

**State of California  
Office of Administrative Law**

**In re:**  
**California Gambling Control Commission**

**Regulatory Action:**

**Title 4, California Code of Regulations**

**APPROVED:**

**Adopt sections:** 12391(a)(1)(3)(4)(b)&(c)  
and 12392

**Amend sections:** 12360

**Repeal sections:**

**DISAPPROVED:**

**Adopt sections:** 12391(a)(2)

**Amend sections:**

**Repeal sections:**

**NOTICE OF APPROVAL IN PART AND  
DISAPPROVAL IN PART OF REGULATORY  
ACTION**

**Government Code Section 11349.3**

**OAL File No. 2012-0731-02 S**

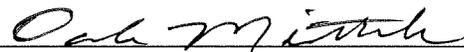
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This rulemaking action adopts new sections of Title 4 of the California Code of Regulations which specify standards which must be adopted by gambling enterprises for gambling floor operations and house rules. The rulemaking also adopts several definitions necessary to implementation of the newly adopted regulations.

OAL approves Title 4, California Code of Regulations, sections 12360, 12391(a)(1)(3)(4)(b)&(c), and 12392 as meeting all applicable legal requirements.

OAL disapproves Title 4, California Code of Regulations section 12391(a)(2) for the following reason: The disapproved regulation fails to comply with the Clarity standard of Government Code section 11349.1. Within seven (7) calendar days of the date of this notice, the Office of Administrative Law will send the adopting agency a written decision detailing the reasons for disapproval of this regulatory filing.

Date: 9/12/2012



Dale P. Mentink  
Senior Staff Counsel

For: DEBRA M. CORNEZ  
Director

Original: Tina Littleton  
Copy: James Allen

**NOTICE PUBLICATION/REGULATIONS SUBMISSION**

(See instructions on reverse)

**REGULAR**

For use by Secretary of State only

STD 400 (REV 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-2011-0726-02</b>	REGULATORY ACTION NUMBER <b>2012 0731 02S</b>	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

ENDORSED FILED IN THE OFFICE OF

2012 SEP 12 PM 1:25

*Debra Bowen*  
DEBRA BOWEN  
SECRETARY OF STATE

2012 JUL 31 AM 10:04

OFFICE OF ADMINISTRATIVE LAW

AGENCY WITH RULEMAKING AUTHORITY  
California Gambling Control Commission

AGENCY FILE NUMBER (If any)  
CGCC-GCA-2011-02-R

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY		ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER <b>2011, 312</b>	PUBLICATION DATE <b>8/5/2011</b>

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) MICS III; Gambling Floor Operations & House Rules	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) N/A
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT <b>but not 12391(a)(2)</b> §§ 12391 and 12392
	AMEND § 12360
TITLE(S) 4	REPEAL

*om*  
9/12/12

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)  
April 30 - May 15, 2012; May 30 - June 14, 2012

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Effective 30th day after filing with Secretary of State	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY		
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON James Allen	TELEPHONE NUMBER (916) 263-4024	FAX NUMBER (Optional) (916) 262-0499	E-MAIL ADDRESS (Optional) Jallen@cgcc.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Stephanie Shimazu</i>	DATE 7-25-12
TYPED NAME AND TITLE OF SIGNATORY STEPHANIE SHIMAZU, Chairperson	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

SEP 12 2012

Office of Administrative Law

1 CALIFORNIA GAMBLING CONTROL COMMISSION  
2 **MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:**  
3 **GAMBLING FLOOR OPERATIONS AND HOUSE RULES**

4 CGCC-GCA-2011-02-R

5 **ORDER OF ADOPTION**

6  
7 The California Gambling Control Commission hereby adopts the following changes in its  
8 regulations contained in Division 18 of Title 4 of the California Code of Regulations:

9  
10 CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

11 ARTICLE 1. GENERAL PROVISIONS.

12 **§ 12360. Chapter Definitions.**

13 Except as otherwise provided in Section 12002 of these regulations, ~~the~~ definitions in  
14 Business and Professions Code section 19805 govern the construction of this chapter. As used in  
15 this chapter:

16 (a) "Gaming activity" has the same meaning as defined in Title 11, CCR, Section 2010,  
17 subsection (f).

18 (b) "House rules" means a set of written policies and procedures, established by a gambling  
19 enterprise, which set general parameters under which that gambling enterprise operates the play  
20 of controlled games.

21 ~~(a)(c)~~ "Licensee" means "owner licensee" as defined in Business and Professions Code  
22 section 19805, subdivision ~~(ae)~~(ad).

23 ~~(b)(d)~~ "Security department," means the operational entity within a gambling establishment  
24 that is responsible, but not necessarily solely responsible, for patrol of the public areas of the  
25 establishment, and to assist in:

- 26 (1) Maintaining order and security;  
27 (2) Excluding underage patrons;  
28 (3) Responding to incidents involving patrons or others;  
29 (4) Detecting, reporting and deterring suspected illegal activity; and  
30 (5) Completing incident reports.

31 ~~(e)(e)~~ "Surveillance unit," means the operational system or entity within a gambling

1 establishment that is responsible for the video recording, as may be specified in Article 3 of this  
2 chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to  
3 the Act and this division for the purposes of detecting, documenting and reporting suspected  
4 illegal activities, including suspected gambling by persons under 21 years of age, and assisting  
5 the personnel of the security department in the performance of their duties.

6 NOTE: Authority cited: Section 19811, 19824, 19840, 19841 and 19924, Business and Professions Code.  
7 Reference: Section 19805, 19841, 19860 and 19924, Business and Professions Code.

8  
9 ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING  
10 ESTABLISHMENTS.

11 **§ 12391. Gambling Floor Operation.**

12 (a) The policies and procedures for all Tiers shall meet or exceed the following standards for  
13 gambling floor operation:

14 (1) Except as provided in Business and Professions Code sections 19844, 19845, 19861 and  
15 19921, all areas of the gambling establishment in which controlled games and gaming activity  
16 are being conducted shall be open to the public.

17 ~~(2) No licensee or employee of a gambling enterprise shall, as a consequence of an~~  
18 ~~employee's refusal to play a controlled game, coerce, take or threaten to take any action~~  
19 ~~adversely affecting the terms and conditions of employment for that employee. This paragraph~~  
20 ~~does not create any new civil liability.~~

21 (3) A licensee shall not have in any room or combination of rooms where controlled games or  
22 gaming activities are being conducted, more gaming tables than the total number of tables the  
23 licensee is authorized to operate, unless all excess gaming tables are covered or prominently  
24 labeled as being non-operational and are under continuous recorded video surveillance, in  
25 accordance with paragraph (1), subsection (a) of Section 12396.

26 (4) The sale or redemption of chips shall be transacted only by those designated gambling  
27 enterprise employees who have received the training required by section 1021.210 (revised as of  
28 July 1, 2011) of Chapter X of Title 31 of the Code of Federal Regulations. A licensee shall have  
29 policies and procedures in place to ensure compliance with Section 12404 of Article 4.

30 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III  
31 through and including V shall include standards for gambling floor operations that provide for,

Reserved

§12391(a)(2)  
disapproved  
9/12/12  
DM

1 Title 11, CCR, Section 2050 notwithstanding, at least one licensee or key employee to be on the  
2 premises at all times that the gambling establishment is open to the public to supervise the  
3 gambling operation and ensure immediate compliance with the Act and these regulations.

4 (c) Licensees shall establish and implement the applicable standards for gambling floor  
5 operations specified in subsections (a) and (b) no later than May 1, 2013.

6 NOTE: Authority cited: Sections 19801(l), 19811, 19840, 19841, 19861 and 19920, Business and Professions  
7 Code. Reference: Sections 19801(a), (g), (h), (j) and (l), 19823, 19841, 19861, 19914(a)(2), 19920 and 19924,  
8 Business and Professions Code.

9  
10 **§ 12392. House Rules.**

11 The policies and procedures for all Tiers shall meet or exceed the following standards for  
12 house rules:

13 (a) A licensee shall adopt and implement general house rules, written, at a minimum, in  
14 English, which promote the fair and honest play of all controlled games and gaming activity, and  
15 which at a minimum:

16 (1) Allow for the operation of only those games that are permitted by local ordinance and  
17 state and federal laws and regulations;

18 (2) Include provisions that are designed to deter collusion; and,

19 (3) Where applicable during the play of any controlled game or gaming activity, shall address  
20 the following:

21 (A) Player conduct,

22 (B) Table policies,

23 (C) Betting and Raising,

24 (D) "Misdeals,"

25 (E) Irregularities,

26 (F) "The Buy-In,"

27 (G) "Tied Hands,"

28 (H) "The Showdown,"

29 (I) "House Way,"

30 (J) Player Seating and Seat Holding, and

31 (K) Patron Disputes.

32 (b) A licensee's house rules shall be in addition to, and shall not conflict with, the game rules

1 approved by the Bureau for any controlled game or gaming activity.

2 (c) A licensee's house rules must be readily available and provided upon request to patrons  
3 and the Bureau.

4 (d) Licensees shall establish and implement the applicable standards for house rules specified  
5 in subsections (a) and (b) no later than May 1, 2013.

6 NOTE: Authority cited: Sections 19801(/), 19811, 19840, 19841 and 19920, Business and Professions Code.  
7 Reference: Sections 19801(g) and (h), 19823, 19841, and 19920, Business and Professions Code.

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