

CALIFORNIA GAMBLING CONTROL COMMISSION  
**FINAL STATEMENT OF REASONS**  
CGCC-GCA-2011-04-R

**HEARING DATE:** January 24, 2012

**SUBJECT MATTER OF PROPOSED REGULATIONS:** **Renewal of Gambling License; Late Application Fee; and Nonpayment of Annual Fee; Temporary Closure of Gambling Establishment**

**SECTIONS AFFECTED:** **California Code of Regulations, Title 4, Division 18: Sections 12008, 12335, 12342, 12345, 12357, and 12359**

**UPDATED INFORMATION:**

The Initial Statement of Reasons is included in the file and is incorporated by reference as if fully set forth herein. The information contained therein is complete and no changes have been made in the proposed action that would warrant any changes in that information. Non-substantive changes to the text and incorporated forms were made pursuant to the review by the Office of Administrative Law.

**INCORPORATION BY REFERENCE:**

The incorporation by reference in paragraph (1) of subsection (a) of Section 12342 of the form “Application for State Gambling License, CGCC-030 (Rev. 06/11)” and in subsection (b) of Section 12357 of the form “Gambling Establishment Annual Fee Calculation, CGCC-028 (Rev. 06/11)” is appropriate since publishing these documents in the California Code of Regulations would clearly be cumbersome, unduly expensive, impractical and unnecessary. These documents are already incorporated by reference; this regulatory package merely makes conforming and clarifying changes to the forms. It is unnecessary to print this information in the text of the regulation itself. Both forms are and will be available for viewing on the Commission’s Web site, and are available to anyone upon request to the Commission. These forms were also made available for review throughout this rulemaking process.

**REQUIRED DETERMINATIONS:**

**Local Mandate:**

A mandate is not imposed on local agencies or school districts.

**Business/Small Business Impact:**

The Commission has made an initial determination that the adoption of these regulations would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination:

This proposed action does not impose any new requirement upon or require any new action by any business. There are no additional reporting or recordkeeping requirements mandated, nor are there any new performance standards imposed, technologies or equipment specified, nor specific actions or procedures prescribed.

*Delinquency Fee:* For licensees who comply with their statutory responsibilities to submit renewal applications by the deadline, there will be no impact. Licensees who do not submit their renewal application within 10 days of the deadline will realize an additional \$1,000 fee per application required in the application package.

Because each endorsed licensee is required to submit an application, the number of applications received per cardroom can vary. Many small cardrooms have only one associated license; the largest number of applications received in a single package is 75. Of the 24 application packages not submitted in a timely manner in 2009 and 2010, no package had more than six required applications and the mean number of required applications in each late package was three. Based on this data, the average delinquency fee that may be assessed against an owner-licensee for a late renewal application package would total \$3,000.

*Temporary Closure of Gambling Establishment / Surrender of Gambling License:* For licensees who comply with their statutory responsibility to submit required annual fees within 90 days of the close of their fiscal year, there will be no impact. For licensees who fail to meet their statutory requirement, this proposed action will not create any impact. The consequence for failing to pay required fees is set in statute,<sup>1</sup> and as such, the Commission has no discretion over the matter.

**Consideration of Alternatives:**

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Commission would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

**OBJECTIONS OR RECOMMENDATIONS / RESPONSES:**

There were no comments, objections, or recommendations received within the initial 45-day public comment period regarding the proposed action.

A public hearing was held on January 24, 2012, and no comments, objections, or recommendations were made.

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<sup>1</sup> Business and Professions Code section 19955