

**CALIFORNIA CODE OF REGULATIONS**  
**TITLE 4. BUSINESS REGULATIONS.**  
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.  
(AMENDED REGULATIONS EFFECTIVE JULY 1, 2013)

**CHAPTER 2. WORK PERMITS.**

**ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.**

**§ 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" BGC-023 (Rev. 04/13) which is hereby incorporated by reference.
- (b) "Replacement Badge Application" means the "Application for Replacement Work Permit Badge" BGC-026 (Rev. 04/13) which is hereby incorporated by reference.
- (c) "Transfer of Work Permit Application Form" means the "Application for Transfer of Work Permit" BGC-022 (Rev. 04/13) which is hereby incorporated by reference.
- (d) "Work Permit Application Form" means the "Application for Initial Regular Work Permit/Temporary Work Permit" BGC-021 (Rev. 04/13) 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 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 Bureau. The Bureau 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 any action 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 Bureau may request in writing any information needed in order to complete the application. The Bureau 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.

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 Bureau's work permit application form, BGC-021, 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 Bureau:

(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 Bureau 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.

#### **§ 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 Bureau 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.

### **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 Bureau shall provide a regular work permit badge 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 Bureau's transfer of work permit application form, BGC-022.

(2) The applicant has supplied all of the following to the Bureau:

(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 Bureau of the work permit transfer request.

(C) A nonrefundable \$25.00 fee payable to the Bureau.

(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 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 Bureau. The applicant shall provide the Bureau 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 Bureau is not aware of any cause for revocation of the work permit.

(c) A work permit provided pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(d) Upon the providing of a regular work permit pursuant to this section for the applicant's new place of employment, the regular work permit 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, 19826(a) and 19912, 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 Bureau 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 Bureau shall provide 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 Bureau's replacement badge application, BGC-026.

(3) The applicant has supplied all of the following to the Bureau:

(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 Bureau of the work permit transfer request.

(C) A nonrefundable \$25.00 fee payable to the Bureau.

(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 Bureau is not aware of any cause for revocation of the work permit.

(b) A replacement work permit badge provided pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(c) Upon the providing of the replacement work permit badge, the previous 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, 19826(a) 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 Bureau 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 provided 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.**

### **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 provided 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

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

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,

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

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 in the performance of a proposition player contract.

(24) "Reinstatement Badge" means a badge provided 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 workshift of third-party proposition player services provided by an individual proposition player.

(26) "Supervisor" means an individual who, in addition to any supervisory 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 Bureau 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. 12/11)) 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. 12/11)) for a level III investigation.

(C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 12/11)) 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. 12/11)) 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 provided 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.

**§ 12200.3. 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 Bureau in writing within ten (10) days of the change in status using the Bureau's Change in Status Form for a Third Party Proposition Player Services Registration (BGC-441 (Rev. 04/13)), 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 Bureau shall provide 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 Bureau's form Request for Replacement Third Party Proposition Player Services Badge (BGC-438 (Rev. 04/13)), which is hereby incorporated by reference.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(3) The requester has supplied all of the following to the Bureau:

(A) A nonrefundable twenty-five dollar (\$25) fee, payable to the Bureau.

(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 provided pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon the providing of the replacement badge, the previous badge for that third-party proposition services provider shall become void and shall not be used.

(d) Replacement badges shall be provided by the Bureau within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19826, 19827, 19840, 19841 and 19984, Business and Professions Code.  
Reference: Sections 19826, 19864 and 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 Bureau shall provide 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 Bureau's form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (BGC-439 (Rev. 04/13)), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Bureau:

(A) A nonrefundable one hundred and twenty-five dollar (\$125) fee payable to the Bureau.

(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 provided pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon the providing of the transfer badge, the previous badge for that third-party proposition services provider shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be provided by the Bureau within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19826, 19827, 19840, 19841 and 19984, Business and Professions Code.  
Reference: Sections 19826, 19864 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 deposit as required by Title 11, California Code of Regulations, Section 2037. 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.

**§ 12200.14. Organization Chart and Employee Report.**

(a) Each licensed primary owner shall submit to the Bureau, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed Bureau form Third Party Proposition Player Services Employee Report (BGC-440 (Rev. 04/13)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Bureau.

(b) Upon renewal of the registration, each registered primary owner shall submit an updated organization chart and a completed Bureau form Third Party Proposition Player Services Employee Report (BGC-440) to the Bureau.

(c) The primary owner shall notify the Bureau 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: Sections 19826, 19864 and 19984(b), 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 Bureau 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 Bureau 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 Bureau.

(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 Bureau 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 Bureau 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 Bureau 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 Bureau 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.

## ARTICLE 2. REGISTRATION.

### **§ 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 section (d) of Section 12008.

(2) A completed Bureau Application for Third Party Proposition Player Services Registration (BGC-435 (Rev. 04/13)), 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 Bureau.

(c) An applicant that is an individual shall complete and submit the Bureau form Third Party Proposition Player Services Registration Supplemental Information (BGC-436 (Rev. 04/13)), 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 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 Bureau 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 Bureau 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 by the Bureau 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 Bureau shall provide written notice of abandonment of an application to the applicant and the Commission. If the application is for registration as a supervisor, player, or other employee, the Bureau 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 Bureau 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 Bureau 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 registration is complete, the application shall be processed by the Bureau 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 Bureau shall provide written notice of abandonment of an application to the applicant and the Commission. If the application is for registration as a supervisor, player, or other employee, the Bureau 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 Bureau, 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.

**§ 12203.2. Temporary Player Registration; Application; Criteria.**

The Executive Director shall, within 15 days of the Bureau processing 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 Bureau's regular registration application form, BGC-435, referenced in Section 12202, 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 Bureau 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 (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, 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 Bureau shall be processed within the following time frames:

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(a) The maximum time within which the Bureau 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.

**§ 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 (BGC-433 (Rev. 04/13)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434 (Rev. 04/13)), which are hereby incorporated by reference, including any fees to the Bureau within 30 days of receiving a summons 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 a new Application for Third Party Proposition Player Services License for Business Entities and Owners (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434), which are referenced in subsection (a), 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 Bureau only in response to a written summons 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 (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434), 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 Bureau.

(5) The supplemental information package as defined in Section 12200(b).

(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(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: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section 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 Bureau shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing, 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 (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434), 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 and the supplemental information package required by Section 12218(c)(5) for review by the Bureau pursuant to subsection (b) for persons affiliated with the primary owner to whom the summons was addressed.

(b) 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. 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.

(c) 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 and the completed supplemental information package pursuant to subsection (a). 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.

(d) 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) An application for renewal of a license shall be filed by the primary owner, owner, supervisor, player, and other employee with the Bureau no later than 120 days prior to the expiration of the current license. 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 (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434), 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. Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to Section 12200(b)(27) and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867 and 19984.

Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19851, 19867, 19876, 19951 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) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 working days after receipt of the application. For the purposes of

this section, “application” means either of the two forms specified in paragraph (1) of subsection (a) of Section 12218.8, as applicable.

(2) 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 Bureau less than the 120 days prior to the expiration of the current license.

(b) The processing times specified in 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 19840, 19841 and 19984, Business and Professions Code. Reference: Sections 19824, 19868, 19876 and 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 provided 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 provided 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 supervisory 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 referenced in paragraph (27) of subsection (b) of Section 12200, to be submitted to the Bureau 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) 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) for a level III investigation.

(C) Supervisors, as defined in Section 12220, shall complete the form Level II Supplemental Information (BGC-APP-033) for a level II investigation.

(D) Other employees, independent contractors, and players shall complete the form Level I Supplemental Information (BGC-APP-032) for a level I investigation.

(28) "Transfer Badge" means a badge provided 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.

### **§ 12220.3. 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 Bureau in writing within ten (10) days of the change in status using Change in Status Form for a Gambling Business Registration (BGC-541 (Rev. 04/13)), 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 Bureau shall provide 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 (BGC-538 (Rev. 04/13)), which is hereby incorporated by reference.

(3) The request has supplied all of the following to the Bureau:

(A) A nonrefundable twenty-five dollar (\$25) fee payable to the Bureau.

(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 provided pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon the providing of the replacement badge, the previous badge for that gambling business shall become void and shall not be used.

(d) Replacement badges shall be provided by the Bureau within seven (7) days of receipt of a completed request.

Note: Authority cited: Sections 19811, 19827, 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section 19826, 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 Bureau shall provide 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 (BGC-539 (Rev. 04/13)), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Bureau:

(A) A nonrefundable one hundred and twenty-five dollar (\$125) fee payable to the Bureau.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 provided pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon the providing of the transfer badge, the previous badge shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be provided by the Bureau 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, 19826 and 19853(a)(3), Business and Professions Code.

**§ 12220.14. Organization Chart and Employee Report.**

(a) Each licensed primary owner shall submit to the Bureau, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Gambling Business Employee and Independent Contractor Report (BGC-540 (Rev. 04/13)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Bureau.

(b) Upon renewal of the registration, each registered primary owner shall submit an updated organization chart and form Gambling Business Employee and Independent Contractor Report (BGC-540) to the Bureau.

(c) The primary owner shall notify the Bureau in writing within ten (10) days of any change to its ownership structure.

Note: Authority cited: Sections 19826, 19827, 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section 19826, 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 Bureau 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 Bureau 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 Bureau.

(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 Bureau 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 Bureau 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 Bureau 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 Bureau 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) and 19951, Business and Professions Code.

## ARTICLE 2. REGISTRATION.

### **§ 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:

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 (BGC-535 (Rev. 04/13)), 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 Bureau.

(c) An applicant that is an individual shall complete and submit the form Gambling Business Registration Supplemental Information (BGC-536 (Rev. 04/13)), which is hereby incorporated by reference.

(d) An applicant for registration shall make full and true disclosure of all information to the 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 Bureau 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 Bureau 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 by the Bureau 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 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 Bureau shall provide written notice of abandonment of an application to the applicant and the Commission. If the application is for registration as other than the primary owner, the Bureau 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.

**§ 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 (BGC-533 (Rev. 04/13)) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534 (Rev. 04/13)), which are hereby incorporated by reference, including any fees to the Bureau within 30 days of receiving a summons 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 (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534), which are referenced in subsection (a), and a new nonrefundable application fee as specified in paragraph (2), and the applicable additional fee specified in paragraph (3) or (4) 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) and 19867, Business and Professions Code.

**§ 12233. Request to Convert Registration to License.**

(a) A request to convert a registration to a license shall be submitted to the Bureau only in response to a written summons 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 (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534), 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 Bureau.

(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.

**§ 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 Bureau shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing, 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 form Application for Gambling Business License for Business Entities and Owners (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534), 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 and the supplemental information package required by Section 12233(c)(5) for review by the Bureau pursuant to subsection (b) for persons affiliated with the primary owner to whom the summons was addressed.

(b) 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. 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.

(c) 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 and the completed supplemental information package pursuant to subsection (a). 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.

(d) 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.

**§ 12238. License Renewals.**

(a) An application for renewal of a license shall be filed by the primary owner, owner, supervisor, player, and other employee with the Bureau no later than 120 days prior to the

expiration of the current license. 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 (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534), 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. Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to Section 12220(b)(27) and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19840, 19841 and 19853, Business and Professions Code. Reference: Sections 19823, 19824, 19851, 19853, 19867, 19876 and 19951, 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) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 working days after receipt of the application. For the purposes of this section, "application" means either of the two forms specified in paragraph (1) of subsection (a) of Section 12238, as applicable.

(2) 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 Bureau less than 120 days prior to the expiration of the current license.

(b) The processing times specified in 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 19840, 19841 and 19853, Business and Professions Code. Reference: Sections 19824, 19853, 19868 and 19876, Business and Professions Code.

**CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS.**

**§ 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 issued in accordance with this chapter.

(b) Each manufacturer or distributor shall apply for registration with the Bureau, 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 Bureau 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, BGC-039 (Rev. 04/13), 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 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 Bureau 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 Bureau 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 therefor.

(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 Bureau, 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 shall be 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. The manufacturer, model (no.), and manufacturer's serial number of the gambling equipment shipped shall be specified and the shipment shall be 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 Bureau 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 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 Bureau, 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 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 Bureau 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 Bureau by applicants and registrants under this chapter shall be provided, upon request, to the Commission 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.

**§ 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, BGC-025 (Rev. 04/13), which is hereby incorporated by reference.

(b) Quarterly Report, BGC-040 (Rev. 04/13), which is hereby incorporated by reference, may but need not be used for submission of reports required by Section 12303.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

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 Bureau 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 2. GAMBLING LICENSES.**

**§ 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, BGC-030 (Rev. 04/13).
- (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. 12/11).
- (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).

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(14) Key Employee Report, BGC-APP-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 Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, 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, BGC-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 (2) of this subsection.

(2) 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. 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.

(3) 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 and the completed supplemental information pursuant to paragraph (1) 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.

(4) 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 (b) 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 or the 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841, 19850, 19851, 19852, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19880, 19881, 19883, 19890, 19893, 19951 and 19982, Business and Professions Code.

**§ 12345. Gambling License Renewals; Processing Times.**

(a) A complete application for renewal of a gambling license shall be timely filed by the owner-licensee with the Bureau no later than 120 days prior to the expiration of the current license. To be timely, the complete application for renewal must be received by the Bureau no later than the date due or, if delivered by mail, be postmarked no later than the date due. If the complete application is filed less than 110 days prior to the expiration date of the current license, the application of the owner-licensee and each individual application required pursuant to subsection (b) shall be deemed delinquent. For the purposes of this section, a “complete application” shall consist of all of the following for the owner-licensee and each person whose name is required to be endorsed upon the license of the owner-licensee, as specified in subsection (b):

(1) A completed and executed Application for State Gambling License, BGC-030, as referred to in paragraph (1) of subsection (a) of Section 12342;

(2) A nonrefundable application fee in the applicable amount specified in subsection (a) of Section 12008 for renewal of a gambling license; and,

(3) Any applicable investigation deposit specified in Title 11, Cal Code Regs., Section 2037. However, 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.

(b) Each person whose name is required to be endorsed upon the license of a particular gambling enterprise shall complete and execute a separate application for renewal of that person's license. All applications for renewal of the endorsed licensees' gambling licenses for a particular gambling enterprise shall be submitted to the Bureau together with the owner-licensee's application in a single package, as provided in subsection (a).

(c) Except as provided in subsection (d), renewal gambling license applications submitted pursuant to subsections (a) and (b) of this section shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, 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.

(2) 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.

(d) The processing times specified in subsection (c) 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 or the 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.

(4) The application was filed with the Bureau less than 120 days prior to the expiration of the current license.

(e) 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 and gambling operations shall not resume until the renewal application is approved by the Commission, unless the license has been extended as provided in subdivision (c) of section 19876 of the Business and Professions Code.

(f) 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. A license that has been deemed abandoned pursuant to this subsection 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.

**§ 12349. Interim Licenses for Continued Operation Following Qualifying Events; Criteria; Processing Times; Conditions.**

(a) For the purposes of this section, the following definitions apply:

(1) "Applicant" means a new owner of a gambling enterprise or individual in control of an ownership interest, who makes application to the Bureau for an interim gambling license pursuant to subsection (c).

(2) "Interim gambling license" means a license issued by the Commission which permits the interim operation of a gambling enterprise following a qualifying event, during which time the Bureau processes and the Commission considers an application for a regular gambling license from a new owner.

(3) "New owner" means an individual who is a trustee (other than a trustee in bankruptcy), beneficiary, successor in interest, or security interest holder who becomes an owner of, or obtains an ownership interest in a gambling enterprise as a result of a qualifying event.

(4) "Qualifying event" means an event, such as those specified in Business and Professions Code section 19841, subdivision (s), that results in a change in the ownership or in the control of the ownership interest of a gambling enterprise and prevents the gambling enterprise from conducting gambling operations because the new owner or individual in control does not hold a valid gambling license for that gambling enterprise, as required by Business and Professions Code sections 19850, 19851, 19852 or 19855. A qualifying event does not include any planned or negotiated transaction where a current licensee retains the capacity and authority to continue gambling operations until approval of the transaction and issuance of any new gambling license by the Commission (e.g., a sale, the transfer of shares, incorporation, etc.).

(5) "Regular gambling license" means a gambling license issued by the Commission pursuant to Section 12342.

(b) Subject to the provisions of the Act, this division and Title 11, Division 3, of the California Code of Regulations, a gambling enterprise may continue gambling operations following a qualifying event only if an owner or a licensed person affiliated with the gambling enterprise has control of the gambling operations, the Commission is notified of the qualifying event within 10 calendar days of that event, and the new owner, or individual in control of the ownership interest, submits a request for an interim gambling license to the Bureau as provided in subsection (c). Gambling operations shall be immediately terminated if the Commission

denies an applicant's request for an interim gambling license, or approves an applicant's request to withdraw that application, and no other person has applied for or been granted an interim or regular gambling license for that gambling enterprise.

(c)(1) In order to be considered for an interim gambling license, a new owner, or individual in control of the ownership interest, must submit all of the following within 30 calendar days of a qualifying event:

(A) All forms, fees, and deposits for a regular gambling license application required by Sections 12341, 12342, and Title 11, Cal Code Regs., Section 2037;

(B) A signed written request for an interim gambling license that describes the qualifying event and identifies the person who will control and oversee gambling operations; and

(C) A copy of any document that evidences the succession to the owner-licensee's interest in the gambling enterprise, which may include, as applicable, any of the following:

1. In the case of the death of an owner-licensee, a copy of the death certificate; or

2. In the case of the incapacity of an owner-licensee, a copy of any document that evidences the owner-licensee's incapacity and the appointment of a conservator; or

3. In the case of insolvency, foreclosure or receivership of a gambling enterprise, a copy of any pertinent agreement, note, mortgage, lease, deed of trust, and any document, notice or order that evidences the insolvency, foreclosure or receivership.

(2) The time period for submission specified in paragraph (1) may be extended, at the discretion of the Commission or the Executive Director, if the new owner, or individual in control of the ownership interest, is able to provide satisfactory evidence of any facts or circumstances that interfere with timely submission, including but not limited to, a lack of actual knowledge of the occurrence of the qualifying event, and that all appropriate and reasonable actions have been taken to overcome those impediments.

(d) A request for an interim gambling license shall be ancillary to and concurrent with an application for a regular gambling license. The application for a regular gambling license shall be processed in accordance with Section 12342. The request for an interim gambling license shall be processed as follows:

(1) The maximum time within which the Bureau shall notify the applicant in writing that a request for an interim gambling license is complete and accepted for filing, or that a request is deficient and identifying what specific additional information is required, is 10 calendar days after receipt of the request. If additional information is required, the Bureau shall allow the applicant 10 calendar days to submit the additional information. If the requested information is not supplied within 10 calendar days, the request for an interim gambling license shall be considered abandoned and no further action shall be taken on the request. A gambling enterprise shall immediately terminate gambling operations if a request for an interim gambling license is abandoned by the applicant and no other person has applied for or been granted an interim or regular gambling license for that gambling enterprise.

(2) Once the Bureau determines that a request for an interim gambling license is complete, the matter shall be set for consideration at a noticed Commission meeting. Pursuant to the provisions of the Act and this division, the Commission shall grant or deny the request for an interim gambling license within 60 calendar days after receipt of the request. A request for an interim gambling license shall be denied by the Commission if the applicant is disqualified for any reason set forth in section 19859 of the Business and Professions Code.

(e) All of the following criteria shall apply to a request for an interim gambling license:

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(1) In the event a regular gambling license is issued to an applicant prior to action by the Commission on any related request for an interim gambling license, the request for an interim gambling license shall be deemed withdrawn and no further action shall be taken on that request.

(2) If a request for withdrawal of an application for a regular gambling license is submitted before the Bureau's recommendation is made regarding that application, any related request for an interim gambling license shall be deemed withdrawn and no further action shall be taken on that request.

(3) Denial of a request for an interim gambling license, or cancellation of an interim gambling license, shall not suspend or otherwise affect the processing and review of the related application for a regular gambling license.

(f) All of the following conditions shall apply to an interim gambling license granted by the Commission:

(1) Upon issuance or denial of a regular gambling license, any related interim gambling license shall become invalid.

(2) The term of an interim gambling license shall be determined by the Commission and shall be based in part on the time necessary to process and consider the application for a regular gambling license.

(3) Issuance of an interim gambling license does not prejudice or obligate the Commission to grant a regular gambling license. Issuance of a regular gambling license is subject to the results of a complete background investigation by the Bureau, the conduct of the applicant during the term of the interim gambling license, and final approval of the Commission pursuant to Sections 12342 and 12346.

(4) Issuance of an interim gambling license does not create a vested right in the holder to either an extension of the interim gambling license or the issuance of a regular gambling license.

(5) Issuance of an interim gambling license does not change the qualification, or disqualification, requirements for a regular gambling license under the Act or this division.

(6) The holder of an interim gambling license shall provide the Bureau with the name of any newly-appointed key employee within 30 days following the appointment of that key employee. Within 30 days of its occurrence, the holder of an interim gambling license shall also provide the Bureau with the name of any person who provides any service or property to the gambling enterprise under any arrangement whereby the person receives payment based on the earnings, profits or receipts of the gambling enterprise.

(7) The holder of an interim gambling license shall pay all applicable annual fees associated with a regular gambling license.

(8) The holder of an interim gambling license shall comply with the provisions of the Act, this division and Title 11, Division 3, of the California Code of Regulations.

(9) During the term of an interim gambling license, any proceeds derived from the operation of the gambling enterprise that would otherwise be payable to a new owner shall be held in an escrow account and not disbursed until the disposition of ownership interest has been resolved and received Commission approval and all owners of the gambling enterprise have been approved by the Commission for a regular gambling license pursuant to Section 12342. This paragraph shall not prevent the payment of any taxes, operating expenses, preexisting obligations, preexisting dependent support or any other distribution of proceeds that is approved by the Commission.

(10) The Commission, in its sole discretion and on an individual case-by-case basis, may impose any additional conditions necessary to address particular factual situations related to a request for an interim gambling license.

(g) If, as a result of a qualifying event, a new owner intends to sell his or her interest in the gambling enterprise without first obtaining an interim or regular gambling license, he or she shall provide written notification to the Bureau of that intent within 30 calendar days of that qualifying event.

(h) If, during the term of an interim gambling license, the Executive Director determines that the holder of that license is disqualified for any of the reasons set forth in Business and Professions Code section 19859, or may have violated one or more of the conditions under which the interim gambling license was issued, the Executive Director shall prepare and serve on the license holder an order to show cause as to why the interim gambling license should not be cancelled. The holder of the interim gambling license shall be given 30 days to respond in writing. After receipt of the license holder's response, or if the license holder fails to respond within the specified time, the matter shall be set for consideration at a noticed Commission meeting. The interim license holder may address the Commission by way of an oral or written statement, or both, at the Commission meeting. If the Commission acts to cancel the interim gambling license, the license holder may request an evidentiary hearing, in writing, either at that meeting or within 10 calendar days following that meeting. Any evidentiary hearing shall be conducted in accordance with the applicable provisions of subsection (b) of Section 12050 of this division.

(i) This section shall not preclude the Commission from issuing temporary licenses pursuant to Business and Professions Code section 19824, subdivision (f).

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853 and 19870, Business and Professions Code. Reference: Sections 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869 and 19870(b), 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, BGC-031 (Rev. 04/13), 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 Bureau 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 Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, 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, BGC-031, referred to in paragraph (1) of subsection (c) of this section. 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 (2) of this subsection.

(2) The Bureau shall review 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. 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.

(3) 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 and the completed supplemental information. 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.

(4) 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 or the 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 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, BGC-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 Bureau 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 Bureau no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, 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, BGC-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) 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 Bureau 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 or the 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 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 Bureau within 10 days of acceptance or termination of employment with a gambling enterprise by submitting a completed Notification of Change in Key Employee Employment Status, BGC-033 (Rev. 04/13), which is attached in Appendix A to this chapter.

(b)(1) 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:

(A) A completed Request for Replacement Key Employee License, BGC-034 (Rev. 04/13), which is attached in Appendix A to this chapter.

(B) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Bureau of the key employee license replacement request.

(C) A nonrefundable fee payable to the Bureau as specified in subsection (b) of Section 12008.

(2) The Bureau shall provide 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.

(3) A replacement key employee license provided pursuant to this section shall be valid during the unexpired term of the replaced key employee license.

(4) Upon the providing of the replacement key employee license, the previous key employee license shall become invalid and shall not be used thereafter.

(5) Applications submitted pursuant to paragraph (1) of this subsection shall be processed within the following time frames:

(A) The maximum time within which the Bureau 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 key employee license shall be either provided 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.

#### **§ 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 Bureau within 10 days of hiring:

(1) An Application for Interim Key Employee License, BGC-035 (Rev. 04/13), 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 Bureau 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 shall be processed within the following timeframes:

(1) The maximum time within which the Bureau 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 Bureau 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 Bureau 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.

**ARTICLE 4. ANNUAL FEE; REQUESTS FOR ADDITIONAL TABLES.**

**§ 12357. Annual Fee.**

(a) The annual fee required by Business and Professions Code section 19951, subdivision (b), paragraph (2), subparagraph (B) shall be based on the criteria in paragraph (1) or (2) of this subsection, whichever is applicable, and shall be due and payable to the Bureau annually by the gambling enterprise no later than 120 calendar days following the end of the gambling enterprise's fiscal year. To be considered timely, the annual fee must be received by the Bureau no later than the date due or, if delivered by mail, be postmarked no later than the date due.

(1) The annual fee specified in subdivision (c) of section 19951 shall be based on the number of tables authorized by the license at the close of the gambling enterprise's preceding fiscal year.

(2) The annual fee specified in subdivision (d) of section 19951 shall be based on the gambling enterprise's gross revenues for the preceding fiscal year.

(b) Each owner-licensee shall submit, with their payment of the annual fee specified in this section, a completed Gambling Establishment Annual Fee Calculation form, BGC-028 (Rev. 04/13), which is hereby incorporated by reference.

(c) If the full amount of the annual fee has not been received by the Bureau within 90 days after the payment due date, and the gambling license has been deemed surrendered pursuant to Business and Professions Code section 19955, the license shall be subject to the provisions of subsection (b) of Section 12347 of Article 2.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and Professions Code. Reference: Sections 19841, 19876(a), 19951, 19954 and 19955, 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 Bureau, 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, BGC-024 (Rev. 04/13), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of \$500 plus a Bureau review deposit pursuant to Title 11, Cal Code Regs., Section 2037, made payable to the Bureau of Gambling Control.

(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 or Bureau.

(e) The Bureau shall complete its review of the application and submit its findings to the Commission within 25 days of receipt of the application. The Commission shall either approve or deny the request within 13 days of receiving the Bureau's findings and notify the applicant, in writing, of its decision. 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.

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 Bureau:

(1) A completed and signed application form entitled Application for Additional Authorized Permanent Tables, BGC-027 (Rev. 04/13), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of \$500 plus a Bureau review deposit pursuant to Title 11, Cal Code Regs., Section 2037, made payable to the Bureau of Gambling Control.

(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 or Bureau.

(d) The Bureau shall complete its review of the application and submit its findings to the Commission within 25 days of receipt of the application. Commission staff shall then 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 annual fees due. If the request for additional permanent tables is approved, the applicant must pay the required annual 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.

**CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.**

**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 Bureau 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 Bureau 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 Bureau 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 Bureau 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 Bureau 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 Bureau 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 4. ACCOUNTING AND FINANCIAL REPORTING.

##### **§ 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(r). Records must be maintained in sufficient detail to support the amount of revenue reported to the Bureau 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

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 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 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 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, 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 Transactions.**

(a) A gambling enterprise, as defined in section 19805(m) 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 enterprise 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 enterprise, 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. 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 enterprise 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.

#### **ARTICLE 6. PROGRAM FOR RESPONSIBLE GAMBLING.**

**§ 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. 12/11) attached in Appendix A to this chapter. That 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 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.

**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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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; 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 Bureau 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 or a vendor 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 or a combination 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(27) “Progressive prize” means any prize that increases or accumulates as consecutive remote caller bingo games are played.

(28) “Recognized organization” means an organization recognized by the Commission pursuant to Section 12505.

(29) “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.

(30) “Regular approval” means:

(A) Approval by the Bureau 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 remoter 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.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3 and 326.5, 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 to the Bureau:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610 (Rev. 04/13), 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 to the Bureau:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of \$500.00.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself. 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 to the Bureau no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, 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 to the Bureau no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, 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; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code.

**§ 12496. Change of Business Location.**

A manufacturer, distributor, or vendor shall advise the Bureau 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; and Sections 326.3, 326.4 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and 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. 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.

(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, BGC-620 (Rev. 04/13), 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 may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself. 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 to the Bureau no later than 90 days prior to expiration of that license:

(1) Application for Interim License for Remote Caller Bingo, BGC-620, 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; and Section 326.3, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, 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 to the Bureau:

(1) Application for Interim Work Permit for Remote Caller Bingo, BGC-622 (Rev. 04/13), 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:

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(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 may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself. 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 the following to the Bureau no later than 90 days prior to expiration of the work permit:

(1) Application for Interim Work Permit for Remote Caller Bingo, BGC-622, 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; and Section 326.3, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, 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 to the Bureau a Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618 (Rev. 04/13), 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 to the Bureau within 120 calendar days after the close of the organization's fiscal year:

(1) Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618, 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 Bureau.

(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; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and 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 Bureau 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 formed.

(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 Bureau within 30 days after the end of each calendar quarter. A loan reimbursement payment, as prescribed by paragraph (2) of 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 be submitted to the Commission concurrent with 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 notice 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 whom 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; and Section 326.3, Penal Code. Reference: Sections 326.3(b), 326.3(j)(4), 326.3(s) and 326.3(w), Penal Code.

## **CHAPTER 11. CONFLICTS OF INTEREST.**

### **§ 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) Staff Services Manager III.

(2) Staff Services Manager II.

(3) Staff Services Manager I.

(4) Associate Management Auditor.

(5) Associate Governmental Program Analyst.

**APPROVED REGULATIONS**  
CGCC-GCA-2013-01-N

(6) Staff Services Analyst.

(7) Any employee whose classification is not listed and whose 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.

Note: Authority cited: Sections 19840, 19841 and 19981, Business and Professions Code. Reference: Section 19981, Business and Professions Code.