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December 13, 2019

To: All California Cardrooms
All Cardroom Industry Designated Agents

RE: AB 649 (Chapter 432, Statutes of 2019): Work Permit and Badging Requirements

[Assembly Bill 649 \(Chapter 432, Statutes of 2019\)](#) becomes effective January 1, 2020, and makes changes to the Gambling Control Act as it relates to the requirements and issuance of work permits. Among other amendments, this bill removes a restriction on employing persons under 21 years old to work in a gambling establishment (cardroom) by allowing individuals 18 to 20 years old to be employed as a gambling enterprise employee, without a work permit, in limited non-gaming capacities not on the gaming floor or in other secure areas, provided that specific badging requirements are met. The bill also authorizes persons 21 years of age or older, after applying for a work permit, to begin working as a gambling enterprise employee in non-gaming, non-supervisory positions off the gaming floor, provided that specific badging requirements are met. Upon being issued a work permit, the person may perform any duties for which the work permit is required. If a person is denied a work permit, that person is prohibited from continuing to work as a gambling enterprise employee in any capacity (in any gaming or non-gaming job). For employees hired between the ages of 18 to 20 years old and who are not required to hold a work permit, upon turning 21, the employee may continue to perform their same job duties but must first apply for a work permit. We encourage cardrooms and permitting authorities to familiarize themselves with all of the changes made by the bill prior to its effective date.

As clarifying provisions were inadvertently left out of the bill prior to it being chaptered, additional requirements regarding the issuance of badges referred to in AB 649 were not provided. As such, the California Gambling Control Commission (Commission) offers additional information as follows.

Non-work permitted gambling enterprise employees 18 to 20 years old

AB 649 allows persons 18 to 20 years old to be employed in a cardroom as a gambling enterprise employee without a work permit in a limited capacity (as specified), provided that the employee wears a badge with a different background color from those of other gambling enterprise employees on their outermost garment at chest level with the words, "Non-Gaming Employee: Under 21." However, the bill does not specify which entity is responsible for creating and issuing the badge.

Commission Issued Work Permit Jurisdiction Areas: This section is intended for cardrooms located in jurisdictions where work permit applications for those over the age of 20 are submitted to the Department of Justice's Bureau of Gambling Control (Bureau) and issued by the Commission. The Commission will have no knowledge of when a person 18 to 20 years old

is hired to work in a cardroom because those individuals are not required to obtain a work permit and thus will not be filing an application. As such, these cardrooms should create and issue the badges, in accordance with the new requirements, for any 18 to 20 year old gambling enterprise employees hired. Both the cardroom and individual are responsible for ensuring an application is submitted to the Bureau upon the employee turning 21 years of age if the employee meets criteria which requires the issuance of a work permit.

Local Jurisdiction Areas: This section is intended for cardrooms located in areas where work permits are issued in accordance with a local ordinance by the city, county, or city and county. We encourage cardrooms to consult with their local permitting authority to understand what will be required for gambling enterprise employees 18 to 20 years old, which entity will be required to issue the "Non-Gaming Employee: Under 21" badges, and how other requirements of this bill will be implemented. In this regard, it is important to note that the Commission is aware of some local jurisdictions that intend to continue requiring all gambling enterprise employees hold a valid work permit as a condition of employment, including employees 18 to 20 years old.

Work permit applicants 21 years of age or older

AB 649 allows a person that is 21 years of age or older to begin working in a limited capacity (as specified) as a gambling enterprise employee after applying for a work permit, provided that the employee wears a temporary badge on their outermost garment at chest level with their name, picture, and the words "Non-Gaming Employee, Work Permit Pending." However, the bill is ambiguous as to how cardrooms will verify a work permit applicant has submitted their application as well as which entity is responsible for issuing the interim badges.

Work Permits Issued by the Commission: For cardrooms located in jurisdictions where the Commission is the permitting authority, the Commission's current work permit application process including the issuance of a temporary work permit, when requested, will remain the same. The Commission will not be issuing the interim "Non-Gaming Employee, Work Permit Pending" badge specified in the bill because temporary work permits are typically issued within one week of the Bureau's receipt and acceptance of an application. The Commission encourages all work permit applicants to request a temporary work permit. The applicant should check "YES" to Part II, Question 1, on the [Application for an Initial Regular Work Permit/Temporary Work Permit \(BGC-21\)](#) indicating that the applicant wishes to be considered for a temporary work permit. If a cardroom desires to have an applicant begin working prior to receiving a temporary work permit, we encourage the cardroom to implement internal procedures for verifying that the application has been submitted to the Bureau before issuing a "Non-Gaming Employee, Work Permit Pending" badge. These procedures could include: (1) requiring the work permit applicant to provide a copy of his/her completed application *and* mailing certification to the cardroom to verify the application was mailed to the Bureau, or (2) requiring the work permit applicant submit his/her completed application to the cardroom and the cardroom would then submit the application directly to the Bureau and maintain a copy of the mailing certification.

Work Permits Issued by the Local Jurisdiction: For cardrooms located in areas where work permits are issued by the local authority, we encourage cardrooms to consult with the authority to determine which entity will be responsible for creating and issuing the "Non-Gaming Employee, Work Permit Pending" badges. This will depend on how that authority has determined to implement the bill. Additionally, if the local authority directs the cardroom to create the badges, we encourage the cardroom to work with the authority to implement procedures that outline an acceptable way to verify that a work permit application has been submitted. Again, we are aware that some local jurisdictions intend to continue requiring all

individuals be issued a valid work permit before being allowed to begin working as a gambling enterprise employee. As such, for cardrooms located in these jurisdictions, consulting with the local permitting authority prior to January 1, 2020, is critical.

Technical drafting errors in AB 649

AB 649 contains some technical issues due to drafting errors. For example, Business and Professions Code section 19912, subdivision (b) was amended in error to incorrectly reference subdivisions (a) to (f) of Section 19859. Additionally, Section 19914, subdivision (b) was amended in error to incorrectly reference subdivisions (e) or (f) of Section 19859. It is our understanding that these technical issues will be corrected during next year's legislative session.

If you have any questions regarding this letter or AB 649, please contact the Commission's Legislative and Regulatory Affairs Division Specialist, Alex Hunter, via email at ahunter@cgcc.ca.gov or telephone at (916) 263-1301.

Sincerely,



STACEY LUNA BAXTER
Executive Director

cc: Local Jurisdictions (that issue work permits)
Stephanie Shimazu, Director, Bureau of Gambling Control
Yolanda Morrow, Assistant Director, Bureau of Gambling Control
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