

ADVISORY NOTICE

APPROVED REGULATIONS REGARDING:
MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS
PHASE III: GAMBLING FLOOR OPERATIONS AND HOUSE RULES

(CGCC-GCA-2011-02-R)

Previously Approved Regulations

On September 12, 2012, the Office of Administrative Law (OAL) approved, in part, regulations that implement the third phase of minimum internal control standards (MICS) for gambling establishments. The approved regulations were filed with the Secretary of State on September 12, 2012, and became effective October 12, 2012, with a delayed compliance date for some provisions of May 1, 2013, as specified. The specific provisions of these regulations were discussed in a prior advisory notice.

Previously Disapproved Regulation

One provision of the regulations adopted by the Commission was disapproved by OAL. That provision, paragraph (2) of subsection (a) of the new Section 12391, would have prohibited a licensee from taking or threatening to take, any adverse action against an employee for that employee's refusal to play controlled games when that activity was not included in their job duties. According to a written decision issued by OAL, that provision was found to be lacking clarity.¹ OAL's Decision of Disapproval is available on the Commission's Web site under "Laws and Regs/Recently Approved Regulations" at www.cgcc.ca.gov.

Resubmission of Disapproved Regulation

On October 11, 2012, the Commission adopted modifications to the language of the disapproved regulation (§ 12391(a)(2)) to address the concerns expressed in OAL's disapproval. The modified regulation was resubmitted to OAL on November 21, 2012, and was approved December 13, 2012, to become effective January 12, 2013.

Subsection (a), paragraph (2) of Section 12391 prohibits a licensee from coercing an employee to play controlled games, or taking or threatening to take, any adverse action against an employee for that employee's refusal to play controlled games. This paragraph also prohibits an employee of the licensee from coercing another employee to play controlled games, or taking or threatening to take, any adverse action against another employee for that other employee's refusal to play controlled games. However, a licensee is permitted to take adverse action against an employee who refuses to play in a controlled game if that employee's scope of employment includes the play of those games. This paragraph also provides that no new civil liability is created.

¹ Government Code section 11349.1

Regulation Text

A copy of the recently approved regulation is attached. That document is also available on the Commission's Web site under "Laws and Regs/Recently Approved Regulations" at www.cgcc.ca.gov.

Questions, Concerns, Suggestions

For any questions, concerns, or suggestions regarding the adoption of regulations, please contact James Allen, Regulatory Actions Manager, at (916) 263-4024.