558(c)
	TPPPPS – Owner	5 days	Revocation	12560(b)(1)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(1)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(1)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 days	Revocation	12568(a)(1)
Conduct inimical				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(6)
	Gambling License – Owner Licensee (not taking reasonable steps to prevent crimes)	5 days	Revocation	12568(b)(8)

CHAPTER 11. CONFLICTS OF INTEREST.

12590. CONFLICT OF INTEREST CODE.

The Political Reform Act (Government Code section 81000, *et seq*.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code, and which may be amended by the FPPC, to conform to amendments in the Political Reform Act, after public notice and hearings. The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the FPPC, along with the attached Appendix A, in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Gambling Control Commission ("Commission").

Designated employees shall file statements of economic interests with the FPPC filing officer in the Commission who will make the statements available for inspection and reproduction. With respect to the Commissioners, and the Executive Director of the Commission, the Commission shall make and retain a copy and forward the original of these statements to the FPPC.

Note: Authority cited: Section 87300, Government Code. Reference: Sections 87300 and 87302, Government Code.

12591. SEPARATION FROM COMMISSION EMPLOYMENT; PROHIBITED ACTIVITIES; DESIGNATION OF COMMISSION EMPLOYEES.

(a) Pursuant to Business and Professions Code, section 19981, subdivision (a), designated Commission employees shall not, for a period of 3 years following separation from employment, engage in specified activities for compensation. The designated Commission employees subject to the provisions of subdivision (a) of section 19981 include, without regard for their duties and responsibilities:

(1) All Deputy Directors.

(2) The Chief Counsel.

(3) All Staff Counsels.

(b) In addition to those Commission employees designated in subsection (a), the designated Commission employees subject to the provisions of subdivision (a) of section 19981 include the following if their duties and responsibilities involve activities related to administrative actions, or any action or proceeding related to the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome:

(1) Senior Management Auditor.

(2) Staff Management Auditor.

(3) Staff Services Management Auditor.

(4) Staff Services Manager II.

(5) Staff Services Manager I.

(6) Associate Information System Analyst.

(7) Associate Management Auditor.

(8) Associate Governmental Program Analyst.

(9) Staff Services Analyst.

(10) Any employee whose classification is not listed and whose job description involves activities related to administrative actions, or any action or proceeding related to the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome.

Note: Authority cited: Sections 19840, 19841 and 19981 of the Business and Professions Code.
Reference: Section 19981 of the Business and Professions Code.

APPENDIX A LIST OF DESIGNATED POSITIONS AND ASSIGNED DISCLOSURE CATEGORIES

See following page

APPENDIX A

CALIFORNIA GAMBLING CONTROL COMMISSION
CONFLICT OF INTEREST CODE

List of Designated Positions	Assigned Disclosure Categories
COMMISSIONERS	
Commissioners	1
EXECUTIVE ADMINISTRATION	
Executive Director	1
Deputy Executive Director	1
Staff Management Auditor	1
Executive Assistant	2
LEGAL DIVISION	
Chief Counsel	1
Staff Counsel III	1
Staff Counsel	1
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
LEGISLATIVE & PUBLIC AFFAIRS OFFICE	
Deputy Director	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
SUPPORT SERVICES	

Deputy Director	1
Staff Services Manager 1	1
Senior Programmer Analyst	2, 3
Systems Software Specialist I	2, 3
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
Senior Accounting Officer	2, 4
Associate Budget Analyst	4
Associate Information System Analyst (Specialist)	2, 3
Associate Personnel Analyst	4
LICENSING DIVISION	
Deputy Director	1
Staff Services Manager I	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
COMPLIANCE DIVISION	
Deputy Director	1
Senior Management Auditor	1
Staff Management Auditor	2
Associate Management Auditor	2
Staff Services Management Auditor	2

Management Service Technician	2
Associate Information System Analyst (Specialist)	2, 3
CONSULTANTS	
Consultant	

DISCLOSURE CATEGORY 1 – Full disclosure is required. Any officer, employee, or consultant in this category shall disclose all interest in real property in the State of California, as well as investments, business positions, and sources or income, including gifts and travel payments.

DISCLOSURE CATEGORY 2 – Any officer, employee, or consultant in this category shall disclose investments, business positions, and sources of income including gifts and travel payments, from any manufacturer or distributor of gambling equipment; holder of a finding of suitability issued pursuant to a tribal-state compact; Indian tribe; holder of a state gambling license (including a key employee of a gambling establishment); holder of a work permit; applicant for a state gambling license; applicant for a work permit; applicant for licensure as a third-party provider of proposition player services; applicant for registration as a third-party provider of proposition player services; applicant for registration as a manufacturer or distributor of gambling equipment; applicant for a finding of suitability under a tribal-state compact; or applicant for any other license, permit or approval provided for in the Gambling Control Act, any regulation adopted pursuant the Gambling Control Act, or any tribal-state compact. Any person in this category shall also disclose any interest in real property in the State of California.

DISCLOSURE CATEGORY 3 – A designated employee in this category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provide information technology systems including: hardware, software, equipment, or consulting services, of the type utilized at the Commission.

DISCLOSURE CATEGORY 4 – A designated employee in the category shall report all investments, business positions and income, including gifts, loans and travel payments, from sources that provides or provided within the previous two years services, supplies, equipment, vehicles, machinery, leased facilities, including training or consulting services, of the type utilized by the Commission.

CONSULTANT DISCLOSURE CATEGORY – Consultants shall be placed in disclosure category 1, subject to the following limitation: the Executive Director may determine in writing that a particular consultant although a "designated position", has been hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this Code. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Director's determination is a public record and shall be retained for public inspection in the same manner and locations as this Conflict of Interest Code.

TITLE 11. LAW

DIVISION 3. GAMBLING CONTROL

CHAPTER 1. THE BUREAU OF GAMBLING CONTROL.

ARTICLE 1. BUREAU OF GAMBLING CONTROL POWERS AND JURISDICTION.

2000. JURISDICTION.

The following regulations are adopted by the Chief of the Bureau of Gambling Control (Bureau) pursuant to the Gambling Control Act ("Act") commencing with Business and Professions Code section 19800.

Note: Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code. Reference: Sections 19826 and 19827 of the Business and Professions Code.

2001. EXEMPTIONS AND EXTENSIONS FOR COMPLIANCE.

Upon a showing of good cause, the Chief, in his or her sole discretion, may grant a temporary exemption or extension of time only for any of the requirements or deadlines provided for in these regulations. Such exemption or extension shall be in writing and designate a specific time period for the exemption or extension.

Note: Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code. Reference: Section 19826 of the Business and Professions Code.

ARTICLE 2. DEFINITIONS.

2010. DEFINITIONS.

For purposes of these regulations, the following terms have the following meanings:

(a) "Act" means the California Gambling Control Act, Chapter 5 (commencing with Section 19800), of Division 8, of the Business and Professions Code.

(b) "Approval" means authorization by the Bureau for certain acts, transactions, events and/or processes as provided in the Act.

(c) "Chip" means a tangible representative of value issued by a licensee to a patron.

(d) “Day” means calendar day unless otherwise specified.

(e) “Designated Agent” means a person(s) appointed by the owner(s) of a gambling establishment or the primary owner of a third-party provider of proposition player services or gambling business to serve as their representative.

(f) "Gaming Activity" means any activity or event including, but not limited to, jackpots, bonuses, promotions, cashpots, tournaments, etc., that is appended to or relies upon any controlled game.

(g) "Wager" means a sum of money or thing of value risked or bet on the outcome of a controlled game.

Note: Authority cited: Sections 19800, 19801, 19803, 19810, 19850 and 19910, Business and Professions Code. Reference: Sections 19805(f), 19851, 19854, 19867, 19880, and 19890, Business and Professions Code and Sections 15001, 15001.1, and 15001.2, Government Code.

ARTICLE 3. ADMINISTRATION.

2020. SERVICE OF NOTICES, ORDERS AND COMMUNICATIONS.

(a) Except as otherwise provided by law or these regulations, notices and other written communications shall be sent to an applicant, licensee, or designated agent by first-class mail, at the address of the establishment, unless a different address is otherwise designated by the applicant, licensee, or designated agent.

(b) The time specified in any such notice or communication shall commence to run from the date such mailing is postmarked.

(c) Any change of address shall be reported to the Bureau, in writing within 10 days of such change, and shall specifically request that all notices and written communications be sent to the changed address.

Note: Authority cited: Sections 19826 and 19827 of the Business and Professions Code. Reference: Section 19827 of the Business and Professions Code.

2021. SEPARATION FROM EMPLOYMENT.

Designation of Bureau Employees Pursuant to Business and Professions Code, section 19981, subdivision (a), specified Bureau employees shall not, for a period of 3 years following separation from employment, act in certain capacities involving administrative action or the issuance, amendment, awarding, or revocation of a license, permit, or approval. Bureau employees subject to the provisions of Business and Professions Code section 19981, subdivision (a) include:

a. Chief

b. Assistant Bureau Chief

c. Special Agent in Charge

d. Special Agent Supervisor

e. Special Agent or Special Agent Trainee

f. Field Representative

g. Auditor

h. Department of Justice Administrator I, Department of Justice Administrator II, or Department of Justice Administrator III

i. Staff Services Analyst working in a permitting, licensing, or approval capacity

j. Associate Governmental Program Analyst working in a permitting licensing, or approval capacity or,

k. Any employee whose class is not listed and whose job description involves actions related to the issuance, amendment, awarding, or revocation of a permit, license, or approval.

Note: Authority cited: Sections 19826 of the Business and Professions Code. Reference: Sections 19981.

ARTICLE 4. LICENSURE QUALIFICATIONS AND REQUIREMENTS.

2030. DESIGNATED AGENT.

(a) An applicant or a licensee may designate a person(s) to serve as their agent(s), on a form Appointment of Designated Agent, BGC-APP. 008 (Rev.11/07), incorporated by reference into Title 4, CCR, Section 12342. The Bureau retains the right to exercise its discretion to disapprove, in whole or in part, such designation.

(b) In the discretion of the Bureau, an applicant or licensee may be required to appoint a designated agent(s) if the Bureau determines the need for such an agent(s) exists.

Note: Authority cited: Sections 19826, and 19827 of the Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5. Reference: Sections 19826.

2037. SCHEDULE OF INVESTIGATION AND PROCESSING COSTS.

(a) An applicant shall submit a deposit in accordance with Business and Professions Code sections 19867 and 19984, and Title 4, CCR, Chapters 2.1 and 2.2, in addition to the application fee required under Business and Professions Code section 19951(a), before the Bureau initiates any background investigation or review related to a license, a finding of suitability, or an approval. During the investigation or review, the Chief may require an applicant to deposit any additional sums as are required to pay all costs and charges of the investigation or review. Additional deposits are due to the Bureau within fifteen (15) days from the date of the request for the required deposit. All costs and charges of the investigation or review must be paid before the Bureau may approve a contract or make a recommendation to the California Gambling Control Commission.

The investigation or review concludes upon the California Gambling Control Commission's approval or denial of the application or the granting of a request to withdraw the application. For contracts, the review concludes upon the Bureau's approval or denial of the application or the request to withdraw the application. At the conclusion of the investigation or review, the Bureau shall provide the applicant with an itemized accounting of the costs incurred and shall refund any unused portion of the deposit.

(1) The Bureau's schedule of deposits for investigation and processing costs under Business and Professions Code section 19867 shall be as follows:

(A) An applicant (Sole Proprietor, Corporation, Partnership, Shareholder, Partner, etc.), other than a trust, for an initial State Gambling License, shall submit a deposit in the amount of $5,000;

(B) An applicant for an initial State Gambling License that is a trust shall submit a deposit in the amount of $900;

(C) An applicant for an initial State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $750;

(D) An applicant for an initial Key Employee License shall submit a deposit in the amount of $1,200;

(E) An applicant (Sole Proprietor, Corporation, Partnership, Shareholder, Partner, etc.), other than a Trust, for a Renewal of a State Gambling License, shall submit a deposit in the amount of $600;

(F) An applicant for a Renewal of a State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $200;

(G) An applicant for a Renewal of a Key Employee License shall submit a deposit in the amount of $200;

(H) If after a review it is determined that further investigation is needed, a deposit in the amount of $200 shall be required for the review of an application for a Renewal of a State Gambling License for a Trust.

(I) An application for a Game or Gaming Activity review shall be accompanied by a deposit in the amount of $315; and

(J) If after a review it is determined that further investigation is needed, a deposit in the amount of $252 shall be required to review an amendment or change to any Bureau-approved game or gaming activity.

(2) The Bureau's schedule of deposits for investigation and processing costs under Business and Professions Code section 19984 and Title 4, CCR, Chapters 2.1 and 2.2, shall be as follows:

(A) An application for Proposition Player Contract approval shall be accompanied by a deposit in the amount of $600;

(B) An application for Proposition Player Contract Amendment approval shall be accompanied by a deposit in the amount of $450.

(C) A completed supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 for Primary Owner or Owner shall be accompanied by a deposit in the amount of $5,000;

(D) A completed supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 for a Supervisor shall be accompanied by a deposit in the amount of $1,200;

(E) A request for an expedited review of a Proposition Player Contract shall be accompanied by a deposit in the amount of $360;

(F) If after a review of the supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 of a Player or Other Employee it is determined that further investigation is needed, a deposit in the amount of $315 shall be required.

Note: Authority cited: Sections 19826, 19867, and 19984, Business and Professions Code. Reference: Sections 19805(b), (i), and (j), 19827, 19853(b), 19867, 19950(b), 19951, and 19984, Business and Professions Code.

2038. Required Forms.

In accordance with Title 11, CCR, section 2071, an applicant shall request approval from the Bureau prior to offering for play any game or gaming activity. The following application forms and instructions for making such requests are hereby incorporated by reference:

(a) BGC-APP. 026 (Rev. 11/07) Application for Game Review

(b) BGC-APP. 027 (Rev. 11/07) Application for Gaming Activity Review

Note: Authority cited: Sections 19826(f) and (g), Business and Professions Code. Reference: Sections 19826(f) and (g), and 19866, Business and Professions Code.

ARTICLE 5. OPERATION OF GAMBLING ESTABLISHMENTS.

2050. OWNER OR KEY EMPLOYEE ON PREMISES.

(a) A gambling establishment shall have on the premises, at all times that the establishment is open to the public, an owner licensee or a key employee who shall have the responsibility and authority to ensure immediate compliance with the Act and these regulations.

(b) Subdivision (a) notwithstanding, gambling establishments with a reported gross revenue of less than $200,000 for the preceding fiscal year, upon written request by the owner licensee, the Bureau, in its discretion, may approve a written plan whereby the owner licensee or a designated employee, who shall have the responsibility and authority to ensure compliance with the Act and these regulations, shall be promptly available by telephone. The plan shall identify each such individual by name, title, and telephone contact number, as well as identifying the days and hours available as the designated contact.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Sections 19920 and 19924, Business and Professions Code.

2051. GAMBLING CHIPS.

Each gambling establishment shall maintain a set of chips for use at gambling tables. These chips shall be designed, manufactured, and constructed so as to prevent, the counterfeiting of such chips, and licensees may be required to submit their chips to the Bureau for approval.

Note: Authority cited: Sections 19826, and 19827, of the Business and Professions Code. Reference: Section 19924, Business and Professions Code.

2052. INFORMATION TO BE FURNISHED BY LICENSEES.

(a) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Bureau a written report which identifies every person who at any time during the prior six months, received, or had a right to receive, payments which were calculated or based upon the earnings, profits or receipts generated from controlled gambling at the gambling establishment.

(b) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Bureau a written report, which identifies every person to whom, at any time during the prior six months, any interest in the assets, earnings, profits or receipts of the gambling establishment have been pledged or hypothecated.

(c) Within five days of any owner licensee or key employee obtaining knowledge or notice of any possible violation of the Act or these regulations, a written report shall be submitted to the Bureau, which details the nature of the violation, the identities of those persons involved in the violation, and describes what actions have been taken to address the violation.

Note: Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code. Reference: Section 19924, Business and Professions Code.

2053. Adequate Financing.

(a) The Bureau may require a gambling establishment to present satisfactory evidence that there is adequate financing available to protect the public's health, safety and welfare.

(b) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total value of the chips in use by the gambling establishment. The funds from that account may only be used to redeem the chips of that gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Bureau may allow the gambling establishment to provide some other form of security acceptable to the Bureau, in lieu of maintaining the required account.

(c) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total amount of the monies that patrons of that gambling establishment have on deposit with the gambling establishment. The funds from that account may only be used to return to the patrons the balance of monies on deposit with the gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Bureau may allow the gambling establishment to provide some other form of security acceptable to the Bureau, in lieu of maintaining the required account.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Sections 19920 and 19924, Business and Professions Code.

Article 6. General Reporting

2060. Employee Reports.

(a) Upon request of the Bureau, a licensee shall promptly supply a list of all employees and each employee's job classification and job description.

(b) Within 10 days after making any changes in the organizational structure, an owner licensee shall submit to the Bureau an updated chart identifying such changes.

(c) On or before January 15 and July 15 of each year, each owner licensee shall submit a report identifying key employees, on a form provided by the Bureau, Key

Employee Report, form BGC-LIC. 101 (Rev. 11/07), incorporated by reference into Title 4, CCR, section 12342.

Note: Authority cited: Sections 19826(f), and 19827, Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5. Reference: Sections: 19805(q) and 19826 , Business and Professions Code.

ARTICLE 7. GAMES.

2070. UNSUITABLE GAMING ACTIVITIES.

It shall be an unsuitable method of operation for a gambling establishment to:

(a) Offer for play any game that is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law;

(b) Offer for play any gaming activity which is not authorized by the Bureau pursuant to the Act and these regulations for play at that gambling establishment;

(c) Fail to display at every table where a game is offered, the specific name of the game, or the variation thereof, that is then available for play at the table;

(d) Fail to give ample notice of the fee collection rates applicable to each table to the patrons of the gambling establishment;

(e) Fail to determine and collect applicable fees from all players at the table prior to the start of play of any hand or round; and,

(f) Fail to place in a conspicuous place, or make readily available to the patrons, a printed list of the rules of play for each gaming activity offered at the gambling establishment.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19801, 19826, 19866, and 19920, Business and Professions Code.

2071. GAMING ACTIVITY AUTHORIZATION.

(a) As part of the application for initial licensure, every applicant shall submit to the Bureau a report identifying all gaming activities proposed to be offered at the gambling establishment. The report shall include, but not be limited to, the following:

(1) The name of each gaming activity;

(2) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;

(3) A glossary of distinctive terms or phrases used in each gaming activity;

(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,

(5) Such other information the Bureau, in its discretion, requests. Unless a reported gaming activity is specifically disapproved by the Bureau, all gaming activities identified in the required report shall be deemed authorized upon issuance of the initial license. It shall be an unsuitable method of operation to offer for play any gaming activity that was not specifically identified in the required report, without first obtaining authorization from the Bureau to do so.

(b) At any time after initial licensure, a gambling establishment may request the Bureau to authorize a gaming activity which has not been previously authorized by the Bureau, for use at that establishment. Within 30 days of a request for authorization of a gaming activity, the Bureau shall review the request for completeness and notify the licensee of any deficiencies in the request, or that the request is complete. Within 90 days from the date a licensee is notified that the request is complete, the Bureau shall act on the request. The request shall include, but not be limited to, the following:

(1) The name of each requested gaming activity;

(2) The rules for each requested gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;

(3) A glossary of distinctive terms or phrases used in each gaming activity;

(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,

(5) Such other information the Bureau, in its discretion, requests. It shall be an unsuitable method of operation to offer for play any requested gaming activity without first obtaining authorization from the Bureau to do so.

(c) The Bureau, in its sole discretion, may temporarily authorize the play of a gaming activity during the pendency of the Bureau's review. The Bureau, in its sole discretion, may withdraw this temporary authorization at any time. Such temporary authorization does not create any presumption as to the suitability or lawfulness of the gaming activity, nor does it create any right, of any nature whatsoever, to the continuing play of the temporarily authorized gaming activity at the establishment.

(d) If upon subsequent review it is determined by the Bureau that a gaming activity is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law, then the authorization for that gaming activity shall be withdrawn.

(e) Within 10 days of service of notice from the Bureau either disapproving of, or withdrawing authorization for, a gaming activity as provided in subdivisions (a), (b) and (d) above, an objection thereto may be filed with the Chief. The Chief, in his or her discretion, may then grant or deny the objection. Judicial review of the Chief's decision is subject to the limitation of Business and Professions Code Section 19804.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19801, 19826, 19865, 19866, 19920, 19924, and 19932, Business and Professions Code.

2072. Report of Gaming Activities.

On or before January 1 and July 1 of each year, each licensed gambling establishment shall submit a report to the Bureau identifying all gaming activities offered at the gambling establishment at any time during the prior six months. The report shall include, but not be limited to, the following:

(a) The name of each gaming activity;

(b) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;

(c) A glossary of distinctive terms or phrases used in each gaming activity;

(d) The dates on which each gaming activity was offered;

(e) Copies or transcripts of all advertisements used to promote the gaming activity; and,

(f) Such other information the Bureau, in its discretion, requests.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19826 and 19866, Business and Professions Code.

Article 13. Transitional Provisions.

2140. Definitions.

For purposes of this Article, the following terms have the following meanings:

(a) "Annual registration" means a registration issued under the former Gaming Registration Act (former Business and Professions Code Section 19800 et seq.).

(b) "Conditional registration" means a registration issued pursuant to former Business and Professions Code Section 19807(c).

(c) "Provisional license" means a license that is either granted by operation of law pursuant to Statutes of 1997, Chapter 867, Section 62, or is issued by the Chief pursuant to that section.

Note: Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62.

2141. Provisional Licenses.

(a) A provisional license is held subject to the same conditions, restrictions, and limitations on the authorization granted by the predecessor annual or conditional registration.

(b) A provisional license is held subject to all terms and conditions under which a state gambling license is held pursuant to the Act.

(c) A provisional license creates no vested right to the issuance of a state gambling license.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62(a) and (b)(1).

2142. Presumption of Suitability.

(a) Every natural person who holds a provisional license as a result of holding a valid and unexpired annual registration, on December 31, 1997, shall be rebuttably presumed to be suitable for licensure pursuant to the Act.

(b) The rebuttable presumption described in Stats. 1997, ch. 867, section 62(g) subdivision (a) shall not apply to any other holder of a provisional license.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62(c) and (g).

TRIBAL GAMING REGULATIONS

CGCC-1. LETTER-OF-CREDIT-BACKED BONDS.

(a) A holder of any bond issued by a Compacted Tribe or tribal entity of the Compacted Tribe is not a Financial Source requiring licensing under section 6.4.6 of a Tribal-State Compact (Compact) or a determination of suitability under Compact section 6.5.6, so long as the criteria set forth in both paragraphs (1) and (2) are met:

(1) The bond, and any payments required thereby, are solely secured by and payable from amounts available under a letter of credit issued by a federal or state chartered bank, savings association, savings bank, credit union, or other financial institution with deposits insured by an agency or instrumentality of the United States Government, or issued by a bank not domiciled in the United States that has United States banking operations that are supervised by a federal or state banking authority.

(2) Neither the holder of the bond nor any person acting on behalf of the holder has any right to enforce any payment obligation relating to the bond as against any revenues, property, or rights of the Compacted Tribe or a tribal entity of the Compacted Tribe.

(b) Nothing in this regulation shall be construed to preclude a Tribal Gaming Agency from requiring licensure of bondholders otherwise exempted by this regulation.

(c) Nothing in this regulation shall be construed to supersede or limit the authority otherwise of a Tribal Gaming Agency to make discretionary exclusions from the licensing requirements of Compact section 6.4.6, where expressly permitted by those provisions.

(d) As used in this regulation:

(1) "Bond" means any security within the meaning of the Securities Act of 1933 (15 U.S.C. 77a et. seq.) that constitutes an evidence of indebtedness issued pursuant to a trust indenture between the issuer of the security and a trustee who has a right to enforce the terms of the bonds on behalf of all holders of the bonds.

(2) "Compacted Tribe" means any federally recognized Indian tribe that has entered into a Compact with the State, including any tribe operating fewer than 350 Gaming Devices.

(3) "Holder" means the record or beneficial owner of a bond.

(4) "Tribal entity" means a Compacted Tribe and any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe.

CGCC-2. REGISTRATION OF QUALIFIED BONDHOLDERS.

(a) This regulation authorizes any entity described in subsection (f) of this regulation (and only such an entity) that is an actual or prospective holder of any bond issued by or on behalf of a Compacted Tribe to register as a Financial Source with the California Gambling Control Commission. Registration and renewal of registration under this regulation shall constitute a determination of suitability under section 6.5.6 of the Tribal-State Gaming Compacts (Compact). If an entity is properly registered under this regulation, no other person with respect to such entity that is identified in section 6.4.7 of the Tribal-State Gaming Compact shall be required to be separately licensed or registered. However, nothing in this regulation requires a Tribal Gaming Agency to use the procedures set forth in this regulation in lieu of a specific determination of suitability under section 6.5.6.

(b) For purposes of sections 6.4.1, 6.4.3, and 6.4.8 of the Compact, a Tribal Gaming Agency shall be deemed to satisfy suitability standards of the Compact and the requirements for a background investigation for any Financial Source to be registered under this regulation if the Tribal Gaming Agency reasonably determines that the applicant Financial Source meets the requirements for registration under this regulation. For purposes of section 6.4.7 of the Compact, an entity described in subsection (f) of this regulation shall be required to submit as its application for licensure as a Financial Source only that information which is required to be submitted to the California Gambling Control Commission, together with any other information or documentation that the Tribal Gaming Agency may require.

(c) To obtain registration under this regulation, a Tribal Gaming Agency shall submit to the California Gambling Control Commission the license application submitted by the Financial Source to the Tribal Gaming Agency, together with a completed application for registration setting forth the name of the applicant, the address of the applicant's principal place of business, evidence that the applicant is eligible for registration as a Financial Source under this regulation, a statement signed by an authorized officer or other designee of the applicant committing the applicant to notify the Tribal Gaming Agency and the California Gambling Control Commission promptly of any termination of the applicant's eligibility under this regulation, and any other matters deemed appropriate by the Tribal Gaming Agency. The application shall be in substantially the form as set forth in subsection (n) of this regulation.

(d) As a condition of using the registration procedure set forth in this regulation, a Tribal Gaming Agency shall provide prior written notice to the California Gambling Control Commission identifying the specific issue of bonds as to which it intends to

provide for licensing and registration under this regulation. If the bond indenture includes or is to include the provisions specified in subsection (g) of this regulation, a copy of the bond indenture or proposed bond indenture in substantially final form containing such language shall be submitted with the written notice. Provided the notice is received by the Commission at least 15 days prior to the filing of an application for registration under this regulation (or such shorter period as the Commission may in its discretion allow), the Commission shall register an applicant under this regulation within five working days following receipt of notice of licensure from the Tribal Gaming Agency, unless the Commission, or an officer or employee designated by the Commission, provides notice to the Tribal Gaming Agency licensing the applicant that there is insufficient evidence of, or factual questions concerning, the applicant's eligibility for registration.

(e) Registration of an eligible Financial Source under this regulation shall be automatically renewed every two years, so long as licensure of the Financial Source by the Tribal Gaming Agency remains effective, provided, however, that registration shall terminate and shall not be renewed upon a determination by the California Gambling Control Commission that the registered Financial Source fails to meet or has ceased to meet the eligibility criteria of subsection (f) of this regulation. Prior to any non-renewal of registration under this subsection (e), the California Gambling Control Commission shall notify the Tribal Gaming Agency of each affected Tribe and afford each such Tribe an opportunity to be heard on the matter.

(f) Any of the following entities (including all wholly-owned subsidiaries), acting for its own account or the accounts of other entities specified in this subsection (f), that in the aggregate owns at least one hundred million dollars ($100,000,000) of securities of issuers that are not affiliated with the entity shall be deemed to qualify for registration under subsection (d) of this regulation:

(1) Any federal-regulated or state-regulated bank or savings association or other federal- or state-regulated lending institution.

(2) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.

(3) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(4) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or

any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

(5) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).

(6) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(7) Any entity, all of the equity owners of which individually meet the criteria of this subsection (f).

(g) If any bond issued by or on behalf of a Compacted Tribe (or beneficial ownership therein) is transferred, subsequent to its sale to the initial holder, to a transferee holder that is not licensed or that is not exempt from licensing pursuant to Compact section 6.4.6, then neither that transferee holder nor any person acting on behalf of that transferee holder shall have any right to enforce any payment obligation relating to the bond as against any revenues, property, or rights of the Compacted Tribe or any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority or wholly-owned corporation or business of the Compacted Tribe until such time as the transferee holder is licensed by the Tribal Gaming Agency of the Compacted Tribe; provided, however, that any obligation of payment to a holder that has been determined to be unsuitable, pursuant to Compact section 6.5.6 shall be governed by Compact section 6.4.6. If the terms of the bond indenture for the bond (1) include the foregoing limitation of this subsection and (2) prohibit the trustee for the bond and the Compacted Tribe (or any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe) from making any payment of principal or interest on the bond (i) as a result of any enforcement action commenced by or on behalf of the trustee or any holder or (ii) after payment of the bond has been accelerated because of a default under the bond indenture, except to a holder that is licensed or exempt from licensure pursuant to Compact section 6.4.6, then the holding of the bond by a transferee holder without licensing as provided in Compact section 6.4.6 shall not cause a breach of the Compact and shall not affect the validity, enforceability or payment obligations of any other bond.

(h) Notwithstanding any other provision of this regulation, the following persons and entities shall not be deemed to be Financial Sources subject to licensing under Compact section 6.4.6 or a determination of suitability under Compact section 6.5.6, including registration under this regulation, solely by reason of meeting the criteria set forth in paragraph (1) or (2), as follows:

(1) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.) acting in one or more transactions to purchase from any person and resell bonds issued by or on behalf of a Compacted Tribe, if, no later than thirty (30) days after the securities dealer acquires the bonds, fully offsetting sales of such bonds are made to one or more entities specified in subsection (f) of this regulation or to other persons or entities that are either (i) licensed pursuant to Compact section 6.4.6 and found suitable pursuant to Compact section 6.5.6, including registration under this regulation, or (ii) exempt from licensing pursuant to Compact section 6.4.6.

(2) Any person acting solely as a "clearing corporation," as defined in California Uniform Commercial Code section 8102, paragraph (5), with respect to any bonds issued by or on behalf of a Compacted Tribe that are issued in so-called "book-entry" form.

(i) For purposes of this regulation, bonds shall be deemed to be issued by or on behalf of a Compacted Tribe if issued by the Compacted Tribe or by any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe.

(j) Nothing in this regulation shall be construed to supersede or limit the authority otherwise of a Tribal Gaming Agency to make discretionary exclusions from the licensing requirements of Compact section 6.4.6, where expressly permitted by those provisions.

(k) As used in this regulation:

(1) "Bond" means any security within the meaning of the Securities Act of 1933 (15 U.S.C. 77a et. seq.) that constitutes an evidence of indebtedness issued pursuant to a trust indenture between the issuer of the security and a trustee who has a right to enforce the terms of the bonds on behalf of all holders of the bonds.

(2) "Compacted Tribe" means any federally recognized Indian tribe that has entered into a Compact with the State of California, including any tribe operating fewer than 350 Gaming Devices.

(3) "Initial holder" means with respect to any issue of bonds, any holder of record of a registered bond of the issue and any beneficial owner of a book-entry bond of the issue who, in either case, acquired its interest in the bond in connection with the initial sale thereof from the issuer or from a placement agent, underwriter or similar intermediary for the initial sale, directly or indirectly.

(4) "Holder" means the record or beneficial owner of a bond.

(5) "Transferee holder" means a holder acquiring record or beneficial ownership of a bond from the initial holder or any subsequent holder.

(l) The California Gambling Control Commission agrees that it will not limit or alter the rights vested by this regulation in any holder and that each such holder will be deemed to have relied on this subsection.

(m) Nothing in this regulation shall modify or otherwise affect the rights and obligations of the State or any Compacted Tribe under Compact sections 9.0 through 9.4.

(n) An application for registration under this regulation shall be in substantially the following form: *see following page*

STATE OF CALIFORNIA
CALIFORNIA GAMBLING CONTROL COMMISSION (04/02)

APPLICATION FOR REGISTRATION AS A FINANCIAL SOURCE

The applicant described below hereby applies to the California Gambling Control Commission (Commission) for registration as a Financial Source under Regulation CGCC-2 of the Commission.

Part I - Applicant Information	
Applicant Name:	Date of Application
Applicant's Form of Incorporation or Organization	
Applicant's Place of Incorporation or Organization	
Applicant's Principal Place of Business Address (street, city, state, ZIP)	
Authorized Contact Person	
Title	Telephone Number ( )
Name of the Tribe to which financing being provided	

Part II - Eligibility Requirements

- Attached as Exhibit A to this application is the application for licensing submitted by the Applicant to the Tribal Gaming Agency of the Tribe named in Part I pursuant to Section 6.4.6 of the Tribal-State Gaming Compact between such Tribe and the State of California
- Attached as Exhibit B to this application
  - Evidence that the applicant (including all wholly-owned subsidiaries), acting for its own account or the accounts of other entities specified in clause (b) below, owns in the aggregate at least $100,000,000 of securities of issuers that are not affiliated with the applicant; and
  - Evidence that the applicant is on of the following types of entities (as indicated by applicant):
    - A federal-regulated or state-regulated bank or savings association or other federal- or state-regulated lending institution;
    - A company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance of the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state;
    - An investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
    - A retirement plan established and maintained by the United States of America, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;
    - An employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.);
    - A securities dealer registered pursuant to the federal Security Exchange Act of 1934 (15 U.S.C. Section 78a et seq.); or
    - An entity, all of the equity owners of which individually meet the criteria of this clause (b).

Part III - Representation and Agreement Regarding Eligibility

The undersigned hereby represents on behalf of the applicant that the applicant is eligible to register as a Financial Source under Regulation CGCC-2. In addition, the undersigned hereby agrees on behalf of the applicant to notify the Tribal Gaming Agency of the Tribe named in Part I of this application and the California Gambling Control Commission promptly in writing of any termination of the applicant's eligibility for registration under Regulation CGCC-2.

The undersigned hereby declares that s/he is an authorized officer or designee of the applicant with full authority to execute and submit on behalf of the applicant to be registered as a Financial Source within the meaning of Regulation CGCC-2.

Signature	Title
Name of individual (please type or print)	Name of Company (please type or print)

CGCC-7. Emergency Evacuation and Preparedness Plans

(a) For the purpose of ensuring the physical safety of the gaming operation patrons and employees, and any other person while in the gaming facility pursuant to Compact section 8.1.2, the Tribal Gaming Agency shall require prompt development and implementation of an Emergency Evacuation and Preparedness Plan ("Plan") appropriate for the tribal gaming facility to include but not be limited to the following emergencies:

(1) Fires

(2) Earthquakes, Floods and Other Natural Disasters

(3) Bomb Threats

(4) Hazardous Spills or Toxic Exposure

(5) Other critical incidents, as determined by the Tribal Gaming Agency

(6) Provisions for First Aid and for Obtaining Emergency Medical Assistance for patrons, employees, and other persons while in the Gaming Facility.

(b) Each Plan shall include the following:

(1) Clear, written policies listing the job titles of the personnel who are responsible for making decisions, monitoring emergency response actions, and securing or protecting the gaming operation's cash or equivalent assets and records.

(2) Procedures addressing each of the items in subsection (a)(1) to (6), inclusive.

(3) Facility evacuation procedures including a designated meeting site or sites outside the facility.

(4) A process to account for employees after an evacuation and a process to ensure that all patrons have been evacuated.

(5) Training as deemed necessary by the Tribal Gaming Agency.

(6) Floor plans which meet with federal, state, or local standards for identification and which identify the locations of the following:

(A) Portable fire extinguishers,

(B) Manual fire alarm pull stations, if any,

(C) Exits,

(D) Primary and secondary evacuation routes for each room, and

(E) Exterior assembly areas.

(c) Each plan shall include fire and life safety standards that ensure efficient and effective coordination with and between tribal and, as the Tribal Gaming Agency deems appropriate, federal or state or local emergency response personnel.

(d) The Tribal Gaming Agency shall provide certification of the Plan annually to the Sacramento Office of the Division of Gambling Control in the California Department of Justice, and make the Plan available for review upon request by either the Division or the Commission.

(e) The Tribal Gaming Agency shall require that the gaming operation management:

(1) At least annually, review with all employees the requirements of the Plan applicable to the employee, to ensure that each employee has been informed of the provisions of the Plan applicable to his or her position and his or her specific duties under the Plan and the appropriate exit or exits to be used, where applicable.

(2) Review the requirements of the Plan with each new employee, at the time the new employee begins work, to ensure that each new employee has been informed of the provisions of the Plan applicable to his or her specific duties under the Plan and the appropriate exit or exits to be used, where applicable.

CGCC-8. MINIMUM INTERNAL CONTROL STANDARDS

(a) BACKGROUND AND PURPOSE.

(1) The 1999 Tribal-State Gaming Compact and comparable provisions of the New or Amended Compacts (collectively the "Compacts") provide under section 6.1 that each Tribe will conduct its Gaming Activities in compliance with a Gaming Ordinance adopted by the Tribe and with rules, regulations, procedures, specifications and standards adopted by the Tribal Gaming Agency ("TGA"). Section 7.1 of the Compacts places on the TGA the responsibility for the conduct of "on-site gaming regulation and control in order to enforce the terms" of the Compacts. To that end, the TGA is required to adopt and enforce regulations, procedures and practices which ensure that the Gaming Operation "meets the highest standards of regulation and internal controls." Section 8.1 of the Compacts charges the TGA with responsibility to promulgate rules, regulations and specifications and to ensure their enforcement. Certain subsections of section 8.1 of the Compacts outline matters which, at a minimum, these rules, regulations, and specifications must address (collectively, "Internal Control Standards" or "Tribal MICS"). Subject to the conditions stated therein, Sections 7.4 through 7.4.4 of the Compacts provide the State Gaming Agency ("SGA") with rights to inspect the Gaming Facility to ensure compliance with the Compacts.

(2) The purpose of this regulation is to provide a uniform and effective system for the SGA to verify that the Tribal MICS have been adopted and enforced by the TGA in accordance with the Compacts.

(3) For purposes of this regulation, the California Gambling Control Commission ("CGCC") is designated as the SGA. Only the CGCC shall be permitted to conduct compliance inspections under this regulation until the State designates a different SGA by providing written notice to the Tribes pursuant to section 13.0 of the Compacts. At no time shall more than one State agency serve as the SGA under this regulation.

(4) Nothing in this regulation shall modify or otherwise affect the rights and obligations of the SGA under the Compacts, including but not limited to the ability of the CGCC and the Department of Justice, Bureau of Gambling Control, to share documents disclosed pursuant to this regulation, subject to the Compacts' confidentiality provisions.

(5) Unless otherwise defined in this regulation, terms used in this regulation shall have the same meanings and definitions as set forth in the Compacts. Nothing in this regulation shall modify or amend the Compacts. To the

extent there is any conflict between the provisions of this regulation and the Compacts, the provisions of the Compacts shall control.

(b) INTERNAL CONTROL STANDARDS.

(1) General Requirements. Pursuant to the Compacts, each Tribe shall promulgate rules, regulations, and specifications referred to above as "Tribal MICS" regarding the operation of Class III gaming.

(2) Standard of Compliance. The Minimum Internal Control Standards ("MICS") promulgated by the National Indian Gaming Commission ("NIGC") and set forth at 25 CFR Part 542 (as in effect on October 19, 2006 or as it may be amended), if adopted by a Tribe as its Tribal MICS, satisfy the requirements set forth in section (b)(1) above.

(3) Material Compliance.

(A) Tribal MICS that Meet or Exceed MICS. Notwithstanding the fact that a Tribe has not adopted the MICS pursuant to section (b)(2), a Tribe's Tribal MICS that meet or exceed the standards set forth in the MICS will satisfy the requirements of section (b)(1).

(B) Alternative Tribal MICS. A Tribe that has not satisfied the standards set forth in sections (b)(2) or (b)(3)(A) shall promulgate rules, regulations and specifications as its Tribal MICS that comply with the Compacts' requirements addressed within this regulation.

(c) INTERNAL CONTROL SYSTEM. Each Tribe shall ensure that its Gaming Operation implements and maintains internal control systems that, at a minimum, ensure compliance with the Tribal MICS that apply to its Gaming Operation.

(d) VERIFICATION OF TRIBAL MICS. The SGA may verify a Tribe's compliance with sections (b)(2) or (b)(3). SGA verification may be accomplished by on or off-site inspection of a document that sets forth the Tribal MICS.

(e) NET WIN. The Compacts' definition of "net win" shall apply to matters covered by this regulation, rather than the definition of "net win" provided at 25 CFR 542.19(d).

(f) CGCC REVIEW OF AGREED-UPON-PROCEDURES REPORT. A Tribe may elect to provide the SGA any Agreed-Upon-Procedures report prepared in accordance with 25 CFR 542.3(f), and where applicable, all information supplied by the Tribe and the TGA, for the purpose of allowing the SGA to perform a risk assessment to determine priorities in its compliance inspections under this regulation.

(g) COMPLIANCE INSPECTION PROTOCOLS.

(1) Preface. Except where section (m) "NIGC ALTERNATIVE COMPLIANCE" applies, the SGA shall follow the protocols in this section (g) with respect to compliance inspections conducted by the SGA pursuant to this regulation. In conducting such inspections, the Tribe and the SGA acknowledge that the Tribe's role under the Compacts is to serve as the primary regulator of its Gaming Operation and the SGA's role is to assure that the Tribe's regulatory obligations are being satisfied based on sections (b)(2), (b)(3)(A) or (b)(3)(B) above.

(2) General Approach. The compliance inspection process shall be accomplished by verifying that the Tribe has adopted Tribal MICS as set forth in section (b) above and verifying that the TGA is ensuring the enforcement of the Tribal MICS.

(3) Initiation of State Compliance Process. The SGA shall notify the Tribal Chairperson and the TGA in writing at least 30 days in advance of any scheduled compliance inspection. This letter shall include a request for documents to be made available to the SGA during the on-site compliance inspection and may include a request for a dedicated work area. At the start of the compliance inspection, an entrance conference shall be held to discuss with Tribal and TGA representatives the scope of the compliance inspection, timelines and schedule.

(4) On-Site Inspection Process. The SGA shall consult with the TGA regarding the methods and means by which the Tribe determines that its regulatory efforts are being properly enforced. The SGA may conduct an on-site compliance inspection at the Tribe's gaming facility that the SGA reasonably determines is necessary to ensure compliance with the Compacts. The compliance inspection may encompass, and shall be limited to, the subject areas listed in the Tribal MICS. The SGA will exercise utmost care in the preservation of the confidentiality of any and all information and documents received from the Tribe and TGA and will apply the highest standards of confidentiality expected under state law to preserve such information and documents from disclosure. At the conclusion of the on-site compliance inspection, an exit conference will be held to provide the Tribal and TGA representatives an oral summary of SGA findings from the compliance inspection.

(h) COMPLIANCE INSPECTION REPORTS.

(1) No later than 60 days following the SGA's completion of a section (g) on-site compliance inspection, or such other time period as is mutually agreeable,

the SGA shall deliver a draft compliance inspection report ("Draft Report") to the Tribe and to the TGA, including specific compliance exceptions, if any.

(2) Following receipt of the Draft Report, the Tribe shall have 60 days, or such other time period as is mutually agreeable, to respond to the Draft Report. If the Tribe accepts the Draft Report, the SGA shall finalize the Draft Report and, within 30 days of acceptance, deliver a final Compliance Inspection Report ("Final Report") to the Tribe and the TGA. If no response to the Draft Report is received from the Tribe by the 60th day, or such other time period as is mutually agreeable, the SGA shall consider the Draft Report final. Within 20 days of the date on which the Draft Report is considered final, the SGA shall submit the Final Report to the Tribe and the TGA.

(3) Within 30 days of receipt of the Tribe' response to the Draft Report, or such other time period as is mutually agreeable, the SGA and the Tribe shall make good faith efforts to resolve any differences concerning the content of the Draft Report.

(4) If differences remain after the SGA and the Tribe have made good faith efforts to resolve them, at the option of the Tribe, the Tribe's objections to the Draft Report may be referred to the appointed/elected officials of the SGA for further consideration as provided in section (l)(2) below.

(5) The SGA shall not issue a Final Report until:

(A) The Tribe accepts the Draft Report;

(B) A dispute remains and the Tribe elects not to refer any objections to the appointed/elected officials of the SGA for further consideration; or

(C) The parties resolve, or are unable to resolve, their differences with respect to the Draft Report through referral to the appointed/elected officials of the SGA for further consideration.

(6) Any written response from the Tribe with respect to the Draft Report shall be included in and made part of the Final Report.

(i) <u>TRIBAL ACTION PLAN.</u>

(1) If the Final Report requests further action on the part of the Tribe, the Tribe may provide a written tribal action plan addressing any specific compliance exceptions ("Tribal Action Plan") within 45 days of receipt of the Final Report or such other time period as is mutually agreeable. Recognizing that the Tribe is the primary regulator of its gaming operation, the Tribe will,

within a three-month period after submitting the Tribal Action Plan, develop and implement remedial procedures identified in the Tribal Action Plan. If the SGA does not agree with the Tribal Action Plan, the Tribe and SGA will make good faith efforts to address and resolve the specific compliance exceptions identified.

(2) In the event that the SGA has requested further action in the Final Report and the Tribe has not submitted a Tribal Action Plan, the SGA and the Tribe shall, within 60 days of the Tribe's receipt of the Final Report or such other time period as is mutually agreeable, make good faith efforts to address and resolve the specific compliance exceptions contained in the Final Report.

(3) If differences remain after the SGA and the Tribe have made good faith efforts to resolve them under sections (1) and (2) above, at the option of the Tribe, the matter may be referred to the appointed/elected officials of the SGA for further consideration as provided in section (l)(2) below.

(j) CONFIDENTIALITY. Pursuant to section 7.4.3(b) of the Compacts, the SGA shall exercise utmost care in the preservation of the confidentiality of any and all documents and information received from the Tribe in compliance with this regulation and shall apply the highest standards of confidentiality expected under state law to preserve such documents and information from disclosure.

(k) PERIODIC REVIEW REGARDING THIS REGULATION.

(1) Nothing in this regulation shall be construed to preclude individual Tribes and the SGA from meeting, from time-to-time, to discuss Tribal MICS and compliance matters.

(2) The Association, as defined in section 2.2 of the Compacts and commonly known as the Tribal-State Regulatory Association, shall meet from time-to-time upon the request of any delegate to discuss possible modifications of this regulation.

(l) DISPUTES.

(1) If a dispute arises between the SGA and a Tribe involving the application or interpretation of this regulation, the parties shall make good faith efforts to resolve their differences.

(2) If these good faith discussions do not resolve the matter, at the option of the Tribe, the matter may be referred to the appointed/elected officials of the SGA for further consideration. Provided that the CGCC is serving as the SGA, the Tribe may further request that the matter be set for closed session

consideration pursuant to Government Code section 11126.4 at which time the Tribe may offer any evidence to support its position and/or offer a compromise reconciliation. All information presented to the appointed/elected officials of the SGA for consideration shall be subject to the confidentiality provisions of the Compacts.

(3) If, after further consideration by the appointed/elected officials of the SGA, a dispute remains, it may be referred for resolution pursuant to the dispute resolution process outlined in Compact section 9.0. If the Tribe does not opt for further consideration by the appointed/elected officials of the SGA, the dispute may be referred for resolution pursuant to the dispute resolution process outlined in Compact section 9.0.

(m) NIGC ALTERNATIVE COMPLIANCE.

(1) Sections (c), (d), (f), (g), (h) and (i) shall not apply to any Tribe's Gaming Operation while the Tribe has a gaming ordinance in effect that provides for NIGC monitoring and enforcement of the MICS set forth at 25 CFR Part 542 (as in effect on October 19, 2006, or as it may be amended). In addition, upon the written request of the SGA, the following shall occur:

(A) The TGA or Tribe shall provide a copy of the following documents to the SGA within 30 days of their receipt from or submission to the NIGC:

(i) Each final written report or document issued to the Tribe by the NIGC resulting from a MICS compliance site inspection/visit, or compliance review/audit ("NIGC Report");

(ii) The NIGC's supporting reports or documents (the "Supporting Papers"), if any, pertaining to the MICS review and preparation of the NIGC Report which the Tribe or the TGA shall request from the NIGC following the conclusion of the NIGC review and reporting process, provided however that the Supporting Papers shall not include documentation related to any financial review/audit of gaming revenue; and

(iii) Any documents the Tribe, TGA or Gaming Operation has delivered to the NIGC in response to any such NIGC Report.

(B) The TGA makes itself available upon at least 30 days written notice from the SGA, to address questions the SGA may have regarding any

NIGC Report, which may include the SGA's access to papers, books, records, equipment, or places of the gaming operation that are reasonably necessary to address such questions and, where possible, such documents are identified in the written notice from the SGA;

(C) The TGA provides the SGA with a copy of the independent CPA agreed upon procedures report conducted pursuant to 25 CFR Part 542.3(f) pertaining to Class III gaming within 30 days of its receipt and, where applicable, all information supplied by the Tribe, the TGA, or Gaming Operation to the NIGC in response thereto within 30 days of when it was supplied; and

(D) Any documents received from the Tribe or TGA shall be confidential pursuant to section (j).

(2) This NIGC alternative compliance section shall no longer apply to a Tribe's gaming operation in the event that any of the following occur:

(A) The Tribal gaming ordinance that provides for NIGC monitoring and enforcement of the MICS is amended to eliminate such monitoring and enforcement;

(B) The SGA does not receive from the TGA or Tribe the NIGC Report within the required time period;

(C) The NIGC does not commence, for any three (3) year period following the effective date of this regulation, a MICS compliance site inspection/visit, or on-site compliance review/audit designed by the NIGC, after a regulatory review of relevant information, to effectively monitor and ensure MICS compliance, memorialized by an NIGC Report.

(3) Should a Tribe desire to re-establish applicability of this NIGC alternative compliance section, following the occurrence of a disqualifying event listed in Section (m)(2) above, the Tribe may provide written notice to the SGA of such desire and this NIGC alternative compliance section shall apply beginning one (1) year after such notice, or such other date as is mutually agreeable in writing, so long as the Tribe meets the requirements of Section (m)(1).

(4) Nothing in this section (m) is intended to amend, supersede, or negate any provision of the Compacts. However, satisfaction of this section (m) shall demonstrate compliance with Tribal MICS as provided for in section (b)(2)

and/or (b)(3)(A) for purposes of this regulation and for purposes of the Compacts.

(n) SEVERABILITY. If any provision of this regulation or its application is held invalid, the validity of the remaining provisions shall be determined pursuant to applicable rules of statutory and regulatory construction.

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