CALIFORNIA

GAMBLING LAW, REGULATIONS, AND RESOURCE INFORMATION

2020 EDITION

Including relevant sections of the Business and Professions Code, Government Code, Penal Code, California Code of Regulations, United States Code, California Tribal-State Gaming Association Regulations, and the 1999 California Tribal-State Gaming Compact

The statutes and regulations included in this publication are current as of January 1, 2020

This Gambling Law Resource book can also be reviewed on the Bureau of Gambling Control website at www.oag.ca.gov/gambling

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The regulations included in this document are current as of January 1, 2020.
For the most current version of California Gambling Control Commission regulations, see the Commission website at www.cgcc.ca.gov.
For the most current version of the Bureau of Gambling Control regulations, see the Bureau website at www.oag.ca.gov/gambling.

California Statutes

BUSINESS AND PROFESSIONS CODE, DIVISION 8, CHAPTER 5

THE GAMBLING CONTROL ACT

ARTICLE 1. GENERAL PROVISIONS

19800. SHORT TITLE

This chapter shall be known, and may be cited, as the "Gambling Control Act."

19801. LEGISLATIVE FINDINGS AND DECLARATIONS

The Legislature hereby finds and declares all of the following:

(a) State law prohibits commercially operated lotteries, banked or percentage games, and gambling machines, and strictly regulates parimutuel wagering on horse racing. To the extent that state law categorically prohibits certain forms of gambling and prohibits gambling devices, nothing herein shall be construed, in any manner, to reflect a legislative intent to relax those prohibitions.

(b) The State of California has permitted the operation of gambling establishments for more than 100 years. Gambling establishments were first regulated by the State of California pursuant to legislation which was enacted in 1984. Gambling establishments currently employ more than 20,000 people in the State of California, and contribute more than one hundred million dollars ($100,000,000) in taxes and fees to California's government. Gambling establishments are lawful enterprises in the State of California, and are entitled to full protection of the laws of this state.

(c) Gambling can become addictive and is not an activity to be promoted or legitimized as entertainment for children and families.

(d) Unregulated gambling enterprises are inimical to the public health, safety, welfare, and good order. Accordingly, no person in this state has a right to operate a gambling enterprise except as may be expressly permitted by the laws of this state and by the ordinances of local governmental bodies.

(e) It is the policy of this state that gambling activities that are not expressly prohibited or regulated by state law may be prohibited or regulated by local government. Moreover, it is the policy of this state that no new gambling establishment may be opened in a city, county, or city and county in which a gambling establishment was not operating on and before January 1, 1984, except upon the affirmative vote of the electors of that city, county, or city and county.

(f) It is not the purpose of this chapter to expand opportunities for gambling, or to create any right to operate a gambling enterprise in this state or to have a financial interest in any gambling enterprise. Rather, it is the purpose of this chapter to regulate businesses that offer otherwise lawful forms of gambling games.

(g) Public trust that permissible gambling will not endanger public health, safety, or welfare requires that comprehensive measures be enacted to ensure

that gambling is free from criminal and corruptive elements, that it is conducted honestly and competitively, and that it is conducted in suitable locations.

(h) Public trust and confidence can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities related to the operation of lawful gambling establishments and the manufacture and distribution of permissible gambling equipment.

(i) All gambling operations, all persons having a significant involvement in gambling operations, all establishments where gambling is conducted, and all manufacturers, sellers, and distributors of gambling equipment must be licensed and regulated to protect the public health, safety, and general welfare of the residents of this state as an exercise of the police powers of the state.

(j) To ensure that gambling is conducted honestly, competitively, and free of criminal and corruptive elements, all licensed gambling establishments in this state must remain open to the general public and the access of the general public to licensed gambling activities must not be restricted in any manner, except as provided by the Legislature. However, subject to state and federal prohibitions against discrimination, nothing herein shall be construed to preclude exclusion of unsuitable persons from licensed gambling establishments in the exercise of reasonable business judgment.

(k) In order to effectuate state policy as declared herein, it is necessary that gambling establishments, activities, and equipment be licensed, that persons participating in those activities be licensed or registered, that certain transactions, events, and processes involving gambling establishments and owners of gambling establishments be subject to prior approval or permission, that unsuitable persons not be permitted to associate with gambling activities or gambling establishments, and that gambling activities take place only in suitable locations. Any license or permit issued, or other approval granted pursuant to this chapter, is declared to be a revocable privilege, and no holder acquires any vested right therein or thereunder.

(l) The location of lawful gambling premises, the hours of operation of those premises, the number of tables permitted in those premises, and wagering limits in permissible games conducted in those premises are proper subjects for regulation by local governmental bodies. However, consideration of those same subjects by a state regulatory agency, as specified in this chapter, is warranted when local governmental regulation respecting those subjects is inadequate or the regulation fails to safeguard the legitimate interests of residents in other governmental jurisdictions.

(m) The exclusion or ejection of certain persons from gambling establishments is necessary to effectuate the policies of this chapter and to maintain effectively the strict regulation of licensed gambling.

(n) Records and reports of cash and credit transactions involving gambling establishments may have a high degree of usefulness in criminal and regulatory

investigations and, therefore, licensed gambling operators may be required to keep records and make reports concerning significant cash and credit transactions.

19802. FURTHER LEGISLATIVE FINDINGS AND DECLARATIONS

The Legislature further finds and declares as follows:

Appropriate regulation of banking and percentage games or of gambling devices consistent with public safety and welfare would require, at a minimum, all of the following safeguards:

(a) The creation of an adequately funded gambling control commission with comprehensive powers to establish minimum standards and technical specifications for gambling equipment and devices.

(b) The creation of an adequately funded law enforcement capability within state government to inspect, test, and evaluate gambling equipment and devices and modifications thereto.

(c) An appropriation by the Legislature to sufficiently fund a full-time commission and law enforcement capability with responsibilities commensurate with the expanded scope of gambling.

(d) The enactment of necessary regulations setting forth standards and procedures for the licensing of persons connected with the manufacture, sale, and distribution of equipment and devices in this state.

(e) The enactment of standards related to the trustworthiness and fairness of equipment and devices, upon the commission's recommendation to the Legislature.

(f) The enactment of statutory provisions governing the importation, transportation, sale, and disposal of equipment and devices, upon the commission's recommendation to the Legislature.

(g) The enactment of statutes providing for appropriate inspection and testing of equipment and devices, upon the commission's recommendation to the Legislature.

19803. LEGISLATIVE INTENT; CITY AND COUNTY AUTHORITY; RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES

(a) It is the intent of the Legislature, in enacting this chapter, to provide uniform, minimum standards of regulation of permissible gambling activities and the operation of lawful gambling establishments.

(b) Nothing in this chapter shall be construed to preclude any city, county, or city and county from prohibiting any gambling activity, from imposing more stringent local controls or conditions upon gambling than are imposed by this chapter or by the commission, from inspecting gambling premises to enforce applicable state and local laws, or from imposing any local tax or license fee, if the prohibition, control, condition, inspection, tax, or fee is not inconsistent with this chapter. Nothing in this chapter shall be construed to affect the responsibility of

local law enforcement agencies to enforce the laws of this state, including this chapter.

19804. ACTION FOR DECLARATORY OR INJUNCTIVE RELIEF OR RELIEF BY EXTRAORDINARY WRIT

(a) In any action for declaratory or injunctive relief, or for relief by way of any extraordinary writ, other than an action initiated pursuant to Section 19932, wherein the construction, application, or enforcement of this chapter, or any regulation adopted pursuant thereto, or any order of the department or the commission issued pursuant thereto, is called into question, a court shall not grant any preliminary or permanent injunction, or any peremptory writ of mandate, certiorari, or prohibition, in connection therewith, except as follows:

(1) Upon proof by clear and convincing evidence that the department or the commission is abusing or threatens to abuse its discretion.
(2) Upon proof by clear and convincing evidence that the department or the commission is exceeding or threatens to exceed its jurisdiction.

(b) No temporary injunction or other provisional order shall issue to restrain, stay, or otherwise interfere with any action by the department or the commission, except upon a finding by the court, based on clear and convincing evidence, that the public interest will not be prejudiced thereby, and, except for preliminary injunctions, no order may be effective for more than 15 calendar days, except by stipulation of the department or commission. No preliminary order may be effective for more than 45 day, except by stipulation of the department or commission.

(c) This section does not relieve a petitioner's obligation to exhaust administrative remedies.

(d) In an action for relief of any nature wherein the construction, application, or enforcement of this chapter, or any regulation adopted pursuant thereto, or any order of the department or commission issued pursuant thereto, is called into question, the party filing the pleading shall furnish a copy thereof to the department and to the commission. The copy shall be furnished by the party filing the pleading within 10 business days after filing.

19805. DEFINITIONS

As used in this chapter, the following definitions shall apply:

(a) "Affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

(b) "Applicant" means any person who has applied for, or is about to apply for, a state gambling license, a key employee license, a registration, a finding of suitability, a work permit, a manufacturer's or distributor's license, or an approval of any act or transaction for which the approval or authorization of the commission or department is required or permitted under this chapter.

(c) “Banking game” or “banked game” does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section, it is not the intent of the Legislature to mandate acceptance of the deal by every player if the department finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

(d) “Chief” means the head of the entity within the department that is responsible for fulfilling the obligations imposed upon the department by this chapter.

(e) “Commission” means the California Gambling Control Commission.

(f) “Controlled gambling” means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game.

(g) “Controlled game” means any controlled game, as defined by subdivision (e) of Section 337j of the Penal Code.

(h) “Department” means the Department of Justice.

(i) “Director” means any director of a corporation or any person performing similar functions with respect to any organization.

(j) “Finding of suitability” means a finding that a person meets the qualification criteria described in subdivisions (a) and (b) of Section 19857, and that the person would not be disqualified from holding a state gambling license on any of the grounds specified in Section 19859.

(k) “Game” and “gambling game” means any controlled game.

(l) “Gambling” means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game

(m) “Gambling enterprise” means a natural person or an entity, whether individual, corporate, or otherwise, that conducts a gambling operation and that by virtue thereof is required to hold a state gambling license under this chapter.

(n) “Gambling enterprise employee” means any natural person employed in the operation of a gambling enterprise, including, without limitation, dealers, floor personnel, security employees, countroom personnel, cage personnel, collection personnel, surveillance personnel, data-processing personnel, appropriate maintenance personnel, waiters and waitresses, and secretaries, or any other natural person whose employment duties require or authorize access to restricted gambling establishment areas.

(o) “Gambling establishment,” “establishment,” or “licensed premises” except as otherwise defined in Section 19812, means one or more rooms where any controlled gambling or activity directly related thereto occurs.

(p) “Gambling license” or “state gambling license” means any license issued by the state that authorizes the person named therein to conduct a gambling operation.

(q) “Gambling operation” means exposing for play one or more controlled games that are dealt, operated, carried on, conducted, or maintained for commercial gain.

(r) “Gross revenue” means the total of all compensation received for conducting any controlled game, and includes interest received in payment for credit extended by an owner licensee to a patron for purposes of gambling, except as provided by regulation.

(s) “Hours of operation” means the period during which a gambling establishment is open to conduct the play of controlled games within a 24-hour period. In determining whether there has been expansion of gambling relating to “hours of operation,” the department shall consider the hours in the day when the local ordinance permitted the gambling establishment to be open for business on January 1, 1996, and compare the current ordinance and the hours during which the gambling establishment may be open for business. The fact that the ordinance was amended to permit gambling on a day, when gambling was not permitted on January 1, 1996, shall not be considered in determining whether there has been gambling in excess of that permitted by Section 19961.

(t) “House” means the gambling enterprise, and any owner, shareholder, partner, key employee, or landlord thereof.

(u) “Independent agent,” except as provided by regulation, means any person who does either of the following:

(1) Collects debt evidenced by a credit instrument.
(2) Contracts with an owner licensee, or an affiliate thereof, to provide services consisting of arranging transportation or lodging for guests at a gambling establishment.

(v) “Initial license” means the license first issued to a person authorizing that person to commence the activities authorized by that license.

(w) “Institutional investor” means any retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees, any investment company registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), any collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, any closed-end investment trust, any chartered or licensed life insurance company or property and casualty insurance company, any banking and other chartered or licensed lending institution, any investment advisor registered under the Investment Advisors Act of 1940 (15 U.S.C. Sec. 80b-1 et seq.) acting in that capacity, and other persons as

the commission may determine for reasons consistent with the policies of this chapter.

(x) “Key employee” means any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate gambling operations, including, without limitation, pit bosses, shift bosses, credit executives, cashier operations supervisors, gambling operation managers and assistant managers, managers or supervisors of security employees, or any other natural person designated as a key employee by the department for reasons consistent with the policies of this chapter.

(y) “Key employee license” means a state license authorizing the holder to be employed as a key employee.

(z) “License” means a gambling license, key employee license, or any other license issued by the commission pursuant to this chapter or regulations adopted pursuant to the chapter.

(aa) “Licensed gambling establishment” means the gambling premises encompassed by a state gambling license.

(ab) “Limited partnership” means a partnership formed by two or more persons having as members one or more general partners and one or more limited partners.

(ac) “Limited partnership interest” means the right of a general or limited partner to any of the following:

(1) To receive from a limited partnership any of the following:
  (A) A share of the revenue.
  (B) Any other compensation by way of income.
  (C) A return of any or all of his or her contribution to capital of the limited partnership.
(2) To exercise any of the rights provided under state law.

(ad) “Owner licensee” means an owner of a gambling enterprise who holds a state gambling license.

(ae) “Person,” unless otherwise indicated, includes a natural person, corporation, partnership, limited partnership, trust, joint venture, association, or any other business organization.

(af) “Player” means a patron of a gambling establishment who participates in a controlled game.

(ag) “Player-dealer” and “controlled game featuring a player-dealer position” refer to a position in a controlled game, as defined by the approved rules for that game, in which seated player participants are afforded the temporary opportunity to wager against multiple players at the same table, provided that this position is rotated amongst the other seated players in the game.

(ah) “Publicly traded racing association” means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) whose stock is publicly traded.

(ai) “Qualified racing association” means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) that is a wholly owned subsidiary of a corporation whose stock is publicly traded.

(aj) “Renewal license” means the license issued to the holder of an initial license that authorizes the license to continue beyond the expiration date of the initial license.

(ak) “Work permit” means any card, certificate, or permit issued by the commission, or by a county, city, or city and county, whether denominated as a work permit, registration card, or otherwise, authorizing the holder to be employed as a gambling enterprise employee or to serve as an independent agent. A document issued by any governmental authority for any employment other than gambling is not a valid work permit for the purposes of this chapter.

19806. LOTTERIES AND GAMING; UNLAWFUL CONDUCT; CONSTRUCTION OF CHAPTER

Nothing in this chapter shall be construed in any way to permit or authorize any conduct made unlawful by Chapter 9 (commencing with Section 319) of, or Chapter 10 (commencing with Section 330) of, Title 9 of Part 1 of the Penal Code, or any local ordinance.

19807. VENUE

Except as otherwise provided in this chapter, whenever the department or commission is a defendant or respondent in any proceeding, or when there is any legal challenge to regulations issued by the commission or department, venue for the proceeding shall be in the County of Sacramento, the City and County of San Francisco, the County of Los Angeles, or the County of San Diego.

ARTICLE 2. ADMINISTRATION

19810. BUREAU OF GAMBLING CONTROL; EXERCISE OF AUTHORITY BY ATTORNEY GENERAL OR DESIGNEE

Except as otherwise provided in this chapter, any power or authority of the department described in this chapter may be exercised by the Attorney General or any other person as the Attorney General may delegate.

19811. CALIFORNIA GAMBLING CONTROL COMMISSION; MEMBERS; POWERS; JURISDICTION

(a) There is in state government the California Gambling Control Commission, consisting of five members appointed by the Governor, subject to confirmation by the Senate. The California Gambling Control Commission shall succeed to all of the powers of the former California Gambling Control Board.

(b) Jurisdiction, including jurisdiction over operation and concentration, and supervision over gambling establishments in this state and over all persons or things having to do with the operations of gambling establishments is vested in the commission.

19812. COMMISSION MEMBERS; ELIGIBILITY; QUALIFICATIONS

(a) Each member of the commission shall be a citizen of the United States and a resident of this state.

(b) No Member of the Legislature, no person holding any elective office in state, county, or local government, and no officer or official of any political party is eligible for appointment to the commission.

(c) No more than three of the five members of the commission shall be members of the same political party.

(d) A person is ineligible for appointment to the commission if, within two years prior to appointment, the person, or any partnership or corporation in which the person is a principal, was employed by, retained by, or derived substantial income from, any gambling establishment. For the purposes of this subdivision, "gambling establishment" means one or more rooms wherein any gaming within the meaning of Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code, or any controlled game within the meaning of Section 337j of the Penal Code, is conducted, whether or not the activity occurred in California.

(e) One member of the commission shall be a certified public accountant or a person with experience in banking or finance, one member shall be an attorney and a member of the State Bar of California with regulatory law experience, one member shall have a background in law enforcement and criminal investigation, one member shall have a background in business with at least five years of business experience or alternatively five years of governmental experience, and one member shall be from the public at large.

19813. COMMISSION MEMBERS; APPOINTMENT; TERMS; VACANCIES; REMOVAL

(a) Of the members initially appointed, two shall be appointed for a term of two years, two shall be appointed for a term of three years, and one shall be appointed for a term of four years. After the initial terms, the term of office of each member of the commission is four years.

(b) The Governor shall appoint the members of the commission, subject to confirmation by the Senate, and shall designate one member to serve as chairperson. The initial appointments shall be made within three months of the operative date of this section. Thereafter, vacancies shall be filled within 60 days of the date of the vacancy by the Governor, subject to confirmation by the Senate.

(c) The Governor may remove any member of the commission for incompetence, neglect of duty, or corruption upon first giving him or her a copy of the charges and an opportunity to be heard.

19814. COMMISSION MEMBERS; OATH OF OFFICE; PECUNIARY INTEREST IN OR DOING BUSINESS WITH LICENSEE

(a) During their terms of office, the members of the commission shall not engage in any other business, vocation, or employment.

(b) Before entering upon the duties of his or her office, the chief and each member of the commission shall subscribe to the constitutional oath of office and, in addition, swear that he or she is not, and during his or her term of office shall not be, pecuniarily interested in, or doing business with, any person, business, or organization holding a gambling license.

19815. MEMBERS OF COMMISSION; SALARY

(a) The members of the commission shall receive the salary provided for by Section 11553.5 of the Government Code.

(b) The chairperson of the commission shall receive the salary provided for by Section 11553 of the Government Code.

19816. EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR; ELIGIBILITY; SALARY; DUTIES; STAFF

(a) The commission shall have an executive director appointed by the commission. A person is ineligible for appointment as executive director or deputy executive director if, within two years prior to appointment, the person, or any partnership or corporation in which the person is a principal, was employed by, retained by, or derived substantial income from, any gambling establishment, whether or not a controlled gambling establishment.

(b) The executive director shall receive the annual salary established by the commission and approved by the Department of Human Resources. The executive director shall be the commission's executive officer and shall carry out and execute the duties as specified by law and by the commission.

(c) The commission may appoint other staff and clerical personnel as necessary to carry out its duties under this chapter.

19817. GAMING POLICY ADVISORY COMMITTEE; MEMBERS; MEETINGS; RECOMMENDATIONS

The commission shall establish and appoint a Gaming Policy Advisory Committee of 10 members. The committee shall be composed of representatives of controlled gambling licensees and members of the general public in equal numbers. The executive director shall, from time to time, convene the committee for the purpose of discussing matters of controlled gambling regulatory policy and any other relevant gambling-related issue. The recommendations concerning gambling policy made by the committee shall be presented to the commission, but shall be deemed advisory and not binding on the commission in the performance of its duties or functions. The committee may not advise the commission on Indian gaming.

19818. COMMISSION INVESTIGATION; TAX ON REVENUE; REGULATION OF ADVERTISING; REPORT

(a) The commission shall investigate the following matters:

(1) The consequences, benefits, and disadvantages of imposing a state tax on revenue generated by licensed gambling establishments.

(2) Regulation of advertising for the purpose of limiting exposure of children to materials promoting gambling.

(b) The commission shall report its findings to the Legislature and the Governor no later than January 1, 2005.

19819. COMMISSION OFFICE; RECORD OF VOTES; MEETINGS; DISCLOSURE OF DOCUMENTS

(a) The commission shall establish and maintain a general office for the transaction of its business in Sacramento. The commission may hold meetings at any place within the state when the interests of the public may be better served.

(b) A public record of every vote shall be maintained at the commission's principal office.

(c) A majority of the membership of the commission is a quorum of the commission. The concurring vote of three members of the commission shall be required for any official action of the commission or for the exercise of any of the commission's duties, powers, or functions.

(d) Except as otherwise provided in this chapter, Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code applies to meetings of the commission. Notwithstanding Section 11125.1 of the Government Code, documents, which are filed with the commission by the department for the purpose of evaluating the qualifications of an applicant, are exempt from disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

19820. ATTORNEYS; APPOINTMENT; REPRESENTATION BY ATTORNEY GENERAL

The commission may employ not more than eight attorneys. Nothing in this section shall be deemed to exempt the commission from the operation of Section 11040, 11042, or 11043 of the Government Code.

19821. COMMISSION; MEETINGS; RECORD OR PROCEEDINGS; FILES AND RECORDS; DISCLOSURE OF INFORMATION

(a) The commission shall cause to be made and kept a record of all proceedings at regular and special meetings of the commission. These records shall be open to public inspection.

(b) The department shall maintain a file of all applications for licenses under this chapter. The commission shall maintain a record of all actions taken with respect to those applications. The file and record shall be open to public inspection.

(c) The department and commission may maintain any other files and records as they deem appropriate. Except as provided in this chapter, the records of the department and commission are exempt from disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

(d) Except as necessary for the administration of this chapter, no commissioner and no official, employee, or agent of the commission or the department, having obtained access to confidential records or information in the performance of duties pursuant to this chapter, shall knowingly disclose or furnish the records or information, or any part thereof, to any person who is not authorized by law to receive it. A violation of this subdivision is a misdemeanor.

(e) Notwithstanding subdivision (k) of Section 1798.24 of the Civil Code, a court shall not compel disclosure of personal information in the possession of the department or the commission to any person in any civil proceeding wherein the department or the commission is not a party, except for good cause and upon a showing that the information cannot otherwise be obtained. This section shall not authorize the disclosure of personal information that is otherwise exempt from disclosure.

19822. State or Local Governmental Agency; Files, Records, and Reports; Availability to Department; Inspection by Commission

(a) All files, records, reports, and other information in possession of any state or local governmental agency that are relevant to an investigation by the department conducted pursuant to this chapter shall be made available to the department as requested. However, any tax information received from a governmental agency shall be used solely for effectuating the purposes of this chapter. To the extent that the files, records, reports, or information described in this section are confidential or otherwise privileged from disclosure under any law or exercise of discretion, they shall not lose that confidential or privileged status for having been disclosed to the department.

(b) All files, records, reports, and other information pertaining to gambling matters in the possession of the department shall be open at all times to inspection by the members of the commission.

19823. Commission; Responsibilities; Licenses, Approvals, and Permits; Unqualified or Disqualified Persons

(a) The responsibilities of the commission include, without limitation, all of the following:

(1) Assuring that licenses, approvals, and permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(2) Assuring that there is no material involvement, directly or indirectly, with a licensed gambling operation, or the ownership or management thereof, by unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(b) For the purposes of this section, “unqualified person” means a person who is found to be unqualified pursuant to the criteria set forth in Section 19857, and "disqualified person" means a person who is found to be disqualified pursuant to the criteria set forth in Section 19859.

19824. COMMISSION; POWERS

The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of this chapter, including, without limitation, the power to do all of the following:

(a) Require any person to apply for a license, permit, registration, or approval as specified in this chapter, or regulations adopted pursuant to this chapter.

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. The commission may condition, restrict, discipline, or take action against the license of an individual owner endorsed on the license certificate of the gambling enterprise whether or not the commission takes action against the license of the gambling enterprise.

(c) Approve or disapprove transactions, events, and processes as provided in this chapter.

(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities.

(e) Take actions deemed to be reasonable to ensure that gambling activities take place only in suitable locations.

(f) Grant temporary licenses, permits, or approvals on appropriate terms and conditions.

(g) Institute a civil action in any superior court against any person subject to this chapter to restrain a violation of this chapter. An action brought against a person pursuant to this section does not preclude a criminal action or administrative proceeding against that person by the Attorney General or any district attorney or city attorney.

(h) Issue subpoenas to compel attendance of witnesses and production of documents and other material things at a meeting or hearing of the commission or its committees, including advisory committees.

19824.5. OATHS

The executive director and members of the commission may administer oaths and certify official acts in connection with the business of the commission.

19825. ADMINISTRATIVE ADJUDICATION

The commission may require that any matter that the commission is authorized or required to consider in a hearing or meeting of an adjudicative nature regarding

the denial, suspension, or revocation of a license, permit, or a finding of suitability, be heard and determined in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

19826. DEPARTMENT RESPONSIBILITIES

The department shall perform all investigatory functions required by this chapter, as well as auditing functions under tribal gaming compacts, and shall have all of the following responsibilities:

(a) To receive and process applications for any license, permit, or other approval, and to collect all related fees. The department shall investigate the qualifications of applicants before any license, permit, or other approval is issued, and investigate any request to the commission for any approval that may be required pursuant to this chapter. The department may recommend the denial or the limitation, conditioning, or restriction of any license, permit, or other approval.

(b) To monitor the conduct of all licensees and other persons having a material involvement, directly or indirectly, with a gambling operation or its holding company, for the purpose of ensuring that licenses are not issued or held by, and that there is no direct or indirect material involvement with, a gambling operation or holding company by ineligible, unqualified, disqualified, or unsuitable persons, or persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling, including any activity prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

(d) To investigate complaints that are lodged against licensees, or other persons associated with a gambling operation, by members of the public.

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

(f) To adopt regulations reasonably related to its functions and duties as specified in this chapter.

(g) Approve the play of any controlled game, including placing restrictions and limitations on how a controlled game may be played. The department shall make available to the public the rules of play and the collection rates of each gaming activity approved for play at each gambling establishment on the Attorney General's Web site. Actual costs incurred by the department to review and approve game rules shall be reimbursed to the department by the licensee making the request.

19827. DEPARTMENT; POWERS; INVESTIGATIONS

(a) The department has all powers necessary and proper to enable it to carry out fully and effectually the duties and responsibilities of the department specified

in this chapter. The investigatory powers of the department include, but are not limited to, all of the following:

(1) Upon approval of the chief, and without notice or warrant, the department may take any of the following actions:
   (A) Visit, investigate, and place expert accountants, technicians, and any other person, as it may deem necessary, in all areas of the premises wherein controlled gambling is conducted for the purpose of determining compliance with the rules and regulations adopted pursuant to this chapter.
   (B) Visit, inspect, and examine all premises where gambling equipment is manufactured, sold, or distributed.
   (C) Inspect all equipment and supplies in any gambling establishment or in any premises where gambling equipment is manufactured, sold, or distributed.
   (D) Summarily seize, remove, and impound any equipment, supplies, documents, or records from any licensed premises for the purpose of examination and inspection. However, upon reasonable demand by the licensee or the licensee's authorized representative, a copy of all documents and records seized shall be made and left on the premises.
   (E) Demand access to, and inspect, examine, photocopy, and audit all papers, books, and records of an owner licensee on the gambling premises in the presence of the licensee or his or her agent.

(2) Except as provided in paragraph (1), upon obtaining an inspection warrant pursuant to Section 1822.60 of the Code of Civil Procedure, the department may inspect and seize for inspection, examination, or photocopying any property possessed, controlled, bailed, or otherwise held by any applicant, licensee, or any intermediary company, or holding company.

(3) The department may investigate, for purposes of prosecution, any suspected criminal violation of this chapter. However, nothing in this paragraph limits the powers conferred by any other law on agents of the department who are peace officers.

(4) The department may do both of the following:
   (A) Issue subpoenas to require the attendance and testimony of witnesses and the production of books, records, documents, and physical materials.
   (B) Administer oaths, examine witnesses under oath, take evidence, and take depositions and affidavits or declarations. Notwithstanding Section 11189 of the Government Code, the department, without leave of court, may take the deposition of any applicant or any licensee. Sections 11185 and 11191 of the Government Code do not apply to a witness who is an applicant or a licensee.

(b) (1) Subdivision (a) shall not be construed to limit warrantless inspections except as required by the California Constitution or the United States Constitution.

(2) Subdivision (a) shall not be construed to prevent entries and administrative inspections, including seizures of property, without a warrant in the following circumstances:
   (A) With the consent of the owner, operator, or agent in charge of the premises.
   (B) In situations presenting imminent danger to health and safety.
   (C) In situations involving inspection of conveyances where there is reasonable cause to believe that the mobility of the conveyance makes it impractical to obtain a warrant, or in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking.
   (D) In accordance with this chapter.
   (E) In all other situations where a warrant is not constitutionally required.

19828. APPLICANT, LICENSEE, OR REGISTRANT COMMUNICATION OR DOCUMENT; PRIVILEGE; RELEASE OR DISCLOSURE

(a) Without limiting any privilege that is otherwise available under law, any communication or publication from, or concerning, an applicant, licensee, or registrant, in oral, written, or any other form, is absolutely privileged and so shall not form a basis for imposing liability for defamation or constitute a ground for recovery in any civil action, under any of the following circumstances:

(1) It was made or published by an agent or employee of the department or commission in the proper discharge of official duties or in the course of any proceeding under this chapter.
(2) It was required to be made or published to the department or commission, or any of their agents or employees, by law, regulation, or subpoena of the department or the commission.
(3) It was, in good faith, made or published to the department or the commission for the purpose of causing, assisting, or aiding an investigation conducted pursuant to this chapter.

(b) If any document or communication provided to the department or the commission contains any information that is privileged pursuant to Division 8 (commencing with Section 900) of the Evidence Code, or any other provision of law, that privilege is not waived or lost because the document or communication is disclosed to the department or the commission or to any of their agents or employees.

(c) The department, the commission, and their agents and employees shall not release or disclose any information, documents, or communications provided by an applicant, licensee, or other person, that are privileged pursuant to Division 8 (commencing with Section 900) of the Evidence Code, or any other provision of law, without the prior written consent of the holder of the privilege, or pursuant to lawful court order after timely notice of the proceedings has been given to the holder of the privilege. An application to a court for an order requiring the department or the commission to release any information declared by law to be confidential shall be made only upon motion made in writing on not less than

10-business days' notice to the department or the commission, and to all persons who may be affected by the entry of the order.

19829. District Attorneys and State and Local Law Enforcement Agencies; Report to Department

Every district attorney, and every state and local law enforcement agency, shall furnish to the department, on forms prepared by the department, all information obtained during the course of any substantial investigation or prosecution of any person, as determined by the department, if it appears that a violation of any law related to gambling has occurred, including any violation of Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

19830. Gambling Control Fund; Investigative Account

There is an investigative account within the Gambling Control Fund. All funds received for the purpose of paying expenses incurred by the department for investigation of an application for a license or approval under this chapter shall be deposited in the account. Expenses may be advanced from the investigative account to the department by the chief.

Article 3. Regulations

19840. Adoption; Consideration of Cardroom Size

The commission may adopt regulations for the administration and enforcement of this chapter. To the extent appropriate, regulations of the commission and the department shall take into consideration the operational differences of large and small establishments.

19841. Content Requirements

The regulations adopted by the commission shall do all of the following:

(a) With respect to applications, registrations, investigations, and fees, the regulations shall include, but not be limited to, provisions that do all of the following:

(1) Prescribe the method and manner of application and registration.
(2) Prescribe the information to be furnished by any applicant, licensee, or registrant concerning, as appropriate, the person's personal history, habits, character, associates, criminal record, business activities, organizational structure, and financial affairs, past or present.
(3) Prescribe the information to be furnished by an owner licensee relating to the licensee's gambling employees.
(4) Require fingerprinting or other methods of identification of an applicant, licensee, or employee of a licensee.
(5) Prescribe the manner and method of collection and payment of fees and issuance of licenses.

(b) Provide for the approval of game rules and equipment by the department to ensure fairness to the public and compliance with state laws.

(c) Implement the provisions of this chapter relating to licensing and other approvals.

(d) Require owner licensees to report and keep records of transactions, including transactions as determined by the department, involving cash or credit. The regulations may include, without limitation, regulations requiring owner licensees to file with the department reports similar to those required by Sections 5313 and 5314 of Title 31 of the United States Code, and by Sections 103.22 and 103.23 of Title 31 of the Code of Federal Regulations, and any successor provisions thereto, from financial institutions, as defined in Section 5312 of Title 31 of the United States Code and Section 103.11 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(e) Provide for the receipt of protests and written comments on an application by public agencies, public officials, local governing bodies, or residents of the location of the gambling establishment or future gambling establishment.

(f) Provide for the disapproval of advertising by licensed gambling establishments that is determined by the department to be deceptive to the public. Regulations adopted by the commission for advertising by licensed gambling establishments shall be consistent with the advertising regulations adopted by the California Horse Racing Board and the Lottery Commission. Advertisement that appeals to children or adolescents or that offers gambling as a means of becoming wealthy is presumptively deceptive.

(g) Govern all of the following:

(1) The extension of credit.
(2) The cashing, deposit, and redemption of checks or other negotiable instruments.
(3) The verification of identification in monetary transactions.

(h) Prescribe minimum procedures for adoption by owner licensees to exercise effective control over their internal fiscal and gambling affairs, which shall include, but not be limited to, provisions for all of the following:

(1) The safeguarding of assets and revenues, including the recording of cash and evidences of indebtedness.
(2) Prescribing the manner in which compensation from games and gross revenue shall be computed and reported by an owner licensee.
(3) The provision of reliable records, accounts, and reports of transactions, operations, and events, including reports to the department.

(i) Provide for the adoption and use of internal audits, whether by qualified internal auditors or by certified public accountants. As used in this subdivision, "internal audit" means a type of control that operates through the testing and evaluation of other controls and that is also directed toward observing proper compliance with the minimum standards of control prescribed in subdivision (h).

(j) Require periodic financial reports from each owner licensee.

(k) Specify standard forms for reporting financial conditions, results of operations, and other relevant financial information.

(l) Formulate a uniform code of accounts and accounting classifications to ensure consistency, comparability, and effective disclosure of financial information.

(m) Prescribe intervals at which the information in subdivisions (j) and (k) shall be furnished to the department.

(n) Require audits to be conducted, in accordance with generally accepted auditing standards, of the financial statements of all owner licensees whose annual gross revenues equal or exceed a specified sum. However, nothing herein shall be construed to limit the department's authority to require audits of any owner licensee. Audits, compilations, and reviews provided for in this subdivision shall be made by independent certified public accountants licensed to practice in this state.

(o) Restrict, limit, or otherwise regulate any activity that is related to the conduct of controlled gambling, consistent with the purposes of this chapter.

(p) Define and limit the area, games, hours of operation, number of tables, wagering limits, and equipment permitted, or the method of operation of games and equipment, if the commission, upon the recommendation of, or in consultation with, the department, determines that local regulation of these subjects is insufficient to protect the health, safety, or welfare of residents in geographical areas proximate to a gambling establishment.

(q) Prohibit gambling establishments from cashing checks drawn against any federal, state, or county fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments. However, a gambling establishment shall not be prohibited from cashing any payroll checks or checks for the delivery of goods or services that are drawn against a federal, state, or county fund.

(r) Provide for standards, specifications, and procedures governing the manufacture, distribution, including the sale and leasing, inspection, testing, location, operation, repair, and storage of gambling equipment, and for the licensing of persons engaged in the business of manufacturing, distributing, including the sale and leasing, inspection, testing, repair, and storage of gambling equipment.

(s) By December 31, 2011, provide procedures, criteria, and timelines for the processing and approval of applications for the licensing, temporary or interim licensing, or findings of suitability for receivers, trustees, beneficiaries, executors, administrators, conservators, successors in interest, or security interest holders for a gambling enterprise so that gambling enterprises may operate continuously in cases including, but not limited to, the death, insolvency, foreclosure, receivership, or incapacity of a licensee.

19842. PLAY OF GAME OR MANNER OF PLAY; PROHIBITIONS; CONSTRUCTION; EMERGENCY REGULATIONS PROHIBITED

(a) The commission shall not prohibit, on a statewide basis, the play of any game or restrict the manner in which any game is played, unless the commission, in a proceeding pursuant to this article, finds that the game, or the manner in which

the game is played, violates a law of the United States, a law of this state, or a local ordinance.

(b) Nothing in this section shall be construed to limit the powers of the commission in a proceeding against a licensee pursuant to Article 10 (commencing with Section 19930).

(c) No regulation prohibiting a game or the manner in which a game is played shall be deemed to be an emergency regulation.

19843. PLACEMENT OF WAGER ON CONTROLLED GAME BY PERSON AT TABLE

The commission shall not prohibit, on a statewide basis, the placing of a wager on a controlled game by a person at a gaming table, if the person is present at the table and actively participating in the hand with a single-seated player upon whose hand the wagers are placed.

19844. EXCLUSION OR EJECTION OF INDIVIDUALS FROM GAMING ESTABLISHMENTS

(a) The commission shall, by regulation, provide for the formulation of a list of persons who are to be excluded or ejected from any gambling establishment. The list may include any person whose presence in the establishment is determined by the commission to pose a threat to the interests of this state or to controlled gambling, or both.

(b) In making the determination described in subdivision (a), the commission may consider, but is not limited to considering, any of the following:

(1) Prior conviction of a crime that is a felony in this state or under the laws of the United States, a crime involving moral turpitude, or a violation of the gambling laws of this or any other state.
(2) The violation of, or conspiracy to violate, the provisions of this chapter relating to the failure to disclose an interest in a gambling establishment for which the person is required to obtain a license, or the willful evasion of fees.
(3) A notorious or unsavory reputation that would adversely affect public confidence and trust that the gambling industry is free from criminal or corruptive elements.
(4) An order of exclusion or ejection from a racing enclosure issued by the California Horse Racing Board.

(c) The commission shall distribute the list of persons who are to be excluded or ejected from any gambling establishment to all owner licensees and shall provide notice to any persons included on the list.

(d) The commission shall adopt regulations establishing procedures for hearing of petitions by persons who are ejected or excluded from licensed premises pursuant to this section or pursuant to Section 19845.

(e) The commission may revoke, limit, condition, or suspend the license of an owner, or fine an owner licensee, if that licensee knowingly fails to exclude or eject

from the gambling establishment of that licensee any person included on the list of persons to be excluded or ejected.

19845. REMOVAL OF PERSONS FROM LICENSED PREMISES; REASONS

(a) A licensee may remove from his or her licensed premises any person who, while on the premises:

(1) Is a disorderly person, as defined by Section 647 of the Penal Code.
(2) Interferes with a lawful gambling operation.
(3) Solicits or engages in any act of prostitution.
(4) Begs, is boisterous, or is otherwise offensive to other persons.
(5) Commits any public offense.
(6) Is intoxicated.
(7) Is a person who the commission, pursuant to regulation, has determined should be excluded from licensed gambling establishments in the public interest.

(b) Nothing in this section shall be deemed, expressly or impliedly, to preclude a licensee from exercising the right to deny access to or to remove any person from its premises or property for any reason the licensee deems appropriate.

19846. CIVIL LIABILITY

(a) Notwithstanding any other provision of law and except as provided in subdivision (b), a gambling enterprise that ejects or excludes an individual based upon Section 19844 or 19845 is not subject to civil liability for a mistake as to the grounds for ejecting or excluding a person if the ejection or exclusion was based upon a reasonable and good faith belief, after a reasonable investigation, that these sections applied to the individual in question.

(b) Notwithstanding subdivision (a), a gambling enterprise may not be relieved from liability for any damages arising from the means of ejection or exclusion.

ARTICLE 4. LICENSING

19850. STATE GAMBLING LICENSE, KEY EMPLOYEE LICENSE, OR WORK PERMIT; REQUIREMENTS; VIOLATION

Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit, as specified in this chapter. In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

19850.5. REMOTE CALLER BINGO; CARD-MINDING DEVICES; APPLICABILITY OF LAW

Notwithstanding Section 19850 or any other provision of law, this chapter shall apply to both of the following:

(a) The operation, regulation, and enforcement of remote caller bingo, as defined in paragraph (1) of subdivision (t) of Section 326.3 of the Penal Code, to the extent expressly made applicable by Section 326.3 of the Penal Code. No requirement contained in this chapter shall apply to remote caller bingo unless expressly made applicable by Section 326.3 of the Penal Code.

(b) The regulation of card-minding devices as provided in subdivision (p) of Section 326.5 of the Penal Code, to the extent expressly made applicable by Section 326.5 of the Penal Code. No requirement contained in this chapter shall apply to card-minding devices unless expressly made applicable by Section 326.5 of the Penal Code.

19850.6. REMOTE CALLER BINGO; CARD-MINDING DEVICES; COMMISSION REGULATIONS; EMERGENCY REGULATIONS

(a) In order to avoid delays in implementing the California Remote Caller Bingo Act, including implementing remote caller bingo, testing and certifying card-minding devices, and to avoid disruption of fundraising efforts by nonprofit organizations, the Legislature finds and declares that it is necessary to provide the commission with a limited exemption from normal rulemaking procedural requirements. The commission is directed to adopt appropriate emergency regulations as soon as possible, the initial regulatory action to be filed with the Office of Administrative Law no later than May 1, 2009. It is the intent of the Legislature to provide the commission with full authority and sufficient flexibility to adopt all needed regulations. These regulations may be adopted in a series of regulatory actions. Subsequent regulatory actions may amend or repeal earlier regulatory actions, as necessary, to reflect program experience and concerns of the regulated public.

(b) The commission shall adopt emergency regulations concerning remote caller bingo and concerning card-minding devices no later than May 1, 2009. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the commission is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code, but shall otherwise be subject to the review and approval of the Office of Administrative Law.

(c) Notwithstanding any other law, all emergency regulations adopted by the commission pursuant to this section before July 1, 2009, shall remain in effect until December 31, 2011, except to the extent that the commission exercises its power to adopt, amend, or repeal these regulations in whole or in part.

19851. OWNER OF GAMBLING ENTERPRISE; STATE GAMBLING LICENSE; EXPIRATION

(a) The owner of a gambling enterprise shall apply for and obtain a state gambling license. The owner of a gambling enterprise shall be known as the owner-licensee.

(b) Other persons who also obtain a state gambling license, as required by this chapter, shall not receive a separate license certificate, but the license of every such person shall be endorsed on the license certificate that is issued to the owner of the gambling enterprise.

19852. OWNER NOT NATURAL PERSON; ELIGIBILITY FOR STATE GAMBLING LICENSE; INDIVIDUAL LICENSES

Except as provided in Section 19852.2, an owner of a gambling enterprise that is not a natural person shall not be eligible for a state gambling license unless each of the following persons individually applies for and obtains a state gambling license:

(a) If the owner is a corporation, then each officer, director, and shareholder, other than a holding or intermediary company, of the owner. The foregoing does not apply to an owner that is either a publicly traded racing association or a qualified racing association.

(b) If the owner is a publicly traded racing association, then each officer, director, and owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the publicly traded corporation.

(c) If the owner is a qualified racing association, then each officer, director, and shareholder, other than an institutional investor, of the subsidiary corporation and any owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the publicly traded corporation.

(d) If the owner is a partnership, then every general and limited partner of, and every trustee or person, other than a holding or intermediary company, having or acquiring a direct or beneficial interest in, that partnership owner.

(e) If the owner is a trust, then the trustee and, in the discretion of the commission, any beneficiary and the trustor of the trust.

(f) If the owner is a limited liability company, every officer, manager, member, or owner.

(g) If the owner is a business organization other than a corporation, partnership, trust, or limited liability company, then all those persons as the commission may require, consistent with this chapter.

(h) Each person who receives, or is to receive, any percentage share of the revenue earned by the owner from gambling activities.

(i) Every employee, agent, guardian, personal representative, lender, or holder of indebtedness of the owner who, in the judgment of the commission, has the power to exercise a significant influence over the gambling operation.

19852.2. LIMITED PARTNERSHIP WITH INTEREST IN RACETRACK CARD CLUB

(a) Notwithstanding Section 19852 or any other provision of law , and solely for the purpose of the licensure of a card club located on any portion of, or contiguous to, the grounds upon which a racetrack is or had been previously located and horserace meetings were authorized to be conducted by the California Horse Racing Board on or before January 1, 2012, that is owned by a limited partnership that also owns or owned the racetrack, the commission may, at its discretion, exempt all of the following from the licensing requirements of this chapter:

(1) The limited partners in a limited partnership that holds interest in a holding company if all of the following criteria are met:
  (A) The limited partners of the limited partnership in the aggregate directly hold at least 95 percent of the interest in the holding company.
  (B) The limited partner is one of the following:
    (i) An "institutional investor" as defined in subdivision (w) of Section 19805.
    (ii) An "employee benefit plan" as defined in Section 1002(3) of Title 29 of the United States Code.
    (iii) An investment company that manages a state university endowment.
(2) Other limited partners in a limited partnership described in paragraph (1), if the partners do not number more than five and each partner indirectly owns 1 percent or less of the shares of the interest in the holding company.
(3) A limited partner in a limited partnership that holds in the aggregate less than 5 percent of the interest in a holding company.

(b) Nothing in this section shall be construed to limit the licensure requirements for a general partner of a limited partnership or a limited partner that is not specifically described in this section.

19853. REGISTRATION, FINDING OF SUITABILITY, OR GAMBLING LICENSE; REQUIREMENT OF CERTAIN PERSONS OR CORPORATIONS

(a) The commission, by regulation or order, may require that the following persons register with the commission, apply for a finding of suitability as defined in subdivision (j) of 19805, or apply for a gambling license:

(1) Any person who furnishes any services or any property to a gambling enterprise under any arrangement whereby that person receives payments based on earnings, profits, or receipts from controlled gambling.
(2) Any person who owns an interest in the premises of a licensed gambling establishment or in real property used by a licensed gambling establishment.
(3) Any person who does business on the premises of a licensed gambling establishment.

(4) Any person who is an independent agent of, or does business with, a gambling enterprise as a ticket purveyor, a tour operator, the operator of a bus program, or the operator of any other type of travel program or promotion operated with respect to a licensed gambling establishment.
(5) Any person who provides any goods or services to a gambling enterprise for compensation that the commission finds to be grossly disproportionate to the value of the goods or services provided.
(6) Every person who, in the judgment of the commission, has the power to exercise a significant influence over the gambling operation.

(b) The department may conduct any investigation it deems necessary to determine whether a publicly traded corporation is, or has, engaged in activities specified in paragraph (2), (3), or (4) of subdivision (a), and shall report its findings to the commission. If a publicly traded corporation is engaged in activities described in paragraph (2), (3), or (4) of subdivision (a), the commission may require the corporation and the following other persons to apply for and obtain a license or finding of suitability:
(1) Any officer or director.
(2) Any owner, other than an institutional investor, of 5 percent or more of the outstanding shares of the corporation.

19854. KEY EMPLOYEE LICENSE; QUALIFICATIONS

(a) Every key employee shall apply for and obtain a key employee license.

(b) No person may be issued a key employee license unless the person would qualify for a state gambling license.

(c) (1) Except as provided in paragraph (2), a key employee license shall entitle the holder to work as a key employee in any key employee position at any gambling establishment, provided that the key employee terminates employment with one gambling establishment before commencing work for another.
(2) Notwithstanding paragraph (1), a key employee with a valid personal portable license may work as a key employee in any key employee position in more than one gambling establishment.

(d) The commission shall establish a program for portable personal licenses for key employees, as well as a process by which valid key employee licenses then in effect shall be converted to personal portable licenses. The commission may, as part of that process, establish a fee to be paid by a key employee when seeking a personal portable license. The commission shall seek to implement the requirements imposed by this subdivision on or before July 1, 2008.

19855. LICENSE REQUIRED PRIOR TO ACTIVITY; PERIOD TO FILE APPLICATION

Except as otherwise provided by statute or regulation, every person who, by statute or regulation, is required to hold a state license shall obtain the license prior to engaging in the activity or occupying the position with respect to which the license is required. Every person who, by order of the commission, is required to

apply for a gambling license or a finding of suitability shall file the application within 45 calendar days after receipt of the order.

19856. LICENSE ISSUANCE; BURDEN OF PROVING QUALIFICATIONS; CONSIDERATIONS

(a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.

(b) An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling.

(c) In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

19857. LICENSE ISSUANCE; APPLICANT QUALIFICATIONS

No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is all of the following:

(a) A person of good character, honesty, and integrity.

(b) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto.

(c) A person that is in all other respects qualified to be licensed as provided in this chapter.

19858. LICENSE TO OWN GAMBLING ESTABLISHMENT; FINANCIAL INTEREST IN PROHIBITED FORMS OF GAMBLING

(a) Except as provided in subdivision (b) and (c), a person shall be deemed to be unsuitable to hold a state gambling license to own a gambling establishment if the person, or any partner, officer, director, or shareholder of the person, has any financial interest in any business or organization that is engaged in any form of gambling prohibited by Section 330 of the Penal Code, whether within or without this state.

(b) Subdivision (a) does not apply to a publicly traded racing association, a qualified racing association, or any person who is licensed pursuant to subdivision (b) or (c) of Section 19852.

(c) Subdivision (a) shall not apply to a person who meets all of the following criteria:

(1) The person is licensed or had an application to be licensed on file with the commission on or before February 1, 2013.
(2) The person has a financial interest in a business or organization engaged in gambling prohibited by Section 330 of the Penal Code that was closed and was not engaged in prohibited gambling at the time the person was either licensed or had filed an application to be licensed with the commission.
(3) The person has a financial interest in a gambling establishment that is located on any portion of, or contiguous to, the grounds on which a racetrack is or had been previously located and horserace meetings were authorized to be conducted by the California Horse Racing Board on or before January 1, 2012.
(4) The grounds upon which the gambling establishment described in paragraph (3) is located are directly or indirectly owned by a racetrack limited partnership owner. For purposes of this paragraph, a "racetrack limited partnership owner" is defined as a limited partnership, or a number of related limited partnerships, that is or are at least 80 percent capitalized by limited partners that are an "institutional investor" as defined in subdivision (w) of Section 19805, an "employee benefit plan" as defined in Section 1002(3) of Title 29 of the United States Code, or an investment company that manages a state university endowment.

(d) Within three years of the date the closed business or organization reopens or becomes engaged in any form of gambling prohibited by Section 330 of the Penal Code, a person described in subdivision (c) shall either divest that person's interest in the business or organization, or divest that person's interest in the gambling enterprise or gambling establishment for which the person is licensed or has applied to be licensed by the commission.

(e) A person described in subdivision (c) shall inform the commission within 30 days of the date on which a business or organization in which the person has a financial interest begins to engage in any form of gambling prohibited by Section 330 of the Penal Code.

(f) During the three-year divestment period described in subdivision (d), it is unlawful for any cross-promotion or marketing to occur between the business or organization that is engaged in any form of gambling prohibited by Section 330 of the Penal Code and the gambling enterprise or gambling establishment described in paragraph (3) of subdivision (c). For purposes of this subdivision, "cross-promotion or marketing" means the offering to any customers of the gambling enterprise or gambling establishment anything of value related to visiting or gambling at the business or organization engaged in any form of gambling prohibited by Section 330 of the Penal Code.

(g) During the three-year divestment period described in subdivision (d), any funds used in connection with the capital improvement of the gambling enterprise or gambling establishment described in paragraph (3) of subdivision (c) shall not

be provided from the gaming revenues of either the business or organization engaged in gaming prohibited under Section 330 of the Penal Code.

(h) If, at the end of the three-year divestment period described in subdivision (d), any person described in subdivision (c) has not divested his or her interest in either the gambling enterprise or gambling establishment or the business or organization engaged in any form of gaming prohibited under Section 330 of the Penal Code, the prohibitions of Section 19858 as it read on January 1, 2013, apply.

19858.5. License to Own Gambling Establishment; Limited Financial Interest in Another Gambling Business

Notwithstanding Section 19858, the commission may, pursuant to this chapter, deem an applicant or licensee suitable to hold a state gambling license even if the applicant or licensee has a financial interest in another business that conducts lawful gambling outside the state that, if conducted within California, would be unlawful, provided that an applicant or licensee may not own, either directly or indirectly, more than a 1 percent interest in, or have control of, that business.

19859. License Denial; Applicant Disqualification

The commission shall deny a license to any applicant who is disqualified for any of the following reasons:

(a) Failure of the applicant to clearly establish eligibility and qualification in accordance with this chapter.

(b) Failure of the applicant to provide information, documentation, and assurances required by this chapter or requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the supplying of information that is untrue or misleading as to a material fact pertaining to the qualification criteria.

(c) (1) Except as provided in paragraph (2), conviction of a felony, including a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.

(2) A conviction of a felony for the possession of cannabis, the facts of which would not constitute a felony or misdemeanor under California law on the date the application for a license is submitted, shall not constitute a basis to deny a license pursuant to this section.

(d) Conviction of the applicant for any misdemeanor involving dishonesty or moral turpitude within the 10-year period immediately preceding the submission of the application, unless the applicant has been granted relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code; provided, however, that the granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a limitation on the discretion of the commission under Section 19856 or affect the applicant's burden under Section 19857.

(e) Association of the applicant with criminal profiteering activity or organized crime, as defined by Section 186.2 of the Penal Code.

(f) Contumacious defiance by the applicant of any legislative investigatory body, or other official investigatory body of any state or of the United States, when that body is engaged in the investigation of crimes relating to gambling; official corruption related to gambling activities; or criminal profiteering activity or organized crime, as defined by Section 186.2 of the Penal Code.

(g) The applicant is less than 21 years of age, except as provided by this chapter.

19860. LICENSE DENIAL; ESTABLISHMENT IN LOCATION WITHOUT REQUIRED ORDINANCE

(a) The commission shall deny a gambling license with respect to any gambling establishment that is located in a city, county, or city and county that does not have an ordinance governing all of the following matters:

(1) The hours of operation of gambling establishments.
(2) Patron security and safety in and around the gambling establishments.
(3) The location of gambling establishments.
(4) Wagering limits in gambling establishments.
(5) The number of gambling tables in each gambling establishment and in the jurisdiction.

(b) In any city, county, or city and county in which the local gambling ordinance does not govern the matters specified in subdivision (a), any amendment to the ordinance to govern those matters is not subject to Section 19961, provided that a local election is required to add these matters, and the ordinance only provides for private clubs by vote of the people, and that the ordinance is amended to contain these matters on or before July 1, 2000.

19861. DENIAL OF LICENSE; ESTABLISHMENT NOT OPEN TO PUBLIC

Notwithstanding subdivision (j) of Section 19801, the commission shall not deny a license to a gambling establishment solely because it is not open to the public, provided that all of the following are true: (a) the gambling establishment is situated in a local jurisdiction that has an ordinance allowing only private clubs, and the gambling establishment was in operation as a private club under that ordinance on December 31, 1997, and met all applicable state and local gaming registration requirements; (b) the gambling establishment consists of no more than five gaming tables; (c) video recordings of the entrance to the gambling room or rooms and all tables situated therein are made during all hours of operation by means of closed-circuit television cameras, and these recordings are retained for a period of 30 days and are made available for review by the department upon request; and (d) the gambling establishment is open to members of the private club and their spouses in accordance with membership criteria in effect as of December 31, 1997.

A gambling establishment meeting these criteria, in addition to the other requirements of this chapter, may be licensed to operate as a private club gambling establishment until November 30, 2003, or until the ownership or operation of the gambling establishment changes from the ownership or operation as of January 1, 1998, whichever occurs first. Operation of the gambling

establishments after this date shall only be permitted if the local jurisdiction approves an ordinance, pursuant to Sections 19961 and 19962, authorizing the operation of gambling establishments that are open to the public. The commission shall adopt regulations implementing this section. Prior to the commission's issuance of a license to a private club, the department shall ensure that the ownership of the gambling establishment has remained constant since January 1, 1998, and the operation of the gambling establishment has not been leased to any third party.

19862. LICENSE DENIAL; CONSIDERATION BY COMMISSION; ADDITIONAL GROUNDS

(a) In addition to other grounds stated in this chapter, the commission may deny a gambling license for any of the following reasons:

(1) If issuance of the license with respect to the proposed gambling establishment or expansion would tend unduly to create law enforcement problems in a city, county, or city and county other than the city, county, or city and county that has regulatory jurisdiction over the applicant's premises.

(2) If an applicant fails to conduct an economic feasibility study that demonstrates to the satisfaction of the commission that the proposed gambling establishment will be economically viable, and that the owners have sufficient resources to make the gambling establishment successful. The commission shall hold a public hearing for the purpose of reviewing the feasibility study. All papers, studies, projections, pro formas, and other materials filed with the commission pursuant to an economic feasibility study are public records and shall be disclosed to all interested parties.

(3) If issuance of the license is sought in respect to a new gambling establishment, or the expansion of an existing gambling establishment, that is to be located or is located near an existing school, an existing building used primarily as a place of worship, an existing playground or other area of juvenile congregation, an existing hospital, convalescence facility, or near another similarly unsuitable area, as determined by regulation of the commission, which is located in a city, county, or city and county other than the city, county, or city and county that has regulatory jurisdiction over the applicant's gambling premises.

(b) For the purposes of this section, "expansion" means an increase of 25 percent or more in the number of authorized gambling tables in a gambling establishment, based on the number of gambling tables for which a license was initially issued pursuant to this chapter.

19863. PUBLICLY TRADED OR QUALIFIED RACING ASSOCIATION; GAMING ESTABLISHMENT

A publicly traded racing association or a qualified racing association shall be allowed to operate only one gaming establishment, and the gaming establishment shall be located on the same premises as the entity's racetrack.

19864. STATE LICENSE APPLICATION; FORMS; CONTENT

(a) Application for a state license or other commission action shall be submitted to the department on forms furnished by the department.

(b) The application for a gambling license shall include all of the following:

(1) The name of the proposed licensee.
(2) The name and location of the proposed gambling establishment.
(3) The gambling games proposed to be conducted.
(4) The names of all persons directly or indirectly interested in the business and the nature of the interest.
(5) A description of the proposed gambling establishment and operation.
(6) Any other information and details the commission may require in order to discharge its duties properly.

19865. SUPPLEMENTAL FORMS; CONTENT

The department shall furnish to the applicant supplemental forms, which the applicant shall complete and file with the department. These supplemental forms shall require, but shall not be limited to requiring, complete information and details with respect to the applicant's personal history, habits, character, criminal record, business activities, financial affairs, and business associates, covering at least a 10-year period immediately preceding the date of filing of the application. Each applicant shall submit two sets of fingerprints, using "live scan" or other prevailing, accepted technology, or on forms provided by the department. The department may submit one fingerprint card to the United States Federal Bureau of Investigation.

19866. INFORMATION DISCLOSURE BY APPLICANT

An applicant for licensing or for any approval or consent required by this chapter, shall make full and true disclosure of all information to the department and the commission as necessary to carry out the policies of this state relating to licensing, registration, and control of gambling.

19867. DEPOSIT; COSTS AND CHARGES OF INVESTIGATION; REFUND; ACCOUNTING

(a) An application for a license or a determination of suitability shall be accompanied by the deposit of a sum of money that, in the judgment of the chief, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of the application. The chief shall adopt a schedule of costs and charges of investigation for use as guidelines in fixing the amount of any required deposit under this section. The schedule shall distinguish between initial and renewal licenses with respect to costs and charges.

(b) During an investigation, the chief may require an applicant to deposit any additional sums as are required by the department to pay final costs and charges of the investigation.

(c) Any money received from an applicant in excess of the costs and charges incurred in the investigation or the processing of the application shall be refunded pursuant to regulations adopted by the department. At the conclusion of the

investigation, the chief shall provide the applicant a written, itemized accounting of the costs and charges thereby incurred.

19868. INVESTIGATION; COMMENCEMENT; CONCLUSION; DENIAL WITHOUT PREJUDICE

(a) Within a reasonable time after the filing of an application and any supplemental information the department may require, and the deposit of any fee required pursuant to Section 19867, the department shall commence its investigation of the applicant and, for that purpose, may conduct any proceedings it deems necessary. To the extent practicable, all applications shall be acted upon within 180 calendar days of the date of submission of a completed application. If an investigation has not been concluded within 180 days after the date of submission of a completed application, the department shall inform the applicant in writing of the status of the investigation and shall also provide the applicant with an estimated date on which the investigation may reasonably be expected to be concluded.

(b) If denial of the application, or approval of the license with restrictions or conditions on the license, is recommended, the chief shall prepare and file with the commission his or her written reasons upon which the recommendation is based.

(1) Prior to filing his or her recommendation with the commission, the chief shall meet with the applicant, or the applicant's duly authorized representative, and inform him or her generally of the basis for any proposed recommendation that the application be denied, restricted, or conditioned.
(2) Not less than 10 business days prior to the meeting of the commission at which the application is to be considered, the department shall deliver to the applicant a summary of the chief's final report and recommendation.
(3) This section requires the department neither 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 confidential, nor to divulge any information that might reveal the identity of any informer or jeopardize the safety of any person.

(c) If a restriction or condition on the license is recommended, the chief shall prepare and file with the commission his or her written reasons upon which the recommendation is based.

(1) Prior to filing his or her recommendation with the commission, and not less than 10 business days prior to the meeting of the commission at which the application is to be considered, the chief shall inform the applicant in writing generally of the basis for any proposed recommendation that the application be restricted or conditioned, including the legal and factual grounds on which the recommendation is based.
(2) This section does not require the department 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 confidential, or to divulge any information that might reveal the identity of any informer or jeopardize the safety of any person.

(d) A recommendation of denial of an application shall be without prejudice to a new and different application filed in accordance with applicable regulations.

19869. REQUEST FOR WITHDRAWAL OF APPLICATION; DENIAL; GRANT WITH PREJUDICE; FEE REFUND

A request for withdrawal of any application may be made at any time prior to final action upon the application by the chief by the filing of a written request to withdraw with the commission. For the purposes of this section, final action by the department means a final determination by the chief regarding his or her recommendation on the application to the commission. The commission shall not grant the request unless the applicant has established that withdrawal of the application would be consistent with the public interest and the policies of this chapter. If a request for withdrawal is denied, the department may go forward with its investigation and make a recommendation to the commission upon the application, and the commission may act upon the application as if no request for withdrawal had been made. If a request for withdrawal is granted with prejudice, the applicant thereafter shall be ineligible to renew its application until the expiration of one year from the date of the withdrawal. Unless the commission otherwise directs, no fee or other payment relating to any application is refundable by reason of withdrawal of an application.

19870. COMMISSION AUTHORITY TO DENY OR GRANT LICENSE; RESTRICTIONS; STATEMENT OF REASONS; PETITION

(a) The commission, after considering the recommendation of the chief and any other testimony and written comments as may be presented at the meeting, or as may have been submitted in writing to the commission prior to the meeting, may either deny the application or grant a license to an applicant who it determines to be qualified to hold the license.

(b) When the commission grants an application for a license or approval, the commission may limit or place restrictions thereon as it may deem necessary in the public interest, consistent with the policies described in this chapter.

(c) When an application is denied, the commission shall prepare and file a detailed statement of its reasons for the denial.

(d) All proceedings at a meeting of the commission relating to a license application shall be recorded stenographically or by audio or video recording.

(e) A decision of the commission denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be reviewed by petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to any judicial proceeding described in the foregoing sentence, and the court may grant the petition only if the

court finds that the action of the commission was arbitrary and capricious, or that the action exceeded the commission's jurisdiction.

19871. COMMISSION MEETING; CONDUCT

(a) The commission meeting described in Section 19870 shall be conducted in accordance with regulations of the commission and as follows:

(1) Oral evidence shall be taken only upon oath or affirmation.

(2) Each party shall have all of the following rights:

(A) To call and examine witnesses.

(B) To introduce exhibits relevant to the issues of the case.

(C) To cross-examine opposing witnesses on any matters relevant to the issues, even though the matter was not covered on direct examination.

(D) To impeach any witness, regardless of which party first called the witness to testify.

(E) To offer rebuttal evidence.

(3) If the applicant does not testify in his or her own behalf, he or she may be called and examined as if under cross-examination.

(4) The meeting need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a finding, if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action.

(b) Nothing in this section confers upon an applicant a right to discovery of the department's investigative reports or to require disclosure of any document or information the disclosure of which is otherwise prohibited by any other provision of this chapter.

19872. EX PARTE COMMUNICATIONS

(a) No member of the commission may communicate ex parte, directly or indirectly, with any applicant, or any agent, representative, or person acting on behalf of an applicant, upon the merits of an application for a license, permit, registration, or approval while the application is being investigated by the department or pending disposition before the department or the commission.

(b) No applicant, or any agent, representative, or person acting on behalf of an applicant, and no person who has a direct or indirect interest in the outcome of a proceeding to consider an application for a license, permit, registration, or approval may communicate ex parte, directly or indirectly, with any member of the commission, upon the merits of the application while the application is being investigated by the department or pending disposition before the department.

(c) No employee or agent of the department, applicant, or any agent, representative, or person acting on behalf of an applicant, and no person who has a direct or indirect interest in the outcome of a proceeding to consider an application for a license, permit, registration, or approval may communicate ex

parte, directly or indirectly, with any member of the commission, upon the merits of the application, while the application is pending disposition before the commission.

(d) The receipt by a member of the commission of an ex parte communication prohibited by this section may provide the basis for disqualification of that member or the denial of the application. The commission shall adopt regulations to implement this subdivision.

(e) For the purposes of this subdivision, “ex parte” means a communication without notice and opportunity for all parties to participate in the communication.

(f) Nothing in this section precludes a communication made on the record at a public hearing on a properly agendized matter.

19873. LICENSE ASSIGNMENT OR TRANSFER

No license may be assigned or transferred either in whole or in part.

19874. LICENSE ISSUE AND DELIVERY; TERMS AND CONDITIONS

Subject to subdivision (b) of Section 19851, the commission shall issue and deliver to the applicant a license entitling the applicant to engage in the activity for which the license is issued, together with an enumeration of any specific terms and conditions of the license if both of the following conditions have been met:

(a) The commission is satisfied that the applicant is eligible and qualified to receive the license.

(b) All license fees required by statute and by regulations of the commission have been paid.

19875. OWNER’S GAMBLING LICENSE; POSTING

An owner's gambling license shall be posted at all times in a conspicuous place in the area where gambling is conducted in the establishment for which the license is issued until it is replaced by a succeeding license.

19876. LICENSE RENEWAL; APPLICATION; FEES; PENALTIES

(a) Subject to the power of the commission to deny, revoke, suspend, condition, or limit any license, as provided in this chapter, a license shall be renewed biennially.

(b) An application for renewal of a gambling license shall be filed by the owner licensee or key employee with the department no later than 120 calendar days prior to the expiration of the current license. The commission shall act upon any application for renewal prior to the date of expiration of the current license. Upon renewal of any owner license, the commission shall issue an appropriate renewal certificate or validating device or sticker.

(c) Notwithstanding the provisions of subdivision (b), if an owner licensee has submitted an application for renewal prior to the original expiration date of the current license and the commission is unable to act on the application prior to the expiration date, the commission may extend the current license for up to 180 days.

(d) Unless the commission determines otherwise, renewal of an owner's gambling license shall be deemed to effectuate the renewal of every other gambling license endorsed thereon.

(e) In addition to the penalties provided by law, any owner licensee who deals, operates, carries on, conducts, maintains, or exposes for play any gambling game after the expiration date of the gambling license is liable to the state for all license fees and penalties that would have been due upon renewal.

(f) If an owner licensee fails to renew the gambling license as provided in this chapter, the commission may order the immediate closure of the premises and a cessation of all gambling activity therein until the license is renewed.

(g) If an owner licensee submits an application for renewal of the gambling license after the deadline set in subdivision (b) but before the original expiration date of the license, the commission may assess reasonable delinquency fees not to exceed three times the usual application fee.

19877. FAILURE TO FILE RENEWAL APPLICATION; SURRENDER OF LICENSE

The failure of an owner licensee to file an application for renewal before the date specified in this chapter may be deemed a surrender of the license. A license has not been renewed within the meaning of this section until all required renewal fees have been paid.

19878. CONTRACT WITH OR EMPLOYMENT OF PERSON DENIED LICENSE OR WITH A SUSPENDED OR REVOKED LICENSE OR AN APPLICATION WITHDRAWN WITH PREJUDICE

(a) Neither an owner licensee, nor a California affiliate of an owner licensee, shall enter into, without prior approval of the commission, any contract or agreement with a person who is denied a license, or whose license is suspended or revoked by the commission, or with any business enterprise under the control of that person, after the date of receipt of notice of the commission's action.

(b) An owner licensee or an affiliate of the owner licensee shall not employ, without prior approval of the commission, any person in any capacity for which he or she is required to be licensed, if the person has been denied a license, or if his or her license has been suspended or revoked after the date of receipt of notice of the action by the commission. Neither an owner licensee, nor a California affiliate of an owner licensee, without prior approval of the commission, shall enter into any contract or agreement with a person whose application has been withdrawn with prejudice, or with any business enterprise under the control of that person, for the period of time during which the person is prohibited from filing a new application for licensure.

(c) (1) If an employee who is required to be licensed pursuant to this chapter fails to apply for a license within the time specified by regulation, is denied a license, or has his or her license revoked by the commission the employee shall be terminated in any capacity in which he or she is required to be licensed and he or she shall not be permitted to exercise

significant influence over the gambling operation, or any part thereof, upon being notified of that action

(2) If an employee who is required to be licensed pursuant to this chapter has his or her license suspended, the employee shall be suspended in any capacity in which he or she is required to be licensed and shall not be permitted to exercise a significant influence over the gambling operation, or any part thereof, during the period of suspension, upon being notified of that action.

(3) If the owner licensee designates another employee to replace the employee whose employment was terminated, the owner licensee shall promptly notify the department and shall require the newly designated employee to apply for a license

(d) An owner licensee or an affiliate of the owner licensee shall not pay to a person whose employment has been terminated pursuant to subdivision (c) any remuneration for any service performed in any capacity in which the person is required to be licensed except for amounts due for services rendered before the date of receipt of notice of the commission's action. Neither an owner licensee, nor an affiliate thereof, during the period of suspension, shall pay to a person whose employment has been suspended pursuant to subdivision (c), any remuneration for any service performed in any capacity in which the person is required to be licensed, except for amounts due for services rendered before the date of receipt of notice of the commission's action.

(e) Except as provided in subdivision (c), a contract or agreement for the provision of services or property to an owner licensee or an affiliate thereof, or for the conduct of any activity at a gambling establishment, which is to be performed by a person required by this chapter or by regulations adopted pursuant to this chapter, to be licensed, shall be terminated upon a suspension or revocation of the person's license.

(f) In any case in which a contract or agreement for the provision of services or property to an owner licensee or an affiliate thereof, or for the conduct of any activity at a gambling establishment, is to be performed by a person required by this chapter or by regulations adopted by the commission to be licensed, the contract shall be deemed to include a provision for its termination without liability on the part of the owner licensee or its duly registered holding company upon a suspension or revocation of the person's license. In any action brought by the department or commission to terminate a contract pursuant to subdivision (c) or (e), it shall not be a defense that the agreement does not expressly include the provision described in this subdivision, and the lack of express inclusion of the provision in the agreement shall not be a basis for enforcement of the contract by a party thereto.

19879. License Application Denial; Interest in Business Entity

With regard to a person who has had his or her application for a license denied by the commission, all of the following shall apply:

(a) Except as provided in subdivision (c), the person shall not be entitled to profit from his or her investment in any business entity that has applied for or been granted a state license.

(b) The person shall not retain his or her interest in a business entity described in subdivision (a) beyond that period prescribed by the commission.

(c) The person shall not accept more for his or her interest in a business entity described in subdivision (a) than he or she paid for it, or the market value on the date of the denial of the license or registration, whichever is higher.

(d) Nothing in this section shall be construed as a restriction or limitation on the powers of the commission specified in this chapter.

ARTICLE 5. LICENSING OF CORPORATIONS

19880. ELIGIBILITY REQUIREMENTS

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license as the owner of a gambling enterprise, a corporation shall comply with all of the following requirements:

(a) Maintain an office of the corporation in the gambling establishment.

(b) Comply with all of the requirements of the laws of this state pertaining to corporations.

(c) Maintain, in the corporation's principal office in California or in the gambling establishment, a ledger that meets both of the following conditions:

(1) At all times reflects the ownership of record of every class of security issued by the corporation.
(2) Is available for inspection by the department at all reasonable times without notice.

(d) Supply supplemental forms and information, in accordance with Section 19865, with the initial license application, and thereafter only on request, to the department, which shall include, but not be limited to, all of the following:

(1) The organization, financial structure, and nature of the business to be operated, including the names, personal and criminal history, and fingerprints of all officers and directors, and the names, addresses, and number of shares held by all stockholders of record.
(2) The rights and privileges acquired by the holders of different classes of authorized securities, including debentures.
(3) The terms on which securities are to be offered.
(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.
(5) The extent of the equity security holdings in the corporation of all officers, directors, and underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.

(6) The amount of remuneration to persons other than directors and officers in excess of one hundred thousand dollars ($100,000) per annum.
(7) Bonus and profit-sharing arrangements.
(8) Management, consultant, and service contracts related to the operation of controlled gaming.
(9) Options existing, or to be created, in respect of their securities or other interests.
(10) Financial statements for at least three fiscal years preceding the year of registration, or, if the corporation has not been in existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally accepted accounting principles and audited by a licensee of the California Board of Accountancy.
(11) Any further financial data that the department, with the approval of the commission, may deem necessary or appropriate for the protection of the state.
(12) An annual profit-and-loss statement and an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after that return is filed with the Internal Revenue Service.

19881. ARTICLES OF INCORPORATION; PURPOSES TO INCLUDE CONDUCT OF CONTROLLED GAMBLING

(a) A corporation is not eligible to receive a license to own a gambling enterprise unless the conduct of controlled gambling is among the purposes stated in its articles of incorporation and the articles of incorporation have been submitted to and approved by the department.

(b) The Secretary of State shall not accept for filing any articles of incorporation of any corporation that include as a stated purpose the conduct of controlled gambling, or any amendment thereto, or any amendment that adds this purpose to articles of incorporation already filed, unless the articles have, or amendment has, been approved by the department.

19882. OWNER OF SECURITY; LICENSE DENIAL; SALE OF SECURITY; VIOLATION; STATEMENT ON SECURITY

(a) If at any time the commission denies a license to, or revokes the license of, an individual owner of any security issued by a corporation that applies for or holds an owner license, the commission shall immediately notify the individual and the corporation of that fact. The owner of the security shall sell the security for an amount not greater than fair market value, within 60 calendar days of the denial or revocation. Upon a showing of due diligence, the commission may extend the time for selling the security.

(b) Beginning upon the date when the commission serves notice of the denial upon the corporation, it is unlawful for the denied security owner to do any of the following:

(1) Receive any dividend, income, or interest upon any security described in subdivision (a), except dividends equal to the good faith estimate of the owner's personal share of any income tax due on the ownership interest until the date of the sale, as determined in writing by an independent certified public accountant, or as may be necessary to protect the election of the gambling enterprise to be treated as an "S corporation" under Subchapter S (commencing with Section 1361) of Chapter 1 of Subtitle A of the Internal Revenue Code.
(2) Exercise, directly or through any trustee or nominee, any voting right conferred by any security described in subdivision (a).
(3) Receive any remuneration in any form from the corporation for services rendered or for any other purpose.

(c) Every security issued by a corporate owner licensee shall bear a statement, on both sides of the certificate evidencing the security, of the restrictions imposed by this section.

19883. INDIVIDUAL LICENSE; CORPORATE OWNER-LICENSEE; REMOVAL OF CORPORATE OFFICER OR DIRECTOR

(a) To the extent required by this chapter, officers and directors, shareholders, lenders, holders of evidence of indebtedness, underwriters, agents, or employees of a corporate owner licensee shall be licensed individually. The corporation shall require these persons to apply for a gambling license, and shall notify the department of every change of corporate officers, directors, or key employees within 10 business days after the change. An officer, director, or key employee who is required to apply for a license shall apply for the license within 30 calendar days after he or she becomes an officer, director, or key employee.

(b) The corporation shall immediately remove any officer or director required to apply for a license from any office or directorship if any of the following apply to that officer or director:
(1) He or she fails to apply for the license within 30 calendar days after becoming an officer or director.
(2) He or she is denied a license.
(3) His or her license is revoked.

(c) If the license of any officer or director is suspended, the corporation, immediately and for the duration of the suspension, shall suspend that officer or director.

(d) If any shareholder who is required to apply for a gambling license fails to apply for the license within the time required, the shareholder shall be deemed to have been denied a license for purposes of subdivision (b) of Section 19882.

(e) If any person, other than an officer, director, or shareholder, who is required to apply for a gambling license fails to do so, the failure may be deemed to be a failure of the corporate owner licensee to require the application.

ARTICLE 6. LICENSING OF PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

19890. ELIGIBILITY REQUIREMENTS; PARTNERSHIPS

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license to own a gambling enterprise, a partnership shall comply with all of the following requirements:

(a) Be registered as may be required under the laws of this state.

(b) Maintain an office of the partnership in the gambling establishment.

(c) Comply with all of the requirements of the laws of this state pertaining to partnerships.

(d) Maintain an ongoing ledger in an office of the partnership in California that shall meet both of the following conditions:

(1) At all times reflects the ownership of all interests in the partnership.
(2) Be available for inspection by the department at all reasonable times without notice.

(e) Supply the following supplemental forms and information in accordance with Section 19865 with the initial license application, and thereafter upon request, to the department, which shall include, but not be limited to:

(1) The organization, financial structure, and nature of the business to be operated, including the name, address, personal history, interest, and fingerprints of each partner and manager.
(2) The rights, privileges, and relative priorities of any partners as to the return of contributions to capital, and the right to receive income, accept losses, and incur liabilities.
(3) The terms on which partnership interests are to be offered.
(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.
(5) The extent of the holding in the partnership of all underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.
(6) The remuneration to persons other than general partners in excess of one hundred thousand dollars ($100,000) per annum.
(7) Bonus and profit-sharing arrangements.
(8) Management, consulting, and service contracts related to the operation of controlled gambling.
(9) Options existing or to be created.
(10) Financial statements for at least three fiscal years preceding the year of registration, or, if the partnership has not been in existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally accepted accounting principles and audited by a licensee of the California Board of Accountancy in accordance with generally accepted auditing standards.

(11) Any further financial data that the department reasonably deems necessary or appropriate for the protection of the state.
(12) An annual profit-and-loss statement, an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after the return is filed with the Internal Revenue Service.

19890.5. ELIGIBILITY REQUIREMENTS; LIMITED LIABILITY COMPANIES

In addition to the requirements of Section 19852, in order to be eligible to receive a gambling license to own a gambling enterprise, a limited liability company shall comply with all of the following requirements:

(a) Be registered to do business in California.

(b) Maintain an office in the gambling establishment.

(c) Comply with all of the requirements of the laws of this state pertaining to a limited liability company.

(d) Maintain an ongoing ledger in an office of the limited liability company in California that shall meet both of the following conditions:
(1) At all times reflects the ownership, membership, and management interests.
(2) Be available for inspection by the department at all reasonable times without notice.

(e) Supply the following supplemental forms and information in accordance with Section 19865 with the initial application, and thereafter upon request to the department, which shall include, but not be limited to; all of the following:
(1) The organization, financial structure, and nature of the business to be operated, including the names, personal and criminal history, and fingerprints of all members and managers, and the name, address, and interest of each owner, member, and manager.
(2) The rights, privileges, and relative priorities of any members as to the return of contributions to capital, and the right to receive income, accept losses, and incur liabilities.
(3) The terms on which membership interests are to be offered.
(4) The terms and conditions on all outstanding loans, mortgages, trust deeds, pledges, or any other indebtedness or security interest.
(5) The extent of the holding in the limited liability company of all underwriters, and their remuneration as compensation for services, in the form of salary, wages, fees, or otherwise.
(6) The remuneration to persons other than managers or members in excess of one hundred thousand dollars ($100,000) per annum.
(7) Bonus and profit-sharing arrangements.
(8) Management, consulting, and service contracts related to the operation of controlled gambling.
(9) Options existing or to be created.
(10) Financial statements for at least three fiscal years preceding the year of application, or, if the limited liability company has not been in

existence for a period of three years, financial statements from the date of its formation. All financial statements shall be prepared in accordance with generally accepted accounting principles and audited by a licensee of the California Board of Accountancy in accordance with generally accepted auditing standards.

(11) Any further financial data that the department reasonably deems necessary or appropriate for the protection of the state.

(12) An annual profit-and-loss statement, an annual balance sheet, and a copy of its annual federal income tax return, within 30 calendar days after the return is filed with the Internal Revenue Service.

19891. CERTIFICATE OF LIMITED PARTNERSHIP; PURPOSES TO INCLUDE CONDUCT OF GAMBLING

No limited partnership is eligible to receive a license to own a gambling enterprise unless the conduct of gambling is among the purposes stated in the certificate of limited partnership.

19892. APPROVAL OF SALE OR TRANSFER OF INTEREST; LICENSE DENIAL TO INTEREST OWNER

(a) The purported sale, assignment, transfer, pledge, or other disposition of any interest in a partnership or limited liability company that holds a gambling license, or the grant of an option to purchase the interest, is void unless approved in advance by the commission.

(b) If at any time the commission denies a license to, or revokes the license of, an individual owner of any interest described in subdivision (a), the commission shall immediately notify the individual and the partnership or limited liability company of that fact. The individual denied a license, or whose license is revoked, shall sell his or her interest in an amount not greater than fair market value, within 60 calendar days of the denial or revocation. Upon a showing of due diligence, the commission may extend the time for selling the security.

(c) Beginning upon the date when the commission serves a notice of denial upon the partnership or limited liability company, it is unlawful for the denied owner of the interest to do any of the following:

(1) Receive any share of the revenue or interest upon the partnership or limited liability company interest, except distributions equal to the good faith estimate of the owner's personal share of any income tax due on the ownership interest until the date of the sale as determined in writing by an independent certified public accountant.

(2) Exercise, directly or through any trustee or nominee, any voting right conferred by that interest.

(3) Receive any remuneration in any form from the partnership, for services rendered or for any other purpose.

(d) Every certificate of limited partnership of any limited partnership or limited liability company holding a gambling license shall contain a statement of the restrictions imposed by this section.

19893. INDIVIDUAL LICENSES; APPLICATION PERIOD

To the extent required by this chapter, general partners, limited partners, lenders, members, managers, holders of evidence of indebtedness, underwriters, agents, or employees of a partnership or limited liability company that holds or applies for a license to own a gambling enterprise shall be licensed individually. The partnership or limited liability company shall require these persons to apply for and obtain a gambling license. A person who is required to be licensed by this section as a partner, manager, or member shall not hold that position until he or she secures the required approval of, or a temporary license issued by, the commission. A person who is required to be licensed pursuant to a decision of the commission shall apply for a license within 30 days after the commission requests him or her to do so.

ARTICLE 7. RESTRICTIONS ON CERTAIN TRANSACTIONS

19900. ENFORCEMENT OF SECURITY INTERESTS; REGULATIONS; COMPLIANCE AND APPROVAL

(a) Except as may be provided by regulation of the commission, the following security interests shall not be enforced without the prior approval of the commission and compliance with regulations adopted pursuant to subdivision (b):

(1) In a security issued by a corporation that is a holder of a gambling license in this state.
(2) In a security issued by a holding company that is not a publicly traded corporation.
(3) In a security issued by a partnership, limited partnership, or limited liability company that is a holder of a gambling license in this state.

(b) The commission shall adopt regulations establishing the procedure for the enforcement of a security interest. Any remedy provided by the regulations for the enforcement of the security interest is in addition to any other remedy provided by law.

19901. AGREEMENTS WITH LICENSEE

It is unlawful for any person to sell, purchase, lease, hypothecate, borrow or loan money, or create a voting trust agreement or any other agreement of any sort to, or with, any licensee in connection with any controlled gambling operation licensed under this chapter or with respect to any portion of the gambling operation, except in accordance with the regulations of the commission.

19902. CONTRACTS TO SELL OR LEASE PROPERTY OR INTEREST IN PROPERTY

When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall not specify a closing date for the transaction that is prior to that approval or licensing by the commission. Any provision of a contract that specifies an earlier closing date is void for all purposes, but the invalidity does not affect the validity of any other provision of the contract.

19903. CONTRACTS TO SELL OR LEASE PROPERTY; REQUIRED CONTRACT PROVISION

When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall contain a provision satisfactory to the commission regarding responsibility for the payment of any fees due pursuant to any subsequent deficiency determinations made under this chapter that shall encompass any period of time before the closing date of the transaction.

19904. DISPOSITION OF OR OPTION TO PURCHASE SECURITY; VOID UNLESS APPROVED

The purported sale, assignment, transfer, pledge, or other disposition of any security issued by a corporation that holds a gambling license, or the grant of an option to purchase that security, is void unless approved in advance by the commission.

19905. EXTENSION OR REDEMPTION OF CREDIT

Every owner licensee that is involved in a transaction for the extension or redemption of credit by the licensee, or for the payment, receipt, or transfer of coin, currency, or other monetary instruments, as specified by the commission, in an amount, denomination, or amount and denomination, or under circumstances prescribed by regulations, and any other participant in the transaction, as specified by the commission, shall, if required by regulation, make and retain a record of, or file with the department a report on, the transaction, at the time and in the manner prescribed by regulations.

19906. CONTRACT FOR THE SALE OF A GAMBLING ENTERPRISE

(a) A contract for the sale of a gambling enterprise shall state whether any outstanding gaming chips from the seller will be honored by the purchaser. If the contract does not require the purchaser to honor the outstanding gaming chips used by the seller, then the contract shall indicate what provisions have been made for the redemption of outstanding gaming chips as of the closing date of the sale.

(b) Prior to any action of the commission on the proposed contract for sale of the gambling enterprise, the department shall determine the amount of the seller's outstanding gaming chip liability. The seller shall satisfy the commission that the amount of liability is safeguarded by a surety bond, escrow account, or other form of security sufficient to guarantee the availability of funds for the redemption of outstanding gaming chips. The seller shall give notice to the patrons of the gambling enterprise in order to provide an adequate opportunity for redemption of any outstanding gaming chips.

ARTICLE 8. WORK PERMITS

19910. LEGISLATIVE FINDINGS

The Legislature finds that to protect and promote the health, safety, good order, and general welfare of the inhabitants of this state, and to carry out the policy

declared by this chapter, it is necessary that the department ascertain and keep itself informed of the identity, prior activities, and present location of all gambling enterprise employees and independent agents in the State of California, and when appropriate to do so, recommend to the commission for approval persons for employment in gambling establishments as provided in this article.

19911. ELIGIBILITY; AGE

(a) A person under 21 years of age is not eligible for a work permit, and a permit shall not be issued to a person under 21 years of age.

(b) A person who is 18 through 20 years of age may be employed to work in a gambling establishment, without a work permit, but shall not be allowed to perform any duties of a gambling enterprise employee on the floor of the gambling establishment or in areas that are identified as restricted access areas to gambling enterprise employees, including, but not limited to, the cage, count room,. surveillance room, security office, vault, and card storage. A person who is 18 through 20 years of age may be employed in job classifications that entail providing services exclusively off the gaming floor and that are not involved in the play of a controlled game.

19912. WORK PERMIT APPLICATION; ISSUANCE OR DENIAL; PROCEDURES

(a) (1) A person shall not be employed as a gambling enterprise employee, or serve as an independent agent, except as provided in paragraph (2), (3), or (4), unless the person is the holder of one of the following:

(A) A valid work permit issued in accordance with the applicable ordinance or regulations of the county, city, or city and county in which the person's duties are performed.

(B) A work permit issued by the commission pursuant to regulations adopted by the commission for the issuance and renewal of work permits. A work permit issued by the commission shall be valid for two years.

(2) An independent agent is not required to hold a work permit if the independent agent is not a resident of this state and has registered with the department in accordance with regulations.

(3) A person whose job duties are not supervisory, not related to the operation or administration of gambling, and who does not perform employment duties in the area where gambling is conducted, may begin working as a gambling enterprise employee after applying for a work permit provided that the person wears a temporary badge on their outermost garment at chest level with their name, picture, and the words "Non-Gaming Employee, Work Permit Pending." Except as provided in paragraph (4), after the person has received a work permit the person many perform any duties for which a work permit is required. If the person is denied a work permit, the person shall not work as a gambling enterprise employee in any gaming or nongaming job.

(4) A person who is 18 through 20 years of age may be employed without a work permit and only in a position that is not supervisory, not related to

the operation or administration of gambling, and not allowed to perform duties in an area in which gambling is conducted, until the person reaches 21 years of age, if the person wears a badge on their outermost garment at chest level with the words “Non-Gaming Employee: Under 21.” The badge shall have a different background color than the badges worn by other gambling enterprise employees.

(b) Except as provided in this section, a work permit shall not be issued by the commission or by any city, county, or city and county to any person who would be disqualified from holding a state gambling license for the reasons specified in subdivisions (a) to (f), inclusive, of Section 19859.

(c) The department may object to the issuance of a work permit by a city, county, or city and county for any cause specified under this chapter deemed reasonable by the department, and if the department objects to issuance of a work permit, the work permit issued by a city, county, or city and county shall be denied.

(1) The commission shall adopt regulations specifying particular grounds for objection to issuance of, or refusal to issue, a work permit.
(2) The ordinance of any city, county, or city and county relating to issuance of work permits shall permit the department to object to the issuance of any permit.
(3) Any person whose application for a work permit has been denied because of an objection by the department may apply to the commission for an evidentiary hearing in accordance with regulations.

(d) Application for a work permit for use in any jurisdiction where a locally issued work permit is not required by the licensing authority of a city, county, or city and county shall be made to the department, and may be granted or denied by the commission for any cause specified under this chapter.

(1) If the commission denies the application, it shall include in its notice of denial a statement of facts upon which it relied in denying the application.

(2) Upon receipt of an application for a work permit, the commission may issue a temporary work permit for a period specified by the commission, pending completion of the background investigation by the department and official action by the commission with respect to the work permit application.

(e) An order of the commission denying an application for, or placing restrictions or conditions on, a work permit, including an order declining to issue a work permit following review pursuant to paragraph (3) of subdivision (c), may be reviewed in accordance with subdivision (e) of Section 19870.

19913. ORDER OF SUMMARY SUSPENSION; CONTENT; HEARING

(a) The commission may issue an order summarily suspending a person's work permit, whether issued by a city, county, or city and county, or by the commission, upon a finding that the suspension is necessary for the immediate

preservation of the public peace, health, safety, or general welfare. The order is effective when served upon the holder of the permit.

(b) The order of summary suspension shall state facts upon which the finding of necessity for the suspension is based. For the purposes of this section, the order of summary suspension shall be deemed an accusation.

(c) An order of summary suspension shall be signed by at least three members of the commission.

(d) The person whose work permit is summarily suspended has a right to a hearing to commence not more than 30 calendar days from the date of service of the suspension.

19914. REVOCATION OF PERMIT; GROUNDS; HEARING

(a) The commission may revoke a work permit or, if issued by the licensing authority of a city, county, or city and county, notify the authority to revoke it, and the licensing authority shall revoke it, if the commission finds, after a hearing, that a gambling enterprise employee or independent agent has failed to disclose, misstated, or otherwise misled the department or the commission with respect to any fact contained in any application for a work permit, or if the commission finds that the employee or independent agent, subsequent to being issued a work permit, has done any of the following:

(1) Committed, attempted, or conspired to do any acts prohibited by this chapter.
(2) Engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, or knowingly possessed or permitted to remain in or upon any premises any cards, dice, mechanical devices, or any other cheating device.
(3) Concealed or refused to disclose any material fact in any investigation by the department.
(4) Committed, attempted, or conspired to commit, any embezzlement or larceny against a gambling licensee or upon the premises of a gambling establishment.
(5) Been convicted in any jurisdiction of any offense involving or relating to gambling.
(6) Accepted employment without prior commission approval in a position for which the employee or independent agent could be required to be licensed under this chapter after having been denied a license or after failing to apply for licensing when requested to do so by the commission.
(7) Been refused the issuance of any license, permit, or approval to engage in or be involved with gambling or parimutuel wagering in any jurisdiction, or had the license, permit, or approval revoked or suspended.
(8) Been prohibited under color of governmental authority from being present upon the premises of any licensed gambling establishment or

any establishment where parimutuel wagering is conducted, for any reason relating to improper gambling activities or any illegal act.

(9) Been convicted of any felony.

(b) The commission shall revoke a work permit if it finds, after hearing, that the holder thereof would be disqualified from holding a state gambling license for the reasons specified in subdivision (e) or (f) of Section 19859.

(c) Nothing in this section shall be construed to limit any powers of the commission with respect to licensing.

19915. FEE

The fee for a work permit issued by the commission shall be not less than twenty-five dollars ($25) or more than two hundred fifty dollars ($250).

ARTICLE 9. CONDITIONS OF OPERATIONS

19920. PROTECTION OF PUBLIC HEALTH, SAFETY, AND GENERAL WELFARE; DISCIPLINARY ACTION

It is the policy of the State of California to require that all establishments wherein controlled gambling is conducted in this state be operated in a manner suitable to protect the public health, safety, and general welfare of the residents of the state. The responsibility for the employment and maintenance of suitable methods of operation rests with the owner licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable by the commission or by local government shall constitute grounds for license revocation or other disciplinary action.

19921. PERSONS UNDER 21; AREAS OF ACCESS

(a) A person under 21 years of age is not permitted to enter upon the premises of a licensed gambling establishment, or any part thereof, except for the following areas:

(1) An area separated from a gambling area, used for a nongaming purpose, including for maintenance, parking, or business offices, or for the purpose of dining or food or beverage service or preparation. For purposes of this subdivision, a place where food or beverages are dispensed primarily by a vending machine is not a place for dining.

(2) Restrooms.

(3) A supervised room that is physically separated from a gambling area and used primarily for the purpose of entertainment or recreation.

(4) Those areas authorized in connection with employment in accordance with subdivision (b) of Section 19911.

(b) A person who is under 21 years of age and not a gambling enterprise employee may enter upon or pass through a gambling area on a designated pathway to reach any of the areas described in paragraphs (1) to (3), inclusive, of subdivision (a) only if accompanied by a person or gambling enterprise employee who is 21 years of age or over.

(c) A person under 21 years of age shall not be permitted to loiter in a gaming area.

19922. VIOLATION OF CHAPTER PROVISIONS OR REGULATIONS

No owner licensee shall operate a gambling enterprise in violation of any provision of this chapter or any regulation adopted pursuant to this chapter.

19923. VIOLATION OF LOCAL ORDINANCE

No owner licensee shall operate a gambling enterprise in violation of any governing local ordinance.

19924. SECURITY CONTROLS; APPROVAL OF COMMISSION

Each owner licensee shall maintain security controls over the gambling premises and all operations therein related to gambling, and those security controls are subject to the approval of the commission.

ARTICLE 10. DISCIPLINARY ACTIONS

19930. INVESTIGATIONS; FINES OR PENALTIES; COST RECOVERY

(a) The department shall make appropriate investigations as follows:

(1) Determine whether there has been any violation of this chapter or any regulations adopted thereunder.

(2) Determine any facts, conditions, practices, or matters that it may deem necessary or proper to aid in the enforcement of this chapter or any regulation adopted thereunder.

(3) To aid in adopting regulations.

(4) To secure information as a basis for recommending legislation relating to this chapter.

(b) If, after any investigation, the department is satisfied that a license, permit, finding of suitability, or approval should be suspended or revoked, it shall file an accusation with the commission in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) In addition to any action that the commission may take against a license, permit, finding of suitability, or approval, the commission may also require the payment of fines or penalties. However, no fine imposed shall exceed twenty thousand dollars ($20,000) for each separate violation of any provision of this chapter or any regulation adopted thereunder.

(d) In any case in which the administrative law judge recommends that the commission revoke, suspend, or deny a license, the administrative law judge may, upon presentation of suitable proof, order the licensee or applicant for a license to pay the department the reasonable costs of the investigation and prosecution of the case.

(1) The costs assessed pursuant to this subdivision shall be fixed by the administrative law judge and may not be increased by the commission. When the commission does not adopt a proposed decision and remands the case to the administrative law judge, the administrative law

judge may not increase the amount of any costs assessed in the proposed decision.

(2) The department may enforce the order for payment in the superior court in the county in which the administrative hearing was held. The right of enforcement shall be in addition to any other rights that the department may have as to any licensee directed to pay costs.

(3) In any judicial action for the recovery of costs, proof of the commission's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.

(e) Notwithstanding any other provision of law, all costs recovered under this section shall be deposited in the fines and penalties account, a special account described in subdivision (a) of Section 19950.

(f) For purposes of this section, "costs" include costs incurred for any of the following:

(1) The investigation of the case by the department.

(2) The preparation and prosecution of the case by the Office of the Attorney General.

19931. EMERGENCY ORDERS; GROUNDS; ACTION; PERIOD OF EFFECTIVENESS; ACCUSATION; HEARING

(a) The department may issue any emergency orders against an owner licensee or any person involved in a transaction requiring prior approval that the department deems reasonably necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(b) The emergency order shall set forth the grounds upon which it is based, including a statement of facts constituting the alleged emergency necessitating the action.

(c) The emergency order is effective immediately upon issuance and service upon the owner licensee or any agent of the licensee registered with the department for receipt of service, or, in cases involving prior approval, upon issuance and service upon the person or entity involved, or upon an agent of that person or entity authorized to accept service of process in this state. The emergency order may suspend, limit, condition, or take other action in relation to the license of one or more persons in an operation without affecting other individual licensees, registrants, or the licensed gambling establishment. The emergency order remains effective until further order of the commission or final disposition of any proceeding conducted pursuant to subdivision (d).

(d) Within two calendar days after issuance of an emergency order, the department shall file an accusation with the commission against the person or entity involved. Thereafter, the person or entity against whom the emergency order has been issued and served is entitled to a hearing which, if so requested, shall commence within 10 business days of the date of the request if a gambling operation is closed by the order, and in all other cases, within 30 calendar days of the date of the request. On application of the department, and for good cause

shown, a court may extend the time within which a hearing is required to be commenced, upon those terms and conditions that the court deems equitable.

19932. JUDICIAL REVIEW; DENIAL OR ISSUANCE OF ALTERNATIVE WRIT

(a) Any person aggrieved by a final decision or order of the commission that limits, conditions, suspends, or revokes any previously granted license or approval, made after hearing by the commission, may petition the Superior Court for the County of Sacramento for judicial review pursuant to Section 1094.5 of the Code of Civil Procedure and Section 11523 of the Government Code. Notwithstanding any other provision of law, the standard set forth in paragraph (1) of subdivision (h) of Section 1094.5 of the Code of Civil Procedure shall apply for obtaining a stay of the operation of a final decision or order of the commission. In every case where it is claimed that the findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in light of the whole record.

(b) The court may summarily deny the petition, or the court may issue an alternative writ directing the commission to certify the whole record in the case to the court within a time specified. No new or additional evidence shall be introduced in the court, but, if an alternative writ issues, the cause shall be heard on the whole record as certified by the commission.

(c) In determining the cause following issuance of an alternative writ, the court shall enter judgment affirming, modifying, or reversing the order of the commission, or the court may remand the case for further proceedings before, or reconsideration by, the commission.

(d) Except as otherwise provided in Section 19870 and subdivision (e) in Section 19912, this section provides the exclusive means to review adjudicatory decisions of the commission.

ARTICLE 11. PENALTIES

19940. LIST OF PERSONS TO BE EXCLUDED OR EJECTED FROM ESTABLISHMENT; VIOLATION ON ENTRY

Any person included on the list of persons to be excluded or ejected from a gambling establishment pursuant to this chapter is guilty of a misdemeanor if he or she thereafter knowingly enters the premises of a licensed gambling establishment.

19941. PERSONS UNDER 21; VIOLATIONS; DEFENSE

(a) A person under 21 years of age shall not do any of the following:

(1) Play, be allowed to play, place wagers at, or collect winnings from, whether personally or through an agent, a gambling game.

(2) Be employed as an employee in a licensed gambling establishment, except as provided in Section 19912.

(3) Present or offer to a licensee, or to an agent of a licensee, written, printed, or photostatic evidence of age and identity that is false, fraudulent, or not actually the person's own for the purpose of doing any of the things described in paragraphs (1) and (2).

(4) Loiter in or about a room in which a gambling game is operated or conducted.

(b) A licensee or employee in a gambling establishment who knowingly violates or knowingly permits the violation of paragraphs (1) to (3), inclusive, of subdivision (a) is guilty of a misdemeanor.

(c) A person under 21 years of age who violates this section is guilty of a misdemeanor.

(d) Proof that a licensee, or agent or employee of a licensee, demanded, was shown, and acted in reliance upon bona fide evidence of age and identity shall be a defense to any criminal prosecution under this section or to any proceeding for the suspension or revocation of a license or work permit based thereon. For the purposes of this section, "bona fide evidence of age and identity" means a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license or an identification card issued to a member of the Armed Forces, that contains the name, date of birth, description, and picture of the person.

19942. License Fees; Violation; General Penalty

(a) Any person who willfully fails to report, pay, or truthfully account for and pay over any license fee imposed by this chapter, or who willfully attempts in any manner to evade or defeat the license fee or payment thereof, shall be punished by imprisonment in a county jail, by a fine of not more than five thousand dollars ($5,000), or by both that imprisonment and fine.

(b) Any person who willfully violates any of the provisions of this chapter for which a penalty is not expressly provided, is guilty of a misdemeanor.

19943. Failure to Comply with Regulations Adopted Pursuant to Section 19841, Subdivision (d); Violations

(a) Except as specified in subdivision (c), this section applies to any person or business that is engaged in controlled gambling, whether or not licensed to do so.

(b) Any person or business described in subdivision (a), with actual knowledge of the requirements of regulations adopted by the commission pursuant to subdivision (d) of Section 19841, that knowingly and willfully fails to comply with the requirements of those regulations shall be liable for a monetary penalty. The commission may impose a monetary penalty for each violation. However, in the first proceeding that is initiated pursuant to this subdivision, the penalties for all violations shall not exceed a total sum of ten thousand dollars ($10,000). If a penalty was imposed in a prior proceeding before the commission, the penalties for all violations shall not exceed a total sum of twenty-five thousand dollars ($25,000). If a penalty was imposed in two or more prior proceedings before the commission, the penalties for all violations shall not exceed a total sum of one hundred thousand dollars ($100,000).

(c) This section does not apply to any case where the person is criminally prosecuted in federal or state court for conduct related to a violation of Section 14162 of the Penal Code.

19943.5. Play of a Controlled Game

If a gambling enterprise conducts play of a controlled game that has been approved by the department pursuant to Section 19826, and the controlled game is subsequently found to be unlawful, so long as the game was played in the manner approved, the approval by the department shall be an absolute defense to any criminal, administrative, or civil action that may be brought, provided that the game is played during the time for which it was approved by the department and the gambling enterprise ceases play upon notice that the game has been found unlawful. In any enforcement action, the gambling enterprise shall have the burden of proving the department approved the controlled game and that the game was played in the manner approved.

19944. Interference with Performance of Duties

Any person who willfully resists, prevents, impedes, or interferes with the department or the commission or any of their agents or employees in the performance of duties pursuant to this chapter is guilty of a misdemeanor, punishable by imprisonment in a county jail for not more than six months, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine.

Article 12. Revenues

19950. Disposition of Fines and Penalties; Disposition of Fees and Revenues; Expenditure

(a) All fines and penalties collected pursuant to this chapter shall be deposited in a special account in the General Fund, and, upon appropriation, may be expended by the Department of Justice to offset costs incurred pursuant to this chapter.

(b) Except as otherwise provided in subdivision (a), all fees and revenue collected pursuant to this chapter shall be deposited in the Gambling Control Fund, which is hereby created in the State Treasury. The funds deposited in the Gambling Control Fund shall be available, upon appropriation by the Legislature, for expenditure by the department and commission exclusively for the support of the department and commission in carrying out their duties and responsibilities under this chapter.

19951. Fees

(a) Every application for a license or approval shall be accompanied by a nonrefundable fee, the amount of which shall be adopted by regulation on or before January 1, 2009. The adopted fee shall not exceed one thousand two hundred dollars ($1,200). Prior to adoption of the regulation, the nonrefundable application fee shall be five hundred dollars ($500).

(b) (1) Any fee paid pursuant to this section, including all licenses issued to key employees and other persons whose names are endorsed upon the

license, shall be assessed against the gambling license issued to the owner of the gambling establishment. This paragraph shall not apply to key employee licenses issued on and after January 1, 2009, or the implementation of regulations establishing a personal key employee license adopted pursuant to Section 19854, whichever is sooner.

(2) (A) The fee for initial issuance of a state gambling license shall be an amount determined by the commission in accordance with regulations adopted pursuant to this chapter.

(B) The fee for the renewal of a state gambling license shall be determined pursuant to the schedule in subdivision (c) or the schedule in subdivision (d), whichever amount is greater.

(C) The holder of a provisional license shall pay an annual fee pursuant to the schedule in subdivision (c).

(c) The schedule based on the number of tables is as follows:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars ($300) for each table.

(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars ($550) for each table.

(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred ($1,300) for each table.

(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred ($2,700) for each table.

(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars ($4,000) for each table.

(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars ($4,700) for each table.

(d) Without regard to the number of tables at which games may be played pursuant to a gambling license, if, at the time of any license renewal, or when a licensee is required to pay the fee described in subparagraph (C) of paragraph (2) of subdivision (b) it is determined that the gross revenues of an owner licensee during the licensee's previous fiscal year fell within the following ranges, the annual fee shall be as follows:

(1) For a gross revenue of two hundred thousand dollars ($200,000) to four hundred ninety-nine thousand nine hundred ninety-nine dollars ($499,999), inclusive, the amount specified by the department pursuant to paragraph (2) of subdivision (c).

(2) For a gross revenue of five hundred thousand dollars ($500,000) to one million nine hundred ninety-nine thousand nine hundred ninety-nine dollars ($1,999,999), inclusive, the amount specified by the department pursuant to paragraph (3) of subdivision (c).

(3) For a gross revenue of two million dollars ($2,000,000) to nine million nine hundred ninety-nine thousand nine hundred ninety-nine dollars ($9,999,999), inclusive, the amount specified by the department pursuant to paragraph (4) of subdivision (c).

(4) For a gross revenue of ten million dollars ($10,000,000) to twenty-nine million nine hundred ninety-nine thousand nine hundred ninety-nine

($29,999,999), the amount specified by the department pursuant to paragraph (5) of subdivision (c).

(5) For a gross revenue of thirty million dollars ($30,000,000) or more, the amount specified by the department pursuant to paragraph (6) of subdivision (c).

(e) The department may provide for payment of the annual gambling license fee on an annual or installment basis.

(f) For the purposes of this section, each table at which a game is played constitutes a single game table.

(g) It is the intent of the Legislature that the fees paid pursuant to this section are sufficient to enable the department and the commission to fully carry out their duties and responsibilities under this chapter.

19952. Special License Fee; Excess Tables for Tournaments and Special Events

The commission, by regulation, shall establish fees for special licenses authorizing irregular operation of tables in excess of the total number of tables otherwise authorized to a licensed gambling establishment, for tournaments and other special events.

19953. License Tax; Imposition by City, County, or City and County

Nothing contained in this chapter shall be deemed to restrict or limit the power of any city, county, or city and county to fix, impose, and collect a license tax.

19954. Gambling Addiction Program Fund

In addition to those fees required pursuant to Section 19951, each licensee shall pay an additional one hundred dollars ($100) for each table for which it is licensed to the State Department of Public Health for deposit in the Gambling Addiction Program Fund, which is hereby established to benefit those who have a gambling addiction problem. These funds shall be made available, upon appropriation by the Legislature, to community-based organizations that directly provide aid and assistance to those persons with a gambling addiction problem.

19955. Failure To Make Timely Payments

If an owner licensee fails to make timely payment of annual fees required under subparagraph (B) of paragraph (2) of subdivision (b) of Section 19951, the commission may order the temporary closure of the gambling establishment for up to 90 days after the payment due date, after which time, if the fees, or any portion thereof, remain unpaid, the gambling establishment's state gambling license shall be deemed surrendered.

Article 13. Local Governments

19960. Issuance of Gambling License; Conditions

This chapter shall not prohibit the enactment, amendment, or enforcement of any ordinance by any city, county, or city and county relating to licensed gambling establishments that is not inconsistent with this chapter. No city, county, or city

and county shall issue a gambling license with respect to any gambling establishment unless one of the following is true:

(a) The gambling establishment is located in a city, county, or city and county wherein, after January 1, 1984, an ordinance was adopted by the electors of the city, county, or city and county, in an election conducted pursuant to former Section 19819 of the Business and Professions Code, as that section read immediately before its repeal by the act that enacted this chapter.

(b) The gambling establishment is located in a city, county, or city and county wherein, prior to January 1, 1984, there was in effect an ordinance that expressly authorized the operation of one or more cardrooms.

(c) After the effective date of this chapter, a majority of the electors voting thereon affirmatively approve a measure permitting controlled gambling within that city, county, or city and county.

(1) The measure to permit controlled gambling shall appear on the ballot in substantially the following form:
"Shall licensed gambling establishments in which any controlled games permitted by law, such as draw poker, low-ball poker, panguine (pan), seven-card stud, or other lawful card games or tile games, are played, be allowed in _____? Yes ____ No ____."

(2) In addition, the initial implementing ordinances shall be drafted and appear in full on the sample ballot and shall set forth at least all of the following:
(A) The hours of operation.
(B) The games to be played.
(C) The wagering limits.
(D) The maximum number of gambling establishments permitted by the ordinance.
(E) The maximum number of tables permitted in each gambling establishment.

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

19961. EXPANSION OF GAMBLING; ORDINANCE AMENDMENT; BALLOT MEASURE

(a) (1) Except as provided in paragraph (2), on or after the effective date of this chapter, any amendment to any ordinance that would result in an expansion of gambling in the city, county, or city and county, shall not be valid unless the amendment is submitted for approval to the voters of the city, county, or city and county, and is approved by a majority of the electors voting thereon.

(2) Notwithstanding paragraph (1) and Section 19962, an ordinance may be amended without the approval of the electors after the effective date of this chapter to expand gambling by a change that results in an increase of less than 25 percent with respect to any of the matters set forth in paragraphs (1), (2), (3), and (5) of subdivision (b). Thereafter,

any additional expansion shall be approved by a majority of the electors voting thereon.

(b) For the purposes of this article, "expansion of gambling" means, when compared to that authorized on January 1, 1996, or under an ordinance adopted pursuant to subdivision (a) of Section 19960, whichever is the lesser number, a change that results in any of the following:

(1) An increase of 25 percent or more in the number of gambling tables in the city, county, or city and county.
(2) An increase of 25 percent or more in the number of licensed card rooms in the city, county, or city and county.
(3) An increase of 25 percent or more in the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.
(4) The authorization of any additional form of gambling, other than card games, that may be legally played in this state, to be played at a gambling establishment in the city, county, or city and county.
(5) An increase of 25 percent or more in the hours of operation of a gambling establishment in the city, county, or city and county.

(c) The measure to expand gambling shall appear on the ballot in substantially the following form: "Shall gambling be expanded in ____ beyond that operated or authorized on January 1, 1996, by ____ (describe expansion)? Yes ____ No ____."

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

(e) Increasing the number of games offered in a gambling establishment does not constitute an expansion of gambling pursuant to this section.

(f) No city, county, or city and county shall amend its ordinance in a cumulative manner to increase gambling by more than 25 percent for the factors listed in subdivision (b), when compared to that authorized on January 1, 1996, without conducting an election pursuant to this section.

19961.05. Local Moratorium Gambling Tables

Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend its ordinance to increase the operating hours of a gambling establishment to up to 24 hours a day, seven days a week.

19961.06. Additional Gambling Tables

(a) Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase by two the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county, above the number of tables authorized in the ordinance that was in effect on January 1, 2010. A city, county, or city and county may exercise the authority provided by this subdivision only one time, but this authority shall be in addition to any authorization under any other law for a city, county, or city and county to

increase the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

(b) Notwithstanding Sections 19961 and 19962, and in addition to the authorization granted by subdivision (a), a city, county, or city and county may amend an ordinance to increase by two the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county, above the number of tables authorized in the ordinance that was in effect on January 1, 2013. A city, county, or city and county may exercise the authority provided by this subdivision only one time, but this authority shall be in addition to any authorization under any other law for a city, county, or city and county to increase the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

19961.1. Department Review of Ordinance Amendments

Any amendment to a city or county ordinance relating to gambling establishments, or the Gambling Control Act, shall be submitted to the department for review and comment, before the ordinance is adopted by the city or county.

19962. Authorization and Expansion of Legal Gambling

(a) Neither the governing body nor the electors of a county, city, or city and county that has not authorized legal gaming within its boundaries prior to January 1, 1996, shall authorize legal gaming.

(b) An ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county may not be amended to expand gaming in that jurisdiction beyond that permitted on January 1, 1996.

(c) This section shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2023, deletes or extends that date.

19963. Limitations of Issuance of Gambling License

(a) In addition to any other limitations on the expansion of gambling imposed by Section 19962 or any provision of this chapter, the commission may not issue a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, unless an application to operate that establishment was on file with the department prior to September 1, 2000.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2023, deletes or extends that date.

19964. Local License; Owner Licensee Qualification; Duty to Issue

No city, county, or city and county may grant, or permit to continue in effect, a license to deal, operate, carry on, conduct, maintain, or expose for play any controlled game to any applicant or holder of a local license unless the applicant or local licensee is an owner licensee as defined in this chapter. However, the issuance of a state gambling license to a person imposes no requirements upon the city, county, or city and county to issue a license to the person.

19965. AUTHORIZATION AND EXPANSION OF LEGAL GAMBLING; EXCEPTION; INCREASE IN NUMBER OF TABLES

Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase the number of gambling tables that may be operated in a gambling establishment as follows:

(a) If the ordinance in effect on July 1, 2007, provided for five to eight tables, inclusive, the amended ordinance may allow an increase of three tables.

(b) If the ordinance in effect on July 1, 2007, provided for nine to 12 tables, inclusive, the amended ordinance may allow an increase of four tables.

19966. AUTHORIZATION OF LEGAL GAMBLING; ANNEXATION

If a gambling establishment is located in an unincorporated area annexed by a city, notwithstanding Section 19960 or 19962, without a local election other than the election to approve the annexation, the city acquiring jurisdiction may adopt an ordinance permitting and regulating controlled gaming in the existing gambling establishment, providing hours of operation, the games to be played, wagering limits, the maximum number of gambling establishments, and the maximum number of tables permitted in each gambling establishment, the same as those limits in any ordinance or resolutions that formerly applied to the gambling establishment. Where this article refers to an expansion of gaming as compared to that permitted on January 1, 1996, for the purposes of this section, that reference shall be to the ordinance or resolutions that governed the gambling establishment as of that date.

ARTICLE 14. MISCELLANEOUS PROVISIONS

19970. SEVERABILITY OF INVALID PROVISION

If any clause, sentence, paragraph, or part of this chapter, for any reason, is adjudged by a court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of this chapter and the application thereof to other persons or circumstances, but shall be confined to the operation of the clause, sentence, paragraph, or part thereof directly involved in the controversy in which the judgment was rendered and to the person or circumstances involved.

19971. CONSTRUCTION OF ACT

This act is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes.

19972. STATE GAMBLING LICENSE ISSUANCE; CONSTRUCTION FOR PURPOSES OF CIVIL CODE SECTION 3482

For the purposes of Section 3482 of the Civil Code, the issuance of a state gambling license shall not be construed to authorize any conduct or activity other than the conduct of controlled gambling.

ARTICLE 15. ADDITIONAL RESTRICTIONS RELATED TO FAIR ELECTIONS AND CORRUPTION OF REGULATORS

19980. LEGISLATIVE FINDINGS AND DECLARATIONS

(a) The Legislature finds and declares that there is a compelling governmental interest in ensuring that elections conducted pursuant to Section 19960 are conducted fairly and that electors in those elections are presented with fair and balanced arguments in support of and in opposition to the existence of gambling establishments. Large contributions by gambling operators or prospective gambling operators who will be financially interested in the outcome of the election often unfairly distort the context in which those elections take place.

(b) In California, in other states, and in other countries, there is ample historical evidence of the potential for revenues derived from gambling to be used to corrupt political officials in the regulation or prosecution of crimes related to gambling activities, embezzlement, and money laundering.

(c) This article is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of this state.

19981. FORMER EMPLOYEE: REPRESENTATION BEFORE COMMISSION OR DEPARTMENT; CAMPAIGN CONTRIBUTIONS

(a) A member of the commission, the executive director, the chief, and any employee of the commission or department designated by regulation, shall not, for a period of three years after leaving office or terminating employment, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before the commission or the department, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, or approval.

(b) A member of the commission shall not solicit or accept campaign contributions from any person, including any applicant or licensee.

(c) A member of the commission, the executive director, the chief, any employee of the commission, and any employee of the department who works on or supervises over gambling issues shall not, for a period of two years after leaving office or terminating employment, hold a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of, a gambling establishment, gambling enterprise, registrant, or licensee.

19982. CAMPAIGN FINANCE DISCLOSURE OF CONTRIBUTION LIMITATIONS; LICENSEES AND APPLICANTS; VIOLATIONS

(a) A license may be denied, suspended, or revoked if the applicant or licensee, within three years prior to the submission of the license or renewal application, or any time thereafter, violates any law or ordinance with respect to campaign finance disclosure or contribution limitations applicable to an election that is conducted pursuant to Section 19960, former Section 19950, or pursuant to

former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter.

(1) The remedies specified herein are in addition to any other remedy or penalty provided by law.
(2) Any final determination by the Fair Political Practices Commission that the applicant did not violate any provision of state law within its jurisdiction shall be binding on the commission.
(3) Any final determination by a city or county governmental body having ultimate jurisdiction over the matter that the applicant did not violate an ordinance with respect to campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, shall be binding on the commission.

(b) Every applicant for a gambling license, or any renewal thereof, shall file with the department, at the time the license application or renewal is filed, the following information:

(1) Any statement or other document required to be filed with the Fair Political Practices Commission relative to an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.
(2) Any statement or other document required to be filed with any local jurisdiction respecting campaign finance disclosure or contribution limitations applicable to an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.
(3) A report of any contribution of money or thing of value, in excess of one hundred dollars ($100), made to any committee, as defined by Section 82013 of the Government Code, associated with any election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.
(4) A report of any other significant involvement by the applicant or licensee in an election that is conducted pursuant to Section 19960, former Section 19950, or former Section 19819, as that section read immediately prior to its repeal by the act that enacted this chapter, within three years of the date on which the application is submitted.

(c) The commission shall adopt regulations to implement this section.

19983. SEVERABILITY OF INVALID PROVISION; CONFLICT OR INCONSISTENCY WITH POLITICAL REFORM ACT OF 1974

It is the intent of the Legislature that if any provision of this article is adjudged by a court to be invalid because of any conflict or inconsistency with the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code), as amended, that judgment shall not affect, impair, or invalidate any other provision of this chapter and the application thereof to other persons or circumstances, but shall be confined to the operation of the clause, sentence, paragraph, or part thereof directly involved in the controversy in which the judgment was rendered and to the person or circumstances involved.

ARTICLE 16. ADDITIONAL CONTRACTS: PROPOSITION PLAYERS

19984. CONTRACTS FOR PROVIDING PROPOSITION PLAYER SERVICES

Notwithstanding any other law, a licensed gambling enterprise may contract with a third party for the purpose of providing proposition player services at a gambling establishment, subject to the following conditions:

(a) Any agreement, contract, or arrangement between a gambling enterprise and a third-party provider of proposition player services shall be approved in advance by the department, and in no event shall a gambling enterprise or the house have any interest, whether direct or indirect, in funds wagered, lost, or won.

(b) The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition player services at gambling establishments pursuant to this section, including owners, supervisors, and players. Those employed by a third-party provider of proposition player services, including owners, supervisors, observers, and players, shall wear a badge which clearly identifies them as proposition players whenever they are present within a gambling establishment. The commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state, and may assess, and the department may collect, reasonable fees and deposits as necessary to defray the costs of providing this regulation and oversight.

(c) The department, pursuant to regulations of the commission, is empowered to perform background checks, financial audits, and other investigatory services as needed to assist the commission in regulating third-party providers of proposition player services, and may assess and collect reasonable fees and deposits as necessary to defray the costs of providing this regulation and oversight. The department may adopt emergency regulations in order to implement this subdivision.

(d) No agreement or contract between a licensed gambling enterprise and a third party concerning the provision of proposition player services shall be invalidated or prohibited by the department pursuant to this section until the commission establishes criteria for, and makes determinations regarding the licensure or registration of, the provision of these services pursuant to subdivision (b).

ARTICLE 17. NONPROFIT ORGANIZATION FUNDRAISERS

19985. LEGISLATIVE DECLARATIONS

The Legislature finds and declares the following:

(a) Nonprofit organizations provide important and necessary services to the people of the State of California with respect to educational and social services and there is a need to provide methods of fundraising to nonprofit organizations so as to enable them to meet their stated purposes.

(b) The playing of controlled games for the purpose of raising funds by nonprofit organizations is in the public interest.

(c) Uniform regulation for the conduct of controlled games is in the best interests of nonprofit organizations and the people of this state.

19986. CRITERIA FOR NONPROFIT ORGANIZATION FUNDRAISERS

(a) Notwithstanding any other provision of state law a nonprofit organization may conduct a fundraiser using controlled games as a funding mechanism to further the purposes and mission of the nonprofit organization.

(b) A nonprofit organization holding a fundraiser pursuant to subdivision (a) shall not conduct more than one fundraiser per calendar year, and each fundraiser shall not exceed five consecutive hours. Each fundraiser shall be preapproved by the department. Eligible nonprofit organizations that have multiple chapters may hold one fundraiser per chapter per calendar year.

(c) No cash prizes or wagers may be awarded to participants, however, the winner of each controlled game may be entitled to a prize from those donated to the fundraiser. An individual prize awarded to each winner shall not exceed a cash value of five hundred dollars ($500). For each event, the total cash value of prizes awarded shall not exceed five thousand dollars ($5,000).

(d) At least 90 percent of the gross revenue from the fundraiser shall go directly to a nonprofit organization. Compensation shall not be paid from revenues required to go directly to the nonprofit organization for the benefit of which the fundraiser is conducted, and no more than 10 percent of the gross receipts of a fundraiser may be paid as compensation to the entity or persons conducting the fundraiser for the nonprofit organization. If an eligible nonprofit organization does not own a facility in which to conduct a fundraiser and is required to pay the entity or person conducting the fundraiser a rental fee for the facility, the fair market rental value of the facility shall not be included when determining the compensation payable to the entity or person for purposes of this section. This section does not preclude an eligible organization from using funds from sources other than the gross revenue of the fundraiser to pay for the administration or other costs of conducting the fundraiser.

(e) An eligible nonprofit organization shall not conduct a fundraiser authorized by this section, unless it has been in existence and operation for at least three years and registers annually with the department. The department shall furnish a registration form on its Internet Web site or, upon request, to eligible nonprofit

organizations. The department shall, by regulation, collect only the information necessary pursuant to this section on this form. This information shall include, but is not limited to, the following:

(1) The name and address of the eligible organization.
(2) The federal tax identification number, the corporate number issued by the Secretary of State, the organization number issued by the Franchise Tax Board, or the California charitable trust identification number of the eligible organization.
(3) The name and title of a responsible fiduciary of the organization.

(f) The department shall adopt regulations necessary to effectuate this section, including emergency regulations, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(g) The nonprofit organization shall maintain records for each fundraiser using controlled games, which shall include:

(1) An itemized list of gross receipts for the fundraiser.
(2) An itemized list of recipients of the net profit of the fundraiser, including the name, address, and purpose for which fundraiser proceeds are to be used.
(3) The number of persons who participated in the fundraiser.
(4) An itemized list of the direct cost incurred for each fundraiser.
(5) A list of all prizes awarded during each fundraiser.
(6) The date, hours, and location for each fundraiser held.

(h) As used in this article, “nonprofit organization” means an organization that has been qualified to conduct business in California for at least three years prior to conducting controlled games and is exempt from taxation pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code.

(i) The department may take legal action against a registrant if it determines that the registrant has violated this section or any regulation adopted pursuant to this section, or that the registrant has engaged in any conduct that is not in the best interest of the public’s health, safety, or general welfare. Any action taken pursuant to this subdivision does not prohibit the commencement of an administrative or criminal action by the Attorney General, a district attorney, or county counsel.

(j) The department may require an eligible organization to pay an annual registration fee of up to one hundred dollars ($100) per year to cover the actual costs of the department to administer and enforce this section. The annual registration fees shall be deposited by the department into the Gambling Control Fund.

(k) No fundraiser permitted under this section may be conducted by means of, or otherwise utilize, any gaming machine, apparatus, or device that meets the definition of a slot machine contained in Section 330b or 330.1 of the Penal Code.

(l) No more than four fundraisers at the same location, even if sponsored by different nonprofit organizations, shall be permitted in any calendar year, except in rural areas where preapproved by the department. For purposes of this section, “rural” shall mean any county with an urban influence code, as established by the latest publication of the Economic Research Service of the United States Department of Agriculture, of “3” or more.

(m) The authority to conduct a fundraiser, as well as the type of controlled games, may be governed by local ordinance.

(n) No person shall be permitted to participate in the fundraiser unless that person is at least 21 years of age.

(o) No fundraiser permitted under this section may be operated or conducted over the Internet.

19987. REGISTRATION OF EQUIPMENT PROVIDERS

(a) The department, by regulation or order, may require any person or entity set forth in subdivision (b), to register with the department.

(b) “Person or entity” means one who, directly or indirectly, manufactures, distributes, supplies, vends, leases, or otherwise provides, supplies, devices, or other equipment designed for use in the playing of controlled games by any nonprofit organization registered to conduct controlled games.

ARTICLE 2. PARTICULAR OFFENSES – CONTESTS AND SWEEPSTAKES

17539. CONTESTS

The Legislature finds that there is a compelling need for more complete disclosure of rules and operation of contests in which money or other valuable consideration may be solicited; that current methods of disclosure are inadequate and create misunderstandings as to the true requirements for participation and winning of prizes offered; that certain problems which have arisen are peculiar to contests; that the provisions of Sections 17539.1 through 17539.3 are necessary to the public welfare and that the terms hereof shall be interpreted so as to provide maximum disclosure to and fair treatment of persons who may or do enter such contests.

17539.1. CONTESTS AND SWEEPSTAKES

(a) The following unfair acts or practices undertaken by, or omissions of, any person in the operation of any contest or sweepstakes are prohibited:

(1) Failing to clearly and conspicuously disclose, at the time of the initial contest solicitation, at the time of each precontest promotional solicitation and each time the payment of money is required to become or to remain a contestant, the total number of contestants anticipated based on prior experience and the percentages of contestants correctly solving each puzzle used in the three most recently completed contests conducted by the person. If the person has not operated or promoted

three contests he or she shall disclose for each prior contest if any, the information required by this section.

(2) Failing to promptly send to each member of the public upon his or her request, the actual number and percentage of contestants correctly solving each puzzle or game in the contest most recently completed.

(3) Misrepresenting in any manner the odds of winning any prize.

(4) Misrepresenting in any manner, the rules, terms, or conditions of participation in a contest.

(5) Failing to clearly and conspicuously disclose with all contest puzzles and games and with all promotional puzzles and games all of the following:

(A) The maximum number of puzzles or games that may be necessary to complete the contest and determine winners.

(B) The maximum amount of money, including the maximum cost of any postage and handling fees, that a participant may be asked to pay to win each of the contest prizes then offered.

(C) That future puzzles or games, if any, or tie breakers, if any, will be significantly more difficult than the initial puzzle.

(D) The date or dates on or before which the contest will terminate and upon which all prizes will be awarded.

(E) The method of determining prizewinners if a tie remains after the last tie breaker puzzle is completed.

(F) All rules, regulations, terms, and conditions of the contest.

(6) Failing to clearly and conspicuously disclose the exact nature and approximate value of the prizes when offered.

(7) Failing to award and distribute all prizes of the value and type represented.

(8) Representing directly or by implication that the number of participants has been significantly limited, or that any particular person has been selected to win a prize unless such is the fact.

(9) Representing directly or by implication that any particular person has won any money, prize, thing, or other value in a contest unless there has been a real contest in which a meaningful percentage, which shall be at least a majority, of the participants in such contests have failed to win a prize, money, thing, or other value.

(10) Representing directly or by implication that any particular person has won any money, prize, thing, or other value without disclosing the exact nature and approximate value thereof.

(11) Using the word “lucky” to describe any number, ticket, coupon, symbol, or other entry, or representing in any other manner directly or by implication that any number, ticket, coupon, symbol, or other entry confers or will confer an advantage upon the recipient that other recipients will not have, that the recipient is more likely to win a prize than are others, or that the number, ticket, coupon, symbol, or other entry has some value that other entries do not have.

(12) Using or offering for use any method intended to be used by a person interacting with an electronic video monitor to simulate gambling or play gambling-themed games in a business establishment that (A) directly or indirectly implements the predetermination of sweepstakes cash, cash-equivalent prizes, or other prizes of value, or (B) otherwise connects a sweepstakes player or participant with sweepstakes cash, cash-equivalent prizes, or other prizes of value. For the purposes of this paragraph, “business establishment” means a business that has any financial interest in the conduct of the sweepstakes or the sale of the products or services being promoted by the sweepstakes at its physical location. This paragraph does not make unlawful game promotions or sweepstakes conducted by for-profit commercial entities on a limited and occasional basis as an advertising and marketing tool that are incidental to substantial bona fide sales of consumer products or services and that are not intended to provide a vehicle for the establishment of places of ongoing gambling or gaming.

(13) Failing to obtain the express written or oral consent of individuals before their names are used for a promotional purpose in connection with a mailing to a third person.

(14) Using or distributing simulated checks, currency, or any simulated item of value unless there is clearly and conspicuously printed thereon the words: SPECIMEN—NONNEGOTIABLE.

(15) Representing, directly or by implication, orally or in writing, that any tie breaker puzzle may be entered upon the payment of money qualifying the contestant for an extra cash or any other type prize or prizes unless:

(A) It is clearly and conspicuously disclosed that the payments are optional and that contestants are not required to pay money, except for reasonable postage and handling fees, to play for an extra cash or any other type of prize or prizes; and

(B) Contestants are clearly and conspicuously given the opportunity to indicate they wish to enter such phase of the contest for free, except for reasonable postage and handling fees the amount of which shall not exceed one dollar and fifty cents ($1.50) plus the actual cost of postage and which shall be clearly and conspicuously disclosed at the time of the initial contest solicitation and each time thereafter that the payment of such fees is required. The contestants’ opportunity to indicate they wish to enter for free shall be in immediate conjunction with and in a like manner as the contestants’ opportunity to indicate they wish to play for an extra prize.

(b) For the purposes of this section, “sweepstakes” means a procedure, activity, or event, for the distribution, donation, or sale of anything of value by lot, chance, predetermined selection, or random selection that is not unlawful under other provisions of law, including, but not limited to, Chapter 9 (commencing with Section 319) and Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

(c) This section does not apply to an advertising plan or program that is regulated by, and complies with, the requirements of Section 17537.1.

(d) Nothing in this section shall be deemed to render lawful any activity that is unlawful pursuant to other law, including, but not limited to, Section 320, 330a, 330b, 330.1, or 337j of the Penal Code.

(e) Nothing in this section shall be deemed to render unlawful or restrict otherwise lawful games and methods used by a gambling enterprise licensed under the Gambling Control Act or operations of the California State Lottery.

17539.15. Sweepstakes and Contests; Solicitation Materials

(a) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent, taking into account the context in which the representation is made, including, without limitation, emphasis, print, size, color, location, and presentation of the representation and any qualifying language, that a person is a winner or has already won a prize or any particular prize unless that person has in fact won a prize or any particular prize. If the representation is made on or visible through the mailing envelope containing the sweepstakes materials, the context in which the representation is to be considered, including any qualifying language, shall be limited to what appears on, appears from, or is visible through, the mailing envelope.

(b) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall include a clear and conspicuous statement of the no-purchase-or-payment-necessary message, in readily understandable terms, in the official rules included in those solicitation materials and, if the official rules do not appear thereon, on the entry-order device included in those solicitation materials. The no-purchase-or-payment-necessary message included in the official rules shall be set out in a separate paragraph in the official rules and be printed in capital letters in contrasting typeface not smaller than the largest typeface used in the text of the official rules.

(c) Sweepstakes entries not accompanied by an order for products or services shall not be subjected to any disability or disadvantage in the winner selection process to which an entry accompanied by an order for products or services would not be subject.

(d) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent that an entry in the promotional sweepstakes accompanied by an order for products or services will be eligible to receive additional prizes or be more likely to win than an entry not accompanied by an order for products or services or that an entry not accompanied by an order for products or services will have a reduced chance of winning a prize in the promotional sweepstakes.

(e) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent

that a person has been specially selected in connection with a sweepstakes unless it is true.

(f) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent that the person receiving the solicitation has received any special treatment or personal attention from the sweepstakes sponsor or any officer, employee, or agent of the sweepstakes sponsor unless the representation of special treatment or personal attention is true.

(g) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent that a person is being notified a second or final time of the opportunity to receive or compete for a prize, unless that representation is true.

(h) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not represent that a prize notice is urgent or otherwise convey an impression of urgency by use of description, phrasing on a mailing envelope, or similar method, unless there is a limited time period in which the recipient must take some action to claim, or be eligible to receive, a prize, and the date by which that action is required is clearly and conspicuously disclosed in the body of the solicitation materials.

(i) Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall not do either of the following:

(1) Simulate or falsely represent that it is a document authorized, issued, or approved by any court, official, or agency of the United States or any state, or by any lawyer, law firm, or insurance or brokerage company.
(2) Create a false impression as to its source, authorization, or approval.

(j) The official rules for a sweepstakes shall disclose information about the date or dates the final winner or winners will be determined.

(k) For purposes of this section:

(1) “No-purchase-or-payment-necessary message” means the following statement or a statement substantially similar to the following statement: “No purchase or payment of any kind is necessary to enter or win this sweepstakes.”
(2) “Official rules” means the formal printed statement, however designated, of the rules for the promotional sweepstakes appearing in the solicitation materials. The official rules shall be prominently identified and all references thereto in any solicitation materials shall consistently use the designation for the official rules that appears in those materials. Each sweepstakes solicitation shall contain a copy of the official rules.
(3) “Specially selected” means a representation that a person is a winner, a finalist, in first place or tied for first place, or otherwise among a limited group of persons with an enhanced likelihood of receiving a prize.

(l) (1) A sweepstakes sponsor may not charge a fee as a condition of receiving a monetary distribution or obtaining information about a prize or sweepstakes.

(2) (A) For the purposes of this section, “sweepstakes sponsor” means either of the following:

(i) A person or entity that operates or administers a sweepstakes as defined in paragraph (12) of subdivision (a) of Section 17539.5.

(ii) A person or entity that offers, by means of a notice, a prize to another person in conjunction with any real or purported sweepstakes that requires or allows, or creates the impression of requiring or allowing, the person to purchase any goods or services, or pay any money, as a condition of receiving, or in conjunction with allowing the person to receive, use, or obtain a prize or information about a prize.

(B) A person or entity that merely furnishes a prize in connection with a sweepstakes that is operated or administered by another person or entity shall not be deemed to be a sweepstakes sponsor.

17539.2. CONTESTS; DISCLOSURE

Every person who conducts any contest shall:

(a) Clearly and conspicuously disclose on each entry blank the deadline for submission of that entry.

(b) Refund all money or other consideration to contestants requesting such refund in writing within one year of payment and who are unable to participate in any aspect of any contest through no fault of the contestant.

(c) At the conclusion of the contest send to all entrants upon their request the names of all winners, the prize or prizes won by each, the correct solution to each puzzle and the winning solutions to each puzzle (if different from the correct solution).

(d) Maintain for no less than two years after all prizes are awarded all the following:

(1) Copies of all contest solicitations and puzzles.

(2) All puzzles and correspondence sent by a contestant or copies or records disclosing details thereof and records of replies thereto.

(3) Adequate records which disclose the names and addresses of all contestants, the approximate date each contestant was sent each puzzle or game, the number of prizes awarded, the method of selecting winners, the names and addresses of the winners, and facts upon which all representations or disclosures made in connection with the contest are based and from which the validity of the representations or disclosures can be determined.

17539.3. APPLICABILITY

(a) Sections 17539.1 and 17539.2 do not apply to a game conducted to promote the sale of an employer's product or service by his or her employees, when those employees are the sole eligible participants.

(b) As used in Sections 17539.1 and 17539.2, "person" includes a firm, corporation, or association, but does not include any charitable trust, corporation, or other organization exempted from taxation under Section 23701d of the Revenue and Taxation Code or Section 501(c) of the Internal Revenue Code.

(c) Nothing in Sections 17539 to 17539.2, inclusive, shall be construed to permit any contest or any series of contests or any act or omission in connection therewith that is prohibited by any other provision of law.

(d) Nothing in Section 17539.1 or 17539.2 shall be construed to hold any newspaper publisher or radio or television broadcaster liable for publishing or broadcasting any advertisement relating to a contest, unless that publisher or broadcaster is the person conducting or holding that contest.

(e) As used in Sections 17539 to 17539.2, inclusive, "contest" includes any game, contest, puzzle, scheme, or plan that holds out or offers to prospective participants the opportunity to receive or compete for gifts, prizes, or gratuities as determined by skill or any combination of chance and skill and that is, or in whole or in part may be, conditioned upon the payment of consideration.

(f) Sections 17539 to 17539.2, inclusive, do not apply to the mailing or otherwise sending of an application for admission, or a notification or token evidencing the right of admission, to a contest, performance, sporting event, or tournament of skill, speed, power, or endurance between, or the operation of the contest, performance, sporting event, or tournament by, participants physically present at that contest, performance, sporting event, or tournament.

17539.35. ADVERTISEMENT OF PRIZES

No person shall advertise, offer, or operate any contest, as defined in subdivision (e) of Section 17539.3, in which any prize, including any money, property, service, or other matter of value, may be awarded or transferred if the opportunity to win that prize is conditioned on a minimum number of entries or contest participants.

17539.4. ADVERTISEMENT OF LOANS

No person shall place an advertisement disseminated primarily in this state for a loan which utilizes real property as collateral unless there is disclosed within the printed text of that advertisement, or the oral text in the case of a radio or television advertisement, the license under which the loan would be made or arranged, the state regulatory entity supervising that type of loan transaction or, in the case of unlicensed lending activity, a statement that the loan is being made or arranged by an unlicensed party who is not operating under the regulatory supervision of a state agency.

This section shall not apply to any bank or bank holding company, or to any savings association or federal association as defined by Section 5102 of the Financial Code, or to any industrial loan company or credit union, or to any subsidiary or affiliate of these entities if the subsidiary or affiliate is not separately licensed.

GOVERNMENT CODE, TITLE 2, DIVISION 3, PART 1, CHAPTER 1

TRIBAL NATION GRANT PANEL MEETINGS

ARTICLE 9. MEETINGS

11126.4.5. TRIBAL NATION GRANT PANEL MEETINGS

(a) This article does not prohibit the Tribal Nation Grant Panel from holding a closed session when discussing matters involving information relating to the administration of article 2.3 (commencing with Section 12019.30) of chapter 1 of Part 2 that describes, directly or indirectly, the internal affairs of an eligible tribe, including, but not limited to, the finances and competitive business plans of an eligible tribe.

(b) Discussion in closed session authorized by this section shall be limited to the confidential information related to the agendized item and shall not include discussion of any other information or matter.

(c) Before going into closed session, the Tribal Nation Grant Panel shall publicly announce the type of information to be discussed in closed session, which shall be recorded in the minutes.

(d) Action taken on agenda items discussed pursuant to this section shall be taken in open session.

(e) For purposes of this section, the terms “Tribal Nation Grant Panel” and “eligible tribe” shall have the same meanings as set forth in Article 2.3 (commencing with Section 12019.30) of Chapter 1 of Part 2.

GOVERNMENT CODE, TITLE 2, DIVISION 3, PART 2, CHAPTER 1

ARTICLE 2. POWERS AND DUTIES.

12012.3. GOVERNOR’S TRIBAL ADVISOR

(a) There is within the office of the Governor, the office of the Governor’s Tribal Advisor, which shall be headed by the Governor’s Tribal Advisor.

(b) The Governor’s Tribal Advisor shall be appointed by, and serve at the pleasure of, the Governor.

(c) The Governor’s Tribal Advisor shall be an enrolled member of a federally recognized tribe in California.

12012.5. RATIFICATION OF TRIBAL-STATE COMPACTS; BARONA BAND OF MISSION INDIANS, BIG SANDY RANCHERIA OF MONO INDIANS, CHER-AE HEIGHTS INDIAN COMMUNITY OF TRINIDAD RANCHERIA, JACKSON RANCHERIA BAND OF MIWUK INDIANS, MOORETOWN RANCHERIA BAND OF CONCOW/MAIDU INDIANS, PALA BAND OF MISSION INDIANS, REDDING RANCHERIA, RUMSEY INDIAN RANCHERIA OF WINTUN INDIANS OF CALIFORNIA, SYCUAN BAND OF MISSION INDIANS, TABLE MOUNTAIN RANCHERIA, AND THE VIEJAS BAND OF KUMEYAAY INDIANS

(a) The following tribal-state compacts entered in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 et seq. and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The compact between the State of California and the Barona Band of Mission Indians, executed on August 12, 1998.
(2) The compact between the State of California and the Big Sandy Rancheria of Mono Indians, executed on July 20, 1998.
(3) The compact between the State of California and the Cher-Ae Heights Indian Community of Trinidad Rancheria, executed on July 13, 1998.
(4) The compact between the State of California and the Jackson Rancheria Band of Miwuk Indians, executed on July 13, 1998.
(5) The compact between the State of California and the Mooretown Rancheria of Concow/Maidu Indians, executed on July 13, 1998.
(6) The compact between the State of California and the Pala Band of Mission Indians, as approved by the Secretary of the Interior on April 25, 1998.
(7) The compact between the State of California and the Redding Rancheria, executed on August 11, 1998.
(8) The compact between the State of California and the Rumsey Indian Rancheria of Wintun Indians of California, executed on July 13, 1998.
(9) The compact between the State of California and the Sycuan Band of Mission Indians, executed on August 12, 1998.
(10) The compact between the State of California and the Table Mountain Rancheria, executed on July 13, 1998.
(11) The compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on or about August 17, 1998.

The terms of each compact apply only to the State of California and the tribe that has signed it, and the terms of these compacts do not bind any tribe that is not a signatory to any of the compacts.

(b) Any other compact entered into between the State of California and any other federally recognized Indian tribe which is executed after August 24, 1998, is hereby ratified if (1) the compact is identical in all material respects to any of the compacts ratified pursuant to subdivision (a), and (2) the compact is not rejected by each house of the Legislature, two-thirds of the membership thereof concurring, within 30 days of the date of the submission of the compact to the Legislature by the Governor. However, if the 30-day period ends during a joint recess of the Legislature, the period shall be extended until the fifteenth day following the day on

which the Legislature reconvenes. A compact will be deemed to be materially identical to a compact ratified pursuant to subdivision (a) if the Governor certifies that it is materially identical at the time he or she submits it to the Legislature.

(c) The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the compacts ratified pursuant to subdivision (a). These compacts shall be ratified upon approval of each house of the Legislature, a majority of the membership thereof concurring.

(d) The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes in the State of California pursuant to the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 et seq. and 25 U.S.C. Sec. 2701 et seq.) for the purpose of authorizing class III gaming, as defined in that act, on Indian lands. Nothing in this section shall be construed to deny the existence of the Governor's authority to have negotiated and executed tribal-state compacts prior to the effective date of this section.

(e) The Governor is authorized to waive the state's immunity to suit in federal court in connection with any compact negotiated with an Indian tribe or any action brought by an Indian tribe under the Indian Gaming Regulatory Act (18 U.S.C. Sec. 1166 et seq. and 25 U.S.C. Sec. 2701 et seq.).

(f) In deference to tribal sovereignty, the execution of, and compliance with the terms of, any compact specified under subdivision (a) or (b) shall not be deemed to constitute a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(g) Nothing in this section shall be interpreted to authorize the unilateral imposition of a statewide limit on the number of lottery devices or of any allocation system for lottery devices on any Indian tribe that has not entered into a compact that provides for such a limit or allocation system. Each tribe may negotiate separately with the state over these matters on a government-to-government basis.

12012.25. RATIFICATION OF TRIBAL-STATE GAMING COMPACTS; "1999 COMPACTS"

(a) The following tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The compact between the State of California and the Alturas Rancheria, executed on September 10, 1999.
(2) The compact between the State of California and the Barona Band of Mission Indians, executed on September 10, 1999.
(3) The compact between the State of California and the Big Sandy Rancheria Band of Mono Indians, executed on September 10, 1999.
(4) The compact between the State of California and the Big Valley Rancheria, executed on September 10, 1999.

(5) The compact between the State of California and the Bishop Paiute Tribe, executed on September 10, 1999.
(6) The compact between the State of California and the Blue Lake Rancheria, executed on September 10, 1999.
(7) The compact between the State of California and the Buena Vista Band of Me-Wuk Indians, executed on September 10, 1999.
(8) The compact between the State of California and the Cabazon Band of Mission Indians, executed on September 10, 1999.
(9) The compact between the State of California and the Cahto Tribe of Laytonville, executed on September 10, 1999.
(10) The compact between the State of California and the Cahuilla Band of Mission Indians, executed on September 10, 1999.
(11) The compact between the State of California and the Campo Band of Mission Indians, executed on September 10, 1999.
(12) The compact between the State of California and the Chemehuevi Indian Tribe, executed on September 10, 1999.
(13) The compact between the State of California and the Chicken Ranch Rancheria, executed on September 10, 1999.
(14) The compact between the State of California and the Coast Indian Community of the Resighini Rancheria, executed on September 10, 1999.
(15) The compact between the State of California and the Colusa Indian Community, executed on September 10, 1999.
(16) The compact between the State of California and the Dry Creek Rancheria Band of Pomo Indians, executed on September 10, 1999.
(17) The compact between the State of California and the Elk Valley Rancheria, executed on September 10, 1999.
(18) The compact between the State of California and the Ewiiaapaayp Band of Kumeyaay, executed on September 10, 1999.
(19) The compact between the State of California and the Hoopa Valley Tribe, executed on September 10, 1999.
(20) The compact between the State of California and the Hopland Band of Pomo Indians, executed on September 10, 1999.
(21) The compact between the State of California and the Jackson Band of Mi-Wuk Indians, executed on September 10, 1999.
(22) The compact between the State of California and the Jamul Indian Reservation, executed on September 10, 1999.
(23) The compact between the State of California and the La Jolla Indian Reservation, executed on September 10, 1999.
(24) The compact between the State of California and the Manzanita Tribe of Kumeyaay Indians, executed on September 10, 1999.
(25) The compact between the State of California and the Mesa Grande Band of Mission Indians, executed on September 10, 1999.
(26) The compact between the State of California and the Middletown Rancheria Band of Pomo Indians, executed on September 10, 1999.

(27) The compact between the State of California and the Morongo Band of Mission Indians, executed on September 10, 1999.
(28) The compact between the State of California and the Mooretown Rancheria Concow Maidu Tribe, executed on September 10, 1999.
(29) The compact between the State of California and the Pala Band of Mission Indians, executed on September 10, 1999.
(30) The compact between the State of California and the Paskenta Band of Nomlaki Indians, executed on September 10, 1999.
(31) The compact between the State of California and the Pechanga Band of Luiseno Indians, executed on September 10, 1999.
(32) The compact between the State of California and the Picayune Rancheria of Chukchansi Indians, executed on September 10, 1999.
(33) The compact between the State of California and the Quechan Nation, executed on September 10, 1999.
(34) The compact between the State of California and the Redding Rancheria, executed on September 10, 1999.
(35) The compact between the State of California and the Rincon, San Luiseno Band of Mission Indians, executed on September 10, 1999.
(36) The compact between the State of California and the Rumsey Band of Wintun Indians, executed on September 10, 1999.
(37) The compact between the State of California and the Robinson Rancheria Band of Pomo Indians, executed on September 10, 1999.
(38) The compact between the State of California and the Rohnerville Rancheria, executed on September 10, 1999.
(39) The compact between the State of California and the San Manuel Band of Mission Indians, executed on September 10, 1999.
(40) The compact between the State of California and the San Pasqual Band of Mission Indians, executed on September 10, 1999.
(41) The compact between the State of California and the Santa Rosa Rancheria Tachi Tribe, executed on September 10, 1999.
(42) The compact between the State of California and the Santa Ynez Band of Chumash Indians, executed on September 10, 1999.
(43) The compact between the State of California and the Sherwood Valley Rancheria Band of Pomo Indians, executed on September 10, 1999.
(44) The compact between the State of California and the Shingle Springs Band of Miwok Indians, executed on September 10, 1999.
(45) The compact between the State of California and the Smith River Rancheria, executed on September 10, 1999.
(46) The compact between the State of California and the Soboba Band of Mission Indians, executed on September 10, 1999.
(47) The compact between the State of California and the Susanville Indian Rancheria, executed on September 10, 1999.
(48) The compact between the State of California and the Sycuan Band of Kumeyaay Indians, executed on September 10, 1999.
(49) The compact between the State of California and the Table Mountain Rancheria, executed on September 10, 1999.

(50) The compact between the State of California and the Trinidad Rancheria, executed on September 10, 1999.
(51) The compact between the State of California and the Tule River Indian Tribe, executed on September 10, 1999.
(52) The compact between the State of California and the Tuolumne Band of Me-wuk Indians, executed on September 10, 1999.
(53) The compact between the State of California and the Twenty Nine Palms Band of Mission Indians, executed on September 10, 1999.
(54) The compact between the State of California and the Tyme Maidu Tribe, Berry Creek Rancheria, executed on September 10, 1999.
(55) The compact between the State of California and the United Auburn Indian Community, executed on September 10, 1999.
(56) The compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on September 10, 1999.
(57) The compact between the State of California and the Coyote Valley Band of Pomo Indians, executed on September 10, 1999.

(b) Any other tribal-state gaming compact entered into between the State of California and a federally recognized Indian tribe which is executed after September 10, 1999, is hereby ratified if both of the following are true:

(1) The compact is identical is all material respects to any of the compacts expressly ratified pursuant to subdivision (a). A compact shall be deemed to be materially identified to a compact ratified pursuant to subdivision (a) if the Governor certifies it is materially identical at the time he or she submits it to the Legislature.
(2) The compact is not rejected by each house of the Legislature, two-thirds of the membership thereof concurring, within 30 days of the date of the submission of the compact to the Legislature by the Governor. However, if the 30-day period ends during a joint recess of the Legislature, the period shall be extended until the fifteenth day following the day on which the Legislature reconvenes.

(c) The Legislature acknowledges the right of federally recognized Indian tribes to exercise their sovereignty to negotiate and enter into tribal-state gaming compacts that are materially different from the compacts ratified pursuant to subdivision (a). These compacts shall be ratified by a statute approved by each house of the Legislature, a majority of the members thereof concurring, and signed by the Governor, unless the statute contains implementing or other provisions requiring a supermajority vote, in which case the statute shall be approved in the manner required by the Constitution.

(d) The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes located within the State of California pursuant to the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) for the purpose of authorizing class III gaming, as defined in that act, on Indian lands within this state. Nothing in this section shall be construed to deny the existence of the Governor's authority to have negotiated

and executed tribal-state gaming compacts prior to the effective date of this section.

(e) Following completion of negotiations conducted pursuant to subdivision (b) or (c), the Governor shall submit a copy of any executed tribal-state compact to both houses of the Legislature for ratification, and shall submit a copy of the executed compact to the Secretary of State for purposes of subdivision (f).

(f) Upon receipt of a statute ratifying a tribal-state compact negotiated and executed pursuant to subdivision (c), or upon the expiration of the review period described in subdivision (b), the Secretary of State shall forward a copy of the executed compact and the ratifying statute, if applicable, to the Secretary of the Interior for his or her review and approval, in accordance with paragraph (8) of subsection (d) of Section 2710 of Title 25 of the United States Code.

(g) In deference to tribal sovereignty, neither the execution of a tribal-state gaming compact nor the on-reservation impacts of compliance with the terms of a tribal-state gaming compact shall be deemed to constitute a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

12012.30. Ratification of Tribal-State Gaming Compact; Torres-Martinez

The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Torres-Martinez Desert Cahuilla Indians, executed on August 12, 2003, is hereby ratified.

12012.35. Ratification of Tribal-State Gaming Compact; La Posta; Santa Ysabel

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation, California, executed on September 9, 2003, is hereby ratified.

(b) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Santa Ysabel Band of Diegueno Mission Indians of the Santa Ysabel Reservation, California, executed on September 8, 2003, is hereby ratified.

12012.40. Ratification of Tribal-State Gaming Compacts; June 2004 Amended Compacts

(a) The following amendments to tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The amendment of the compact between the State of California and the Pala Band of Mission Indians, executed on June 21, 2004.

(2) The amendment of the compact between the State of California and the Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, executed on June 21, 2004.
(3) The amendment of the compact between the State of California and the Rumsey Band of Wintun Indians, executed on June 21, 2004.
(4) The amendment of the compact between the State of California and the United Auburn Indian Community, executed on June 21, 2004.
(5) The amendment of the compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on June 21, 2004.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment of tribal-state gaming compact ratified by this section.
(B) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, an amended tribal-state gaming compact ratified by this section.
(C) The on-reservation impacts of compliance with the terms of an amended tribal-state gaming compact ratified by this section.
(D) The sale of compact assets as defined in subdivision (a) of Section 63048.6 or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or a city and county from the requirements of the California Environmental Quality Act.

12012.45. Ratification of Tribal-State Gaming Compacts; New and Amended Compacts

(a) The following tribal-state gaming compacts and amendments of tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:
(1) The amendment of the compact between the State of California and the Buena Vista Rancheria of Me-Wuk Indians, executed on August 23, 2004.
(2) The compact between the State of California and the Fort Mojave Indian Tribe, executed on August 23, 2004.
(3) The compact between the State of California and the Coyote Valley Band of Pomo Indians, executed on August 23, 2004.
(4) The amendment to the compact between the State of California and the Ewiiaapaayp Band of Kumeyaay Indians, executed on August 23, 2004.
(5) The amendment to the compact between the State of California and the Quechan Tribe of the Fort Yuma Indian Reservation, executed on June 26, 2006.

(b) The terms of each compact apply only to the State of California and the tribe that has signed it, and the terms of these compacts do not bind any tribe that is not a signatory to any of the compacts. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the compacts ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment of a tribal-state gaming compact ratified by this section.

(B) The execution of a tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, a city and county, or the California Department of Transportation from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by tribes pursuant to the tribal-state gaming compacts and amendments of tribal-state gaming compacts ratified by this section shall be deposited in the General Fund.

12012.46. Ratification of Tribal-State Gaming Compact; Agua Caliente Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Agua Caliente Band of Cahuilla Indians, executed on August 8, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.465. Memorandum of Agreement; Approval; Agua Caliente

The memorandum of agreement entered into between the State of California and the Agua Caliente Band of Cahuilla Indians, executed on June 27, 2007, is hereby approved.

12012.47. Ratification of Tribal-State Gaming Compact; San Manuel Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the San Manuel Band of Mission Indians, executed on August 28, 2006, is hereby ratified.

(b) The terms of the amended compact ratified by this section shall apply only to the State of California and the tribe that has signed it, and shall not bind any tribe that is not a signatory to the amended compact. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty

to negotiate and enter into compacts with the state that are materially different from the amended compact ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund, or as otherwise provided in the amended compact.

12012.475. Letter of Agreement; Approval; San Manuel Band

The letter of agreement entered into between the State of California and the San Manuel Band of Mission Indians, executed on September 5, 2007, is hereby approved.

12012.48. Ratification of Tribal-State Gaming Compact; Morongo Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Morongo Band of Mission Indians, executed on August 29, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act

(Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by tribes pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.485. MEMORANDUM OF AGREEMENT; APPROVAL; MORONGO BAND

The memorandum of agreement entered into between the State of California and the Morongo Band of Mission Indians, executed on June 27, 2007, is hereby approved.

12012.49. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; PECHANGA BAND AMENDED COMPACT

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pechanga Band of Luiseno Mission Indians, executed on August 28, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.495. MEMORANDUM OF AGREEMENT; APPROVAL; PECHANGA BAND

The memorandum of agreement entered into between the State of California and the Pechanga Band of Luiseno Indians, executed on June 27, 2007, is hereby approved.

12012.51. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; SYCUAN BAND AMENDED COMPACT

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Sycuan Band of the Kumeyaay Nation, executed on August 30, 2006, is hereby ratified.

(b) The terms of the amended compact ratified by this section shall apply only to the State of California and the tribe that has signed it, and shall not bind any tribe that is not a signatory to the amended compact. The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the amended compact ratified pursuant to subdivision (a).

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.
(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(d) Revenue contributions made to the state by the tribe pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund, or as otherwise provided in the amended compact.

12012.515. Memorandum of Agreement; Approval; Sycuan Band

The memorandum of agreement entered into between the State of California and the Sycuan Band of the Kumeyaay Nation, executed on June 27, 2007, is hereby approved.

12012.52. Ratification of Tribal-State Gaming Compact; Yurok Tribe

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Yurok Tribe of the Yurok Reservation, executed on August 29, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment of the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express

authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund.

12012.53. Ratification of Tribal-State Gaming Compact; Shingle Springs Band Amended Compact

(a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Shingle Springs Band of Miwok Indians, executed on June 30, 2008, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund, except as otherwise provided by the amended compact or by a statute directing that a portion of the revenue contributions be deposited in a special fund.

12012.54. Ratification of Tribal-State Gaming Compact; Habematolel Pomo of Upper Lake

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Habematolel Pomo of Upper Lake, executed on March 17, 2011, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.551. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; PINOLEVILLE POMO NATION

(a) The tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pinoleville Pomo Nation, executed on August 8, 2011, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.56. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; FEDERATED INDIANS OF GRATON RANCHERIA

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Federated Indians of Graton Rancheria, executed on March 27, 2012, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.57. RATIFICATION OF AMENDMENT TO TRIBAL-STATE GAMING COMPACT; COYOTE VALLEY BAND OF POMO INDIANS; EXCEPTIONS TO CEQA

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Coyote Valley Band of Pomo Indians, executed on July 25, 2012, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.
(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.58. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; SHINGLE SPRINGS BAND OF MIWOK INDIANS; EXCEPTIONS TO CEQA

(a) (1) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Shingle Springs Band of Miwok Indians, executed on November 15, 2012, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided in this paragraph, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.585. SHINGLE SPRINGS BAND OF MIWOK INDIANS TRUST FUND

(a) The Shingle Springs Band of Miwok Indians Trust Fund is hereby created in the State Treasury as a special purpose trust fund for the receipt and deposit of revenue payments received by the state from the Shingle Springs Band of Miwok Indians pursuant to the terms of the amended tribal-state gaming compact ratified pursuant to Section 12012.58 and any trust fund agreement executed by the state and the tribe pursuant to that tribal-state gaming compact. The trust fund shall be administered by the California Gambling Control Commission.

(b) Notwithstanding Section 13340, there is continuously appropriated without regard to fiscal years, from the trust fund to the California Gambling Control Commission, the amount necessary for the specific purposes enumerated in the tribal-state gaming compact ratified pursuant to Section 12012.58 and any trust fund agreement executed by the state and the tribe pursuant to that tribal-state gaming compact, including, but not limited to, both of the following purposes:

(1) Governmental operations of the tribe, including, but not limited to, tribal administration, distributions, health care, education, and economic development.

(2) Reduction of the tribe's existing debt related to its gaming facility, including, but not limited to, the payment of reasonable costs paid by the tribe or gaming operation in connection with refinancing or restructuring its debt load and any related litigation or administrative proceedings, including attorney's fees.

(c) Funds expended from the trust fund shall be used exclusively for the purposes enumerated in the amended tribal-state gaming compact ratified pursuant to Section 12012.58 and any trust fund agreement executed by the state and the tribe pursuant to that tribal-state gaming compact.

(d) Funds deposited into the trust fund shall accrue interest at the rate earned by moneys invested in the Pooled Money Investment Account from the date of deposit until appropriated pursuant to subdivision (b).

(e) The trust fund shall terminate on January 1, 2016, or a later date if agreed to by the parties by written agreement. The state and the tribe may terminate the trust fund by written agreement at any earlier date if the parties determine that it has served its intended purpose.

(f) Any funds remaining in the trust fund at the time it is terminated shall revert to the tribe.

(g) The California Gambling Control Commission has no duties, responsibilities, or obligations related to the trust fund other than those expressly set forth in the amended tribal-state gaming compact ratified pursuant to Section 12012.58 and any trust fund agreement executed by the state and the tribe pursuant to that tribal-state gaming compact. Consistent with its duties pursuant to the Indian Gaming Revenue Sharing Trust Fund or any other similar fund, the California Gambling Control Commission is not a trustee subject to the duties and liabilities contained in the Probate Code, similar federal or state statutes, rules, or regulations, or under federal or state common law or equitable principles.

12012.59. Ratification of Tribal-State Gaming Compact; North Fork Rancheria Band of Mono Indians and Wiyot Tribe; Exceptions to CEQA

(a) (1) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the North Fork Rancheria Band of Mono Indians, executed on August 31, 2012, is hereby ratified.

(2) The tribal-state gaming compact entered into in accordance with federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Wiyot Tribe, executive March 20, 2013, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.60. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; FORT INDEPENDENCE INDIAN COMMUNITY OF PAIUTE INDIANS; EXCEPTIONS TO CEQA

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Fort Independence Indian Community of Paiute Indians, executed February 28, 2013, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.61. Ratification of Tribal-State Gaming Compact; Ramona Band of Cahuilla; Exceptions to CEQA

(a) (1) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Ramona Band of Cahuilla, executed on June 10, 2013, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.62. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; KARUK TRIBE

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Karuk Tribe, executed on December 4, 2013, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.64. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; VIEJAS BAND OF KUMEYAAY INDIANS

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Viejas Band of Kumeyaay Indians, executed on August 12, 2014, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.66. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; JACKSON RANCHERIA BAND OF MIWUK INDIANS

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs.1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Jackson Rancheria Band of Miwuk Indians, executed on February 1, 2015, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.67. Ratification of Tribal-State Gaming Compact; Santa Ynez Band of Mission Indians

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs.1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Santa Ynez Band of Mission Indians, executed on August 26, 2015, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.68. Ratification of Tribal-State Gaming Compact; United Auburn Indian Community

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs.1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the United Auburn Indian Community, execute on August 14, 2015, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.69. Ratification of Tribal-State Gaming Compact; Sycuan Band of the Kumeyaay Nation

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Sycuan Band of the Kumeyaay Nation, executed on September 2, 2015, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the

express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.70. Ratification of Tribal-State Gaming Compact; Pala Band of Mission Indians

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pala Band of Mission Indians, executed on May 6, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.71. Ratification of Tribal-State Gaming Compact; Jackson Rancheria Band of Miwuk Indians

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State

of California and the Jackson Rancheria Band of Miwuk Indians, executed on June 22, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.72. Ratification of Tribal-State Gaming Compact; Barona Band of Mission Indians

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Barona Band of Mission Indians, executed on June 22, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express

authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.73. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; VIEJAS BAND OF KUMEYAAY INDIANS

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Viejas Band of Kumeyaay Indians, executed on June 28, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.73. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; YUROK TRIBE OF THE YUROK RESERVATION

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Yurok Tribe of the Yurok Reservation, executed on August 4, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.74. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; PECHANGA BAND OF LUISENO MISSION INDIANS

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pechanga Band of Luiseño Mission Indians, executed on August 4, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.
(G) The operation of an off-track satellite wagering facility pursuant to the Off-Track Satellite Wagering Facilities Compact ratified by this section.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.75. Indian Gaming Revenue Sharing Trust Fund; Deposits; Distributions

There is hereby created in the State Treasury a special fund called the “Indian Gaming Revenue Sharing Trust Fund” for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts for the purpose of making distributions to eligible recipient Indian tribes. Moneys in the Indian Gaming Revenue Sharing Trust Fund shall be available to the California Gambling Control Commission, upon appropriation by the Legislature, for the purpose of making distributions to eligible recipient Indian tribes, in accordance with distribution plans specified in tribal-state gaming compacts.

12012.76. Ratification of Tribal-State Gaming Compact; Buena Vista Rancheria of Me-Wuk Indians of California

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Buena Vista Rancheria of Me-Wuk Indians of California, executed on June 28, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.77. Ratification of Tribal-State Gaming Compact; Jamul Indian Village of California

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Jamul Indian Village of California, executed on August 8, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.78. Ratification of Tribal-State Gaming Compact; Yocha Dehe Wintun Nation

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Viejas Band of Kumeyaay Indians, executed on June 28, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.79. Ratification of Tribal-State Gaming Compact; Agua Caliente Band of Cahuilla Indians

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Agua Caliente Band of Cahuilla Indians, executed on August 4, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.
(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.
(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.80. Ratification of Tribal-State Gaming Compact; San Manuel Band of Mission Indians

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the San Manuel Band of Mission Indians, executed on August 16, 2016, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the

express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.81. Ratification of Tribal-State Gaming Compact; Wilton Rancheria

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Wilton Rancheria, executed on July 19, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.82. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; MORONGO BAND OF MISSION INDIANS

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Morongo Band of Mission Indians, executed on September 6, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.83. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; SAN MANUEL BAND OF MISSION INDIANS

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the San Manuel Band of Mission Indians, executed on August 18, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.84. Ratification of Tribal-State Gaming Compact; Federated Indians of Graton Rancheria

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Federated Indians of Graton Rancheria, executed on August 18, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.85. INDIAN GAMING SPECIAL DISTRIBUTION FUND; DEPOSITS; APPROPRIATIONS; PRIORITY OF APPROPRIATIONS

There is hereby created in the State Treasury a fund called the "Indian Gaming Special Distribution Fund" for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. These moneys shall be available for appropriation by the Legislature for the following purposes:

(a) Grants, including any administrative costs, for programs designed to address gambling addiction.

(b) Grants, including any administrative costs, for the support of state and local government agencies impacted by tribal government gaming.

(c) Compensation for regulatory costs incurred by the State Gaming Agency and the Department of Justice in connection with the implementation and administration of tribal-state gaming compacts.

(d) Payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. This shall be the priority use of moneys in the Indian Gaming Special Distribution Fund.

(e) Disbursements for the purpose of implementing the terms of tribal labor relations ordinances promulgated in accordance with the terms of tribal-state gaming compacts ratified pursuant to Chapter 874 of the Statutes of 1999. No more than 10 percent of the funds appropriated in the Budget Act of 2000 for implementation of tribal labor relations ordinances promulgated in accordance with those compacts shall be expended in the selection of the Tribal Labor Panel. The Department of Human Resources shall consult with and seek input from the parties prior to any expenditure for purposes of selecting the Tribal Labor Panel. Other than the cost of selecting the Tribal Labor Panel, there shall be no further disbursements until the Tribal Labor Panel, which is selected by mutual agreement of the parties, is in place.

(f) Any other purpose specified by law.

(g) Priority for funding from the Indian Gaming Special Distribution Fund is in the following descending order:

(1) An appropriation to the Indian Gaming Revenue Sharing Trust Fund in an aggregate amount sufficient to make payments of any shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund.
(2) An appropriation to the Office of Problem and Pathological Gambling within the State Department of Alcohol and Drug Programs for problem gambling prevention programs.
(3) The amount appropriated in the annual Budget Act for allocation between the Department of Justice and the California Gambling Control Commission for regulatory functions that directly relates to Indian gaming.
(4) An appropriation for the support of local government agencies impacted by tribal gaming.

12012.86. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; UNITED AUBURN INDIAN COMMUNITY.

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the United Auburn Indian Community, executed on August 18, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.87. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; TUOLUMNE BAND OF ME-WUK INDIANS.

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Tuolumne Band of Me-Wuk Indians, executed on August 18, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.88. Ratification of Tribal-State Gaming Compact; Cabazon Band of Mission Indians

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Cabazon Band of Mission Indians, executed on August 21, 2019, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):
(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.
(B) The execution of the amended tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.
(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.89. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; TULE RIVER INDIAN TRIBE OF CALIFORNIA.

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Tule River Indian Tribe of California, executed on August 31, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.90. DETERMINATION OF SHORTFALLS IN PAYMENTS IN INDIAN GAMING REVENUE SHARING TRUST FUND

For each fiscal year commencing with the 2016-17 fiscal year, all of the following shall apply:

(a) On or before the day of the May budget revision for each fiscal year, the California Gambling Control Commission shall determine the anticipated total amount of shortfalls in payment likely to occur in the Indian Gaming Revenue Sharing Trust Fund for the next fiscal year, and shall provide to the committee in the Senate and Assembly that considers the State Budget an estimate of the amount needed to transfer from the Indian Gaming Special Distribution Fund to backfill the Indian Gaming Revenue Sharing Trust Fund for the next fiscal year. The anticipated total amount of shortfalls to be transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund shall be determined by the California Gambling Control Commission as follows:

(1) The anticipated number of eligible recipient Indian tribes that will be eligible to receive payments for the next fiscal year, multiplied by one million one hundred thousand dollars ($1,100,000), with that product reduced by the amount anticipated to be paid by the tribes directly into the Indian Gaming Revenue Sharing Trust Fund for the next fiscal year.
(2) For purposes of this section and Section 12012.75, "eligible recipient Indian tribe" means a noncompact, nongaming, or limited-gaming tribe, as defined in the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution.
(3) This amount shall be based upon actual payments received into the Indian Gaming Revenue Sharing Trust Fund the previous fiscal year, with adjustments made due to amendments to existing tribal-state gaming compacts or newly executed tribal-state gaming compacts with respect to payments to be made to the Indian Gaming Revenue Sharing Trust Fund.

(b) The Legislature shall transfer from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund an amount sufficient for each eligible recipient Indian tribe to receive a total not to exceed two hundred seventy-five thousand dollars ($275,000) for each quarter in the next fiscal year that an eligible recipient Indian tribe is eligible to receive moneys, for a total not to exceed one million one hundred thousand dollars ($1,100,000) for the entire fiscal year. The California Gambling Control Commission shall make quarterly payments from the Indian Gaming Revenue Sharing Trust Fund to each eligible recipient Indian tribe within 45 days of the end of each fiscal quarter.

(c) If the transfer of funds from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund results in a surplus, the funds shall remain in the Indian Gaming Revenue Sharing Trust Fund for disbursement in future years, and if necessary, adjustments shall be made to future distributions from the Indian Gaming Special Distribution Fund to the Revenue Sharing Trust Fund.

(d) In the event the amount appropriated for the fiscal year is insufficient to ensure each eligible recipient Indian tribe receives the total of two hundred seventy-five thousand dollars ($275,000) for each fiscal quarter, the Department of Finance, after consultation with the California Gambling Control Commission, shall submit to the Legislature a request for a budget augmentation for the current fiscal year with an explanation as to the reason why the amount appropriated for the fiscal year was insufficient.

(e) At the end of each fiscal quarter, the California Gambling Control Commission's Indian Gaming Revenue Sharing Trust Fund report shall include information that identifies each of the eligible recipient Indian tribes for that fiscal quarter, the amount paid into the Indian Gaming Revenue Sharing Trust Fund by each of the tribes pursuant to the applicable sections of the tribal-state gaming compact, provided that tribes contributing on a net win or gross gaming revenue basis may be aggregated in the report, and the amount necessary to backfill from

the Indian Gaming Special Distribution Fund the shortfall in the Indian Gaming Revenue Sharing Trust Fund in order for each eligible recipient Indian tribe to receive the total of two hundred seventy-five thousand dollars ($275,000) for the fiscal quarter.

12012.91. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; QUECHAN TRIBE OF THE FORT YUMA INDIAN RESERVATION

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Quechan Tribe of the Fort Yuma Indian Reservation, executed on August 31, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.91. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; DRY CREEK RANCHERIA BAND OF POMO INDIANS

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Dry Creek Rancheria Band of Pomo Indians, executed on August 18, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act

(Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.93. Ratification of Tribal-State Gaming Compact; Elk Valley Rancheria

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Elk Valley Rancheria, California, executed on August 31, 2017, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement, or amendments thereto, between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.94. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; SANTA YNEZ BAND OF MISSION INDIANS

(a) The first amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Santa Ynez Band of Mission Indians, executed on August 1, 2018, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of the first amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.95. RATIFICATION OF TRIBAL-STATE GAMING COMPACT; SUSANVILLE INDIAN RANCHERIA

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Susanville Indian Rancheria, executed on October 19, 2018, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act

(Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.96. Indian Gaming Special Distribution Fund

(a) On or before December 15, 2018, and on or before December 15 of each fiscal year thereafter, the Department of Finance, in consultation with the California Gambling Control Commission, shall determine if total revenues estimated for the Indian Gaming Special Distribution Fund in the current fiscal year are anticipated to exceed estimated expenditures, transfers, reasonable reserves, or other adjustments from the fund for the current fiscal year. As determined by, and within the discretion of, the Department of Finance, if the estimated revenues to the fund, along with any prior year excess revenues, exceed the estimated expenditures, transfers, reasonable reserves, or other adjustments from the funds, the California Gambling Control Commission, upon approval by the Department of Finance, shall apply the amount of funds directed by the Department of Finance to reduce, eliminate, satisfy, or partially satisfy, on a proportionate basis, the pro rata share payments required to be made to the fund by limited gaming tribes, as defined in class III gaming compacts.

(b) This section shall apply to each limited gaming tribe for the period in which the limited gaming tribe has a compact obligation to contribute to the fund, as specified in the limited gaming tribe's compact, regardless of any action taken pursuant to subdivision (a).

12012.97. RATIFICATION OF TRIBAL-STATE COMPACT; LA JOLLA BAND OF LUISEÑO INDIANS, MECHOOPDA INDIAN TRIBE OF CHICO RANCHERIA, SAN PASQUAL BAND OF MISSION INDIANS, TORRES-MARTINEZ DESERT CAHUILLA INDIANS, TWENTY-NINE PALMS BAND OF MISSION INDIANS, DRY CREEK RANCHERIA BAND OF POMO INDIANS, AND THE KARUK TRIBE

(a) The following tribal-state gaming compacts entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The compact between the State of California and the La Jolla Band of Luiseño Indians, executed on August 1, 2018.
(2) The compact between the State of California and the Mechoopda Indian Tribe of Chico Rancheria, executed on August 8, 2018.
(3) The compact between the State of California and the San Pasqual Band of Mission Indians, executed on August 8, 2018.
(4) The compact between the State of California and the Torres-Martinez Desert Cahuilla Indians, executed on August 16, 2018.
(5) The compact between the State of California and the Twenty-Nine Palms Band of Mission Indians, executed on August 8, 2018.

(b) The following amendments to the tribal-state gaming compacts entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The amendment to the compact between the State of California and the Dry Creek Rancheria Band of Pomo Indians, executed on August 1, 2018.
(2) The amendment to the compact between the State of California and the Karuk Tribe, executed on August 1, 2018.

(c) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of a tribal-state gaming compact ratified by this section.
(B) The execution of an amendment to a tribal-state gaming compact ratified by this section.
(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.
(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation, or other state agency, negotiated pursuant to the express authority of, or as expressly referenced in, a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of a tribal-state gaming compact or an amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from the requirements of the California Environmental Quality Act.

12012.98. Big Valley Band of Pomo Indians of the Big Valley Rancheria, California

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Big Valley Band of Pomo Indians of the Big Valley Rancheria, California, executed on August 16, 2018, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.99. Habematolel Pomo of Upper Lake

(a) The amendment to the tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Habematolel Pomo of Upper Lake, executed on August 16, 2018, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act

(Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

12012.100. Ratification of Tribal-State Gaming Compact; Hoopa Valley Tribe

(a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Hoopa Valley Tribe, executed on October 19, 2018, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following actions shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of the tribal-state gaming compact ratified by this section.

(B) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(2) Except as expressly provided in this section, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

ARTICLE 2.3 TRIBAL NATION GRANT FUND PROGRAM

12019.30. DEFINITIONS

Unless the context requires otherwise, for purposes of this article, the following terms shall have the following meanings:

(a) "Advisor" means the Governor's Tribal Advisor.

(b) "Bureau" means the Bureau of Gambling Control within the Department of Justice.

(c) "Commission" means the California Gambling Control Commission.

(d) "Eligible tribe" means a nongaming or limited-gaming federally recognized tribe in California as defined in applicable tribal-state gaming compacts.

(e) "Fund" means the Tribal Nation Grant Fund established by Section 12019.35.

(f) "Grant" means an amount of money paid to an eligible tribe from the fund awarded by the panel through a competitive process pursuant to this article.

(g) "Panel" means the Tribal Nation Grant Panel established by Section 12019.60.

(h) "Program" means the Tribal Nation Grant Fund Program established by this article.

12019.35. STATE TREASURY

(a) There is in the State Treasury the Tribal Nation Grant Fund for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. The fund reflects a vision of facilitating tribal self-governance and improving the quality of life of tribal people throughout the state.

(b) The Tribal Nation Grant Fund shall be administered by the California Gambling Control Commission, which shall act as the limited trustee as provided under the terms of applicable tribal-state gaming compacts and shall not be subject to the duties and liabilities provided in the Probate Code, common law, or equitable principles. Moneys in the fund shall be available, upon appropriation by the Legislature, for the discretionary distribution of funds to nongaming tribes and limited-gaming tribes upon application of those tribes for purposes related to effective self-governance, self-determined community, and economic development.

(c) The California Gambling Control Commission shall deposit money into the fund only after it determines there are sufficient moneys in the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90.

12019.40. ESTABLISHMENT OF A PANEL

(a) There is in state government the Tribal Nation Grant Fund Program whereby the panel is authorized to award grants from available moneys within the fund and make other distributions from the fund to eligible tribes as set forth in this article.

(b) A request for a grant shall be made by submitting an application to the commission on a form approved by the panel and provided by the commission. Unless prohibited by a tribal-state gaming compact or the panel, an eligible tribe may apply for more than one grant, but shall submit a separate application for each grant proposal. Two or more eligible tribes may apply for one grant by submitting a joint application.

(c) A grant shall be used to fund a specifically described purpose or project generally relating to self-governance, developing a self-determined community, and economic development in the application. Eligible purposes or projects may include, but are not limited to, development of curricula in a tribal language or culture, housing, support for compliance with the federal Indian Child Welfare Act, vocational training, community development, investments in tribal schools and colleges, support of tribal government institutions and tribal courts, nongaming economic diversification, or investment in public health, information technology, renewable energy, water conservation, cultural preservation or awareness, educational programs, or scholarships.

(d) A grant shall not be used to pay a per capita distribution to tribal members or an investment in a purpose or project related to any gaming operation or activity.

12019.45. APPLICATION FORM

(a) The advisor and panel, with administrative support from the commission and in consultation with federally recognized tribes in California, shall develop a concise application form for one or more eligible tribes to apply for a grant.

(b) The application developed pursuant to subdivision (a) shall include, but not be limited to, all of the following:

(1) An identification of every eligible tribe applying for the grant and the name, signature, and contact information of every individual who is authorized by each eligible tribe's governing body to apply for the grant.
(2) A description of the purpose or project for which the grant is intended to be used.
(3) An assessment of the nature and extent of the potential benefits from the described purpose or project to each applying eligible tribe.
(4) The safeguards in place to ensure that the grant would be applied only to the described purpose or project.
(5) The amount and source of other moneys or in-kind services or goods, if any, that are available to be additionally applied to the described purpose or project and when those moneys or in-kind services or goods are intended to be applied.
(6) A list of every grant awarded or other distribution from the fund previously awarded or distributed to each eligible tribe applying for the

grant and the results achieved as a result of those prior awards or distributions.

(7) A strategy for how the benefits from the described purpose or project will be sustainably maintained.

(8) A signed acceptance of the terms described in Section 12019.75 from an authorized representative of every eligible tribe applying in the application.

(9) Identification of the information provided in the application that each eligible tribe proposes is confidential and not subject to public disclosure pursuant to subdivision (a) of Section 12019.55, and a statement, in bold, that the panel may consider, but is not required to comply with, an eligible tribe's identification of information as confidential when responding to a request for public records pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(10) Any other information the advisor and panel deem valuable to evaluating the merits of awarding a grant.

12019.50. Grant Assistance

(a) The staff of the commission shall provide all of the following services:

(1) Assistance to the individuals applying for a grant on behalf of every eligible tribe in understanding the application process. This assistance shall not include completing an application for a grant on behalf of an eligible tribe.

(2) All administrative support necessary to implement this article, including, but not limited to, processing applications for grants, administrative services to the advisor, the panel, and technical experts retained by the panel, if any, and administrative assistance to the panel allocating and disbursing grants and making other distributions from the fund to eligible tribes.

(b) To the extent prohibited by applicable tribal-state gaming compacts, the commission and its staff shall not exercise discretion or control over the approval or disapproval of grant applications or the use of grants or other distributions from the fund by eligible tribes.

12019.55. Confidentiality

(a) All information relating to the administration of this article that describes, directly or indirectly, the internal affairs of an eligible tribe, including, but not limited to, the finances and competitive business plans of an eligible tribe, is confidential and shall not be disclosed pursuant to any state law, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(b) The panel shall comply with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1), and shall do so in a manner that prevents the disclosure of information described in subdivision (a),

including, but not limited to, holding, when necessary in a closed session, as authorized by Section 11126.4.5.

12019.60. PANEL MEMBERS

(a) There is in state government the Tribal Nation Grant Panel.

(b) (1) The panel shall be composed of nine total members, of which seven are voting members and two are alternate nonvoting members.

(2) Four members who are authorized to vote are required to establish a quorum for the transaction of business of the panel. The panel may take an action by a majority vote of a quorum, except that the panel shall only award a grant or approve a distribution from the fund by an approval vote of four or more members who are authorized to vote.

(3) Any member may voluntarily recuse himself or herself from the consideration of a grant application or a particular agenda item.

(4) If one or two of the seven voting members recuse themselves from the consideration of or voting on a grant application or a particular agenda item, or do not attend a meeting of the panel, the advisor may select an alternate nonvoting member to act in the place of the recused or absent voting member for the consideration of and voting on the grant application or agenda item, or for that meeting.

(c) (1) Before January 1, 2020, all members shall be appointed by the advisor for a term of one year. The advisor may extend the term of any member for up to one year or fill a vacancy by appointing a new member. Applicable to any appointment made pursuant to this paragraph, the advisor shall only appoint an individual who is an elected tribal leader from a federally recognized tribe in California and shall endeavor to establish a panel that represents the diversity of tribes in California. No member appointed pursuant to this paragraph shall serve on the panel on or after January 1, 2020, unless separately appointed pursuant to a process authorized in paragraph (2).

(2) The advisor and panel, as comprised before January 1, 2020, in consultation with federally recognized tribes in California, shall determine how members of the panel are appointed on and after January 1, 2020. The advisor and panel, as comprised on and after January 1, 2020, in consultation with federally recognized tribes in California, may from time-to-time, amend how members of the panel are appointed as they jointly determine is necessary to fairly and equitably achieve the purposes for which the fund was created.

(d) The advisor is not a member of the panel but shall preside over the meetings of the panel in an administrative capacity. The advisor shall advise the panel on procedures for the business of the panel and encourage the use of procedures that allow for a fair process to evaluate grant applications and consider other distributions from the fund that best serves all eligible tribes.

(e) Any member of the panel who attends a meeting, regardless of whether the member votes, shall be compensated a one-hundred-dollar ($100) per diem for

each day a meeting is held and the actual, reasonable travel expenses to attend that meeting.

12019.65. Grant Awards

(a) The panel shall meet to consider grant applications at least annually and shall consider at a meeting all completed grant applications that were submitted by a deadline established by the panel. The panel may award a grant in an amount less than requested in an application.

(b) The panel may distribute, in equal amounts, a portion of the available moneys in the fund to all eligible tribes that submitted a completed grant application within the deadline established by the panel. The panel shall not distribute all available moneys in the fund through an equal distribution pursuant to this subdivision.

(c) The panel may decline to award future grants or distributions to an eligible tribe for a specified period of time if the panel, in its sole discretion, determines that the eligible tribe had previously received and used a grant in a manner inconsistent with the described purpose or project set forth in the grant application or in compliance with conditions and limitations imposed by the panel.

(d) The advisor and panel, with administrative support from the commission and in consultation with federally recognized tribes in California, shall develop an appropriate process to reasonably ensure that grants are used in a manner consistent with this article, applicable tribal-state gaming compacts, the application, and the conditions and limitation imposed on the award of a grant, if any. The process shall be respectful and promotive of tribal sovereignty.

(e) The advisor and panel, with administrative support from the commission and in consultation with federally recognized tribes in California, may develop a process to use technical experts with relevant experience to review and score applications. The technical experts may be compensated up to a one-hundred-dollar ($100) per diem for each day spent reviewing and scoring applications.

(f) (1) The advisor and panel, with administrative support from the commission and in consultation with federally recognized tribes in California, shall develop procedures to govern the business of the panel, including, but not limited to, the procedures for meetings, a process for evaluating and resolving potential conflicts of interest of members of the panel, the process for auditing the use of grants, and all other processes that may be required to award grants or make other distributions from the fund.

(2) Only the bureau shall conduct audits of the use of grant funds.

(g) All activities of the advisor, panel, bureau, and commission pursuant to this article are exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

12019.70. Establishment of Terms

(a) The panel may, in its discretion and based upon the purpose or project set forth in the application, require an eligible tribe to encumber or expend any or all of

a grant within a specified period of time from the date that the panel awarded the grant.

(b) The panel may, in its discretion, modify any deadline it established for the use of a grant.

12019.75. Grant Application

By applying for a grant, each eligible tribe and each individual applying on behalf of each eligible tribe shall agree to all of the following:

(a) The terms and conditions the panel imposes as a condition of awarding the grant, including the limitations set forth in this section and article.

(b) To cooperate with the panel, advisor, commission, bureau, or other state entity designated by the Governor to ensure that the grant is used in a manner consistent with the assertions in the application and any condition or limitations imposed on the award of the grant.

(c) To provide access to the panel, advisor, commission, bureau, or other state entity designated by the Governor to all documents relevant to the use of the grant to allow a comprehensive audit, to ensure a grant is used for the purpose or project set forth in the application, in compliance with the conditions or limitations on the grant, and applicable tribal-state gaming compacts.

(d) To return to the fund any amount of a grant not encumbered or expended in compliance with Section 12019.70. Any returned funds shall be provided to the commission for deposit into the fund.

12019.80. Reporting Requirements

On or before July 15, 2020, and annually thereafter, the commission shall prepare and post on its Internet Web site a report detailing the status of grants and other distributions made from the fund for the previous fiscal year. In preparing the report, the commission shall not provide information prohibited from public disclosure pursuant to Section 12019.55, unless the eligible tribe that is the subject of the information authorizes the commission to include that information in the report as evidenced in a writing signed by an authorized representative of the eligible tribe.

12019.81. Annual Report

(a) The advisor shall provide an annual report to the Senate and Assembly Committees on Governmental Organization on the status of the program relating to the program's activities and resources needed to implement and maintain the program.

(b) This report shall include all of the following:

(1) An update and summary of the program, including recent developments, strategic priorities, and upcoming milestones.

(2) An annual fiscal report for the prior fiscal year summarizing proceeds to the fund and expenditures and grants distributed out of the fund.

(3) A general evaluation to understand and strengthen the performance and effectiveness of the program.

12019.85. FUNDING

The activities authorized and required by this article, including, but not limited to, the administrative and procedural support services provided by the commission, its staff, and the advisor, the costs and compensation of members of the panel, and the costs of audits, are regulatory costs in connection with the implementation and administration of responsibilities imposed by tribal-state gaming compacts, and shall be funded by moneys in the Indian Gaming Special Distribution Fund, and shall not be funded from the Indian Gaming Revenue Sharing Trust Fund or the fund.

12019.90. ACCORDANCE WITH TRIBAL-STATE GAMING COMPACTS

Actions taken under this article shall be consistent with the provisions of tribal-state gaming compacts.

GOVERNMENT CODE, TITLE 2, DIVISION 3, PART 2

CHAPTER 7.5. GRANTS OF INDIAN GAMING REVENUE TO LOCAL GOVERNMENT AGENCIES

12710. CALCULATING DISTRIBUTION OF APPROPRIATIONS

This chapter establishes the method of calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund for grants to local government agencies impacted by tribal gaming.

12711. LEGISLATIVE INTENT

(a) It is the intent of the Legislature to establish a fair and proportionate system to award grants from the Indian Gaming Special Distribution Fund for the support of local government agencies impacted by tribal gaming. It is also the intent of the Legislature that priority for funding shall be given to local government agencies impacted by the tribal casinos that contribute to the Indian Gaming Special Distribution Fund.

(b) It is the intent of the Legislature that in the event that any compact between any tribe and the state takes effect on or after the effective date of this chapter, or that any compact between any tribe and the state that took effect on or before May 16, 2000, is renegotiated and reexecuted at any time after its initial effective date, money provided to the state by a tribe pursuant to the terms of these compacts shall be applied on a pro rata basis to the state costs for the regulation of gaming and for problem gambling prevention programs in the Office of Problem and Pathological Gambling within the State Department of Public Health.

(c) It is the intent of the Legislature that if any compact between any tribe and the state takes effect on or after the effective date of this chapter, or if any compact between any tribe and the state that took effect on or before May 16, 2000, is renegotiated and reexecuted at any time after its initial effective date, any revenue sharing provisions of that compact that requires distributions to nongaming or noncompact tribes shall result in a decrease in the amount that the Legislature appropriates pursuant to this chapter.

12712. DEFINITIONS

As used in this chapter:

(a) "County Tribal Casino Account" means an account consisting of all moneys paid by tribes of that county into the Indian Gaming Special Distribution Fund after deduction of the amounts appropriated pursuant to the priorities specified in Section 12012.85.

(b) "Individual Tribal Casino Accounts" means an account for each individual tribe that has paid money into the Indian Gaming Special Distribution Fund. The individual tribal casino account shall be funded in proportion to the amount that the individual tribe has paid into the Indian Gaming Special Distribution Fund.

(c) "Local government jurisdiction" or "local jurisdiction" means any city, county, or special district.

(d) "Special district" means any agency of the state that performs governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone, district, or area that meets the requirements of this subdivision. "Special district" does not include a city, county, school district, or community college district.

12713. CALCULATION OF REVENUE AVAILABLE FOR LOCAL GOVERNMENTS

(a) The Department of Finance, in consultation with the California Gambling Control Commission, shall calculate and provide a recommendation regarding the total revenue in the Indian Gaming Special Distribution Fund that will be available for the current budget year for local government agencies impacted by tribal gaming. The department, in making its recommendations, shall consider anticipated revenue from any additional tribal gaming operations.

(b) The following information shall be included with the recommendation described in subdivision (a):

(1) The total amount of payments projected to be received into the Indian Gaming Special Distribution Fund during the current budget year in accordance with tribal-gaming compacts ratified pursuant to Section 12012.25.
(2) The total amount of payments received into the Indian Gaming Special Distribution Fund during the previous budget year in accordance with tribal-gaming compacts ratified pursuant to Section 12012.25.
(3) The total number of tribes that make payments into the Indian Gaming Special Distribution Fund in Accordance with tribal-gaming compacts ratified pursuant to Sections 12012.25
(4) The name of each tribe that makes payments into the Indian Gaming Special Distribution Fund in accordance with tribal-gaming compacts ratified pursuant to Section 12012.25.
(5) The amount of appropriations made each budget year in the previous 10 years from the Indian Gaming Special Distribution Fund for local

government agencies impacted by tribal gaming pursuant to Section 12012.85.

(c) The department shall include the information required by this section in the May budget revision.

12714. COUNTY TRIBAL CASINO ACCOUNTS; CALCULATIONS OF DEPOSIT AMOUNTS

(a) A County Tribal Casino Account is hereby created in the treasury for each county that contains a tribal casino.

(b) The amount to be deposited into each eligible county's County Tribal Casino Account shall be calculated in the following way:

(1) (A) For counties that do not have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund, the total amount to be appropriated by the Legislature for grants to local government agencies impacted by tribal gaming shall be multiplied by 5 percent.

(B) The amount determined pursuant to subparagraph (A) shall be divided by the aggregate number of gaming devices located in those counties that do not have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(C) The amount determined pursuant to subparagraph (B) shall be multiplied by the number of gaming devices located in each county for which an appropriation is being calculated that are not subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(D) The amount determined pursuant to subparagraph (C) shall be deposited into the County Tribal Casino Account for the county for which the appropriation was calculated.

(2) (A) For counties that have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund, the total amount to be appropriated by the Legislature for grants to local government agencies impacted by tribal gaming shall be multiplied by 95 percent.

(B) The amount determined pursuant to subparagraph (A) shall be divided by the aggregate number of gaming devices located in those counties that have gaming devices subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(C) The amount determined pursuant to subparagraph (B) shall be multiplied by the number of gaming devices located in each county for which an appropriation is being calculated that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund.

(D) The amount determined pursuant to subparagraph (C) shall be deposited into the County Tribal Casino Account for the county for which the appropriation was calculated.

12715. INDIVIDUAL TRIBAL CASINO ACCOUNTS; INDIAN GAMING LOCAL COMMUNITY BENEFIT COMMITTEE; GRANTS TO LOCAL JURISDICTIONS IMPACTED BY TRIBAL CASINOS

(a) The Controller, acting in consultation with the California Gambling Control Commission, shall divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account for each tribe that operates a casino within the county. These accounts shall be known as Individual Tribal Casino Accounts, and funds may be released from these accounts to make grants selected by an Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. Each Individual Tribal Casino Account shall be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund.

(b) (1) There is hereby created in each county in which Indian gaming is conducted an Indian Gaming Local Community Benefit Committee. The selection of all grants from each Individual Tribal Casino Account or County Tribal Casino Account shall be made by each county's Indian Gaming Local Community Benefit Committee. In selecting grants, the Indian Gaming Local Community Benefit Committee shall follow the priorities established in subdivision (g) and the requirements specified in subdivision (h). This committee has the following additional responsibilities:

(A) Establishing all application policies and procedures for grants from the Individual Tribal Casino Account or County Tribal Casino Account. Each grant application shall clearly show how the grant will mitigate the impact of the casino on the grant applicant.

(B) Assessing the eligibility of applications for grants from local jurisdictions impacted by tribal gaming operations.

(C) Determining the appropriate amount for reimbursement from the aggregate county tribal account of the demonstrated costs incurred by the county for administering the grant programs. The reimbursement for county administrative costs may not exceed 2 percent of the aggregate county tribal account in any given fiscal year.

(2) Except as provided in Section 12715.5, the Indian Gaming Local Community Benefit Committee shall be composed of seven representatives, consisting of the following:

(A) Two representatives from the county, selected by the county board of supervisors.

(B) Three elected representatives from cities located within four miles of a tribal casino in the county, selected by the county board of supervisors. In the event that there are no cities located within four miles of a tribal casino in the county, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes paying into the Indian

Gaming Special Distribution Fund in the county. When there are no cities within four miles of a tribal casino in the county, and when the Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes operating casinos in the county. However, if only one city is within four miles of a tribal casino and that same casino is located entirely within the unincorporated area of that particular county, only one elected representative from that city shall be included on the Indian Gaming Local Community Benefit Committee.

(C) Two representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in each county. When an Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, the two representatives may be selected upon the recommendation of the tribes operating casinos in the county.

(c) Sixty percent of each Individual Tribal Casino Account shall be available for nexus grants on a yearly basis to cities and counties impacted by tribes that are paying into the Indian Gaming Special Distribution Fund, according to the four-part nexus test described in paragraph (1). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(1) A nexus test based on the geographical proximity of a local government jurisdiction to an individual Indian land upon which a tribal casino is located shall be used by each county's Indian Gaming Local Community Benefit Committee to determine the relative priority for grants, using the following criteria:

(A) Whether the local government jurisdiction borders the Indian lands on all sides.

(B) Whether the local government jurisdiction partially borders Indian lands.

(C) Whether the local government jurisdiction maintains a highway, road, or other thoroughfare that is the predominant access route to a casino that is located within four miles.

(D) Whether all or a portion of the local government jurisdiction is located within four miles of a casino.

(2) Fifty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet all four of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions

to local government jurisdictions meeting the requirements of paragraph (3) or (4).

(3) Thirty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet three of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (4).

(4) Twenty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet two of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (3).

(d) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are paying into the Indian Gaming Special Distribution Fund. These discretionary grants shall be made available to all local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(e) (1) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are not paying into the Indian Gaming Special Distribution Fund. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c), and irrespective of whether the impacts presented are from a tribal casino that is not paying into the Indian Gaming Special Distribution Fund. Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(A) Grants awarded pursuant to this subdivision are limited to addressing service-oriented impacts and providing assistance with one-time large capital projects related to Indian gaming impacts.

(B) Grants shall be subject to the sole sponsorship of the tribe that pays into the Indian Gaming Special Distribution Fund and the recommendations of the Indian Gaming Local Community Benefit Committee for that county.

(2) If an eligible county does not have a tribal casino operated by a tribe that does not pay into the Indian Gaming Special Distribution Fund, the

money available for discretionary grants under this subdivision shall be available for distribution pursuant to subdivision (d).

(f) (1) For each county that does not have gaming devices subject to an obligation to make payments to the Indian Gaming Special Distribution Fund, funds may be released from the county's County Tribal Casino Account to make grants selected by the county's Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to any particular tribal casino. These grants shall follow the priorities specified in subdivision (g) and the requirements specified in subdivision (h).

(2) Funds not allocated from a county tribal casino account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004.

(g) The following uses shall be the priorities for the receipt of grant moneys from Individual Tribal Casino Accounts: law enforcement, fire services, emergency medical services, environmental impacts, water supplies, waste disposal, behavioral, health, planning and adjacent land uses, public health, roads, recreation and youth programs, and child care programs.

(h) In selecting grants pursuant to subdivision (b), an Indian Gaming Local Community Benefit Committee shall select only grant applications that mitigate impacts from casinos on local jurisdictions. If a local jurisdiction uses a grant selected pursuant to subdivision (b) for any unrelated purpose, the grant shall terminate immediately and any moneys not yet spent shall revert to the Indian Gaming Special Distribution Fund. If a local jurisdiction approves an expenditure that mitigates an impact from a casino on a local jurisdiction and that also provides other benefits to the local jurisdiction, the grant selected pursuant to subdivision (b) shall be used to finance only the proportionate share of the expenditure that mitigates the impact from the casino.

(i) All grants from Individual Tribal Casino Accounts shall be made only upon the affirmative sponsorship of the tribe paying into the Indian Gaming Special Distribution Fund from whose Individual Tribal Casino Account the grant moneys are available for distribution. Tribal sponsorship shall confirm that the grant application has a reasonable relationship to a casino impact and satisfies at least one of the priorities listed in subdivision (g). A grant may not be made for any purpose that would support or fund, directly or indirectly, any effort related to the opposition or challenge to Indian gaming in the state, and, to the extent any awarded grant is utilized for any prohibited purpose by any local government, upon notice given to the county by any tribe from whose Individual Tribal Casino Account the awarded grant went toward that prohibited use, the grant shall terminate immediately and any moneys not yet used shall again be made available for qualified nexus grants.

(j) A local government jurisdiction that is a recipient of a grant from an Individual Tribal Casino Account or a County Tribal Casino Account shall provide notice to the public, either through a slogan, signage, or other mechanism, stating that the local government project has received funding from the Indian Gaming Special Distribution Fund and further identifying the particular Individual Tribal Casino Account from which the grant derives.

(k) (1) Each county's Indian Gaming Local Community Benefit Committee shall submit to the Controller a list of approved projects for funding from Individual Tribal Casino Accounts. Upon receipt of this list, the Controller shall release the funds directly to the local government entities for which a grant has been approved by the committee.

(2) Funds not allocated from an Individual Tribal Casino Account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003–04 fiscal year shall be eligible for expenditure through December 31, 2004. Moneys allocated for the 2008–09 fiscal year shall be eligible for expenditure through December 31, 2009.

(l) Notwithstanding any other law, a local government jurisdiction that receives a grant from an Individual Tribal Casino Account shall deposit all funds received in an interest-bearing account and use the interest from those funds only for the purpose of mitigating an impact from a casino. If any portion of the funds in the account is used for any other purpose, the remaining portion shall revert to the Indian Gaming Special Distribution Fund. As a condition of receiving further funds under this section, a local government jurisdiction, upon request of the county, shall demonstrate to the county that all expenditures made from the account have been in compliance with the requirements of this section.

12715.5. San Diego County Local Community Benefit Committee

In San Diego County, the Indian Gaming Local Community Benefit Committee shall be comprised of seven representatives, consisting of the following:

(a) Two representatives from the county, selected by the county board of supervisors.

(b) One elected representative from the city located within four miles of a tribal casino in the county, selected by the county board of supervisors.

(c) Three representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in the county.

(d) The sheriff of San Diego County.

12716. Annual Report on Grant Funding

(a) Each county that administers grants from the Indian Gaming Special Distribution Fund shall provide an annual report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the Senate and Assembly committees on governmental organization, and the California Gambling Control Commission by October 1 of each year detailing the specific projects funded by all

grants in the county's jurisdiction in the previous fiscal year, including amounts expended in that fiscal year, but funded from appropriations in prior fiscal years. The report shall provide detailed information on the following:

(1) The amount of grant funds received by the county.
(2) A description of each project that is funded.
(3) A description of how each project mitigates the impact of tribal gaming.
(4) The total expenditures for each project.
(5) All administrative costs related to each project, excluding the county's administrative fee.
(6) The funds remaining at the end of the fiscal year for each project.
(7) An explanation regarding how any remaining funds will be spent for each project, including the estimated time for expenditure.
(8) A description of whether each project is funded once or on a continuing basis.

(b) A county that does not provide an annual report pursuant to subdivision (a) shall not be eligible for funding from the Indian Gaming Special Distribution Fund for the following year.

(c) This section shall become operative on January 1, 2012.

12717. STATE AUDITOR; AUDIT OF ALLOCATION AND USE OF GRANT MONEYS

The State Auditor shall conduct an audit every three years regarding the allocation and use of moneys from the Indian Gaming Special Distribution Fund by the recipient of the grant moneys. The State Auditor shall report its findings to the Legislature and to all other appropriate entities.

12718. SUNSET DATE

This chapter shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2021, deletes or extends that date.

PENAL CODE, PART 1, TITLE 7

CHAPTER 9. CRIMINAL PROFITEERING

186.2. CRIMINAL PROFITEERING

For purposes of this chapter, the following definitions apply:

(a) “Criminal profiteering activity” means an act committed or attempted or a threat made for financial gain or advantage, which act or threat may be charged as a crime under any of the following sections:

(1) Arson, as defined in Section 451.
(2) Bribery, as defined in Sections 67, 67.5, and 68.
(3) Child pornography or exploitation, as defined in subdivision (b) of Section 311.2, or Section 311.3 or 311.4, which may be prosecuted as a felony.
(4) Felonious assault, as defined in Section 245.

(5) Embezzlement, as defined in Sections 424 and 503.
(6) Extortion, as defined in Section 518.
(7) Forgery, as defined in Section 470.
(8) Gambling, as defined in Sections 320, 321, 322, 323, 326, 330a, 330b, 330c, 330.1, 330.4, 337a, to 337f, inclusive, and Section 337i, except the activities of a person who participates solely as an individual bettor.
(9) Kidnapping, as defined in Section 207.
(10) Mayhem, as defined in Section 203.
(11) Murder, as defined in Section 187.
(12) Pimping and pandering, as defined in Section 266.
(13) Receiving stolen property, as defined in Section 496.
(14) Robbery, as defined in Section 211.
(15) Solicitation of crimes, as defined in Section 653f.
(16) Grand theft, as defined in Section 487 or subdivision (a) of Section 487a.
(17) Trafficking in controlled substances, as defined in Sections 11351, 11352, and 11353 of the Health and Safety Code.
(18) Violation of the laws governing corporate securities, as defined in Section 25541 of the Corporations Code.
(19) Offenses contained in Chapter 7.5 (commencing with Section 311) of Title 9, relating to obscene matter, or in Chapter 7.6 (commencing with Section 313) of Title 9, relating to harmful matter that may be prosecuted as a felony.
(20) Presentation of a false or fraudulent claim, as defined in Section 550.
(21) False or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code.
(22) Money laundering, as defined in Section 186.10.
(23) Offenses relating to the counterfeit of a registered mark, as specified in Section 350, or offenses relating to piracy, as specified in Section 653w.
(24) Offenses relating to the unauthorized access to computers, computer systems, and computer data, as specified in Section 502.
(25) Conspiracy to commit any of the crimes listed above, as defined in Section 182.
(26) Subdivision (a) of Section 186.22, or a felony subject to enhancement as specified in subdivision (b) of Section 186.22.
(27) Offenses related to fraud or theft against the state's beverage container recycling program, including, but not limited to, those offenses specified in this subdivision and those criminal offenses specified in the California Beverage Container Recycling and Litter Reduction Act, commencing at Section 14500 of the Public Resources Code.
(28) Human trafficking, as defined in Section 236.1.
(29) A crime in which the perpetrator induces, encourages, or persuades a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.

(30) A crime in which the perpetrator, through force, fear, coercion, deceit, violence, duress, menace, or threat of unlawful injury to the victim or to another person, causes a person under 18 years of age to engage in a commercial sex act. For purposes of this paragraph, a commercial sex act means any sexual conduct on account of which anything of value is given or received by any person.
(31) Theft of personal identifying information, as defined in Section 530.5.
(32) Offenses involving the theft of a motor vehicle, as specified in Section 10851 of the Vehicle Code.
(33) Abduction or procurement by fraudulent inducement for prostitution, as defined in Section 266a.
(34) Offenses relating to insurance fraud, as specified in Sections 2106, 2108, 2109, 2110, 2110.3, 2110.5, 2110.7, and 2117 of the Unemployment Insurance Code.

(b) (1) Pattern of criminal profiteering activity" means engaging in at least two incidents of criminal profiteering, as defined by this chapter, that meet the following requirements:
(A) Have the same or a similar purpose, result, principals, victims, or methods of commission, or are otherwise interrelated by distinguishing characteristics.
(B) Are not isolated events.
(C) Were committed as a criminal activity of organized crime.

(2) Acts that would constitute a "pattern of criminal profiteering activity" may not be used by a prosecuting agency to seek the remedies provided by this chapter unless the underlying offense occurred after the effective date of this chapter and the prior act occurred within 10 years, excluding any period of imprisonment, of the commission of the underlying offense. A prior act may not be used by a prosecuting agency to seek remedies provided by this chapter if a prosecution for that act resulted in an acquittal.

(c) "Prosecuting agency" means the Attorney General or the district attorney of any county.

(d) "Organized crime" means crime that is of a conspiratorial nature and that is either of an organized nature and seeks to supply illegal goods or services such as narcotics, prostitution, pimping and pandering, loan-sharking, counterfeiting of a registered mark in violation of Section 350, the piracy of a recording or audiovisual work in violation of Section 653w, gambling, and pornography, or that, through planning and coordination of individual efforts, seeks to conduct the illegal activities of arson for profit, hijacking, insurance fraud, smuggling, operating vehicle theft rings, fraud against the beverage container recycling program, embezzlement, securities fraud, insurance fraud in violation of the provisions listed in paragraph 34 of subdivision (a), grand theft, money laundering, forgery, or systematically encumbering the assets of a business for the purpose of defrauding creditors. "Organized crime" also means crime committed by a criminal street gang, as defined in subdivision (f) of Section 186.22. "Organized crime" also means false or

fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code, and the theft of personal identifying information, as defined in Section 530.5.

(e) "Underlying offense" means an offense enumerated in subdivision (a) for which the defendant is being prosecuted.

PENAL CODE, PART 1, TITLE 9

CHAPTER 9. LOTTERIES

319. DEFINITIONS

A lottery is any scheme for the disposal or distribution of property by chance, among persons who have paid or promised to pay any valuable consideration for the chance of obtaining such property or a portion of it, or for any share or any interest in such property, upon any agreement, understanding, or expectation that it is to be distributed or disposed of by lot or chance, whether called a lottery, raffle, or gift enterprise, or by whatever name the same may be known.

319.3. GRAB BAG GAME

(a) In addition to Section 319, a lottery also shall include a grab bag game which is a scheme whereby, for the disposal or distribution of sports trading cards by chance, a person pays valuable consideration to purchase a sports trading card grab bag with the understanding that the purchaser has a chance to win a designated prize or prizes listed by the seller as being contained in one or more, but not all, of the grab bags.

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

(1) "Sports trading card grab bag" means a sealed package which contains one or more sports trading cards that have been removed from the manufacturer's original packaging. A "sports trading card grab bag" does not include a sweepstakes, or procedure for the distribution of any sports trading card of value by lot or by chance, which is not unlawful under other provisions of law.

(2) "Sports trading card" means any card produced for use in commerce that contains a company name or logo, or both, and an image, representation, or facsimile of one or more players or other team member or members in any pose, and that is produced pursuant to an appropriate licensing agreement.

319.5. REVERSE VENDING MACHINES

Neither this chapter nor Chapter 10 (commencing with Section 330) applies to the possession or operation of a reverse vending machine. As used in this section a reverse vending machine is a machine in which empty beverage containers are deposited for recycling and which provides a payment of money, merchandise, vouchers, or other incentives at a frequency less than upon each deposit. The pay out of a reverse vending machine is made on a deposit selected at random within the designated number of required deposits.

The deposit of an empty beverage container in a reverse vending machine does not constitute consideration within the definition of lottery in Section 319.

320. CONTRIVING, PREPARING, OR DRAWING

Every person who contrives, prepares, sets up, proposes, or draws any lottery, is guilty of a misdemeanor.

320.5. RAFFLES

(a) Nothing in this chapter applies to any raffle conducted by an eligible organization as defined in subdivision (c) for the purpose of directly supporting beneficial or charitable purposes or financially supporting another private, nonprofit, eligible organization that performs beneficial or charitable purposes if the raffle is conducted in accordance with this section.

(b) For purposes of this section, "raffle" means a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes, where all of the following are true:

(1) Each ticket is sold with a detachable coupon or stub, and both the ticket and its associated coupon or stub are marked with a unique and matching identifier.

(2) Winners of the prizes are determined by draw from among the coupons or stubs described in paragraph (1) that have been detached from all tickets sold for entry in the draw.

(3) The draw is conducted in California under the supervision of a natural person who is 18 years of age or older.

(4) (A) At least 90 percent of the gross receipts generated from the sale of raffle tickets for any given draw are used by the eligible organization conducting the raffle to benefit or provide support for beneficial or charitable purposes, or it may use those revenues to benefit another private, nonprofit organization, provided that an organization receiving these funds is itself an eligible organization as defined in subdivision (c). As used in this section, "beneficial purposes" excludes purposes that are intended to benefit officers, directors, or members, as defined by Section 5056 of the Corporations Code, of the eligible organization. In no event shall funds raised by raffles conducted pursuant to this section be used to fund any beneficial, charitable, or other purpose outside of California. This section does not preclude an eligible organization from using funds from sources other than the sale of raffle tickets to pay for the administration or other costs of conducting a raffle.

(B) An employee of an eligible organization who is a direct seller of raffle tickets shall not be treated as an employee for purposes of workers' compensation under Section 3351 of the Labor Code if the following conditions are satisfied:

(i) Substantially all of the remuneration (whether or not paid in cash) for the performance of the service of selling raffle tickets is directly related to sales rather than to the number of hours worked.

(ii) The services performed by the person are performed pursuant to a written contract between the seller and the eligible organization and the contract provides that the person will not be treated as an employee with respect to the selling of raffle tickets for workers' compensation purposes.

(C) For purposes of this section, employees selling raffle tickets shall be deemed to be direct sellers as described in Section 650 of the Unemployment Insurance Code as long as they meet the requirements of that section.

(c) For purposes of this section, "eligible organization" means a private, nonprofit organization that has been qualified to conduct business in California for at least one year prior to conducting a raffle and is exempt from taxation pursuant to Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, 23701t, or 23701w of the Revenue and Taxation Code.

(d) Any person who receives compensation in connection with the operation of the raffle shall be an employee of the eligible organization that is conducting the raffle, and in no event may compensation be paid from revenues required to be dedicated to beneficial or charitable purposes.

(e) No raffle otherwise permitted under this section may be conducted by means of, or otherwise utilize, any gaming machine, apparatus, or device, whether or not that machine, apparatus, or device meets the definition of slot machine contained in Section 330a, 330b, or 330.1.

(f) (1) No raffle otherwise permitted under this section may be conducted, nor may tickets for a raffle be sold, within an operating satellite wagering facility or racetrack enclosure licensed pursuant to the Horse Racing Law (Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code) or within a gambling establishment licensed pursuant to the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code).

(2) A raffle may not be operated or conducted in any manner over the Internet, nor may raffle tickets be sold, traded, or redeemed over the Internet. For purposes of this paragraph, an eligible organization shall not be deemed to operate or conduct a raffle over the Internet, or sell raffle tickets over the Internet, if the eligible organization advertises its raffle on the Internet or permits others to do so. Information that may be conveyed on an Internet Web site pursuant to this paragraph includes, but is not limited to, all of the following:

(A) Lists, descriptions, photographs, or videos of the raffle prizes.

(B) Lists of the prize winners.

(C) The rules of the raffle.

(D) Frequently asked questions and their answers.

(E) Raffle entry forms, which may be downloaded from the Internet Web site for manual completion by raffle ticket purchasers, but shall not be submitted to the eligible organization through the Internet.

(F) Raffle contact information, including the eligible organization's name, address, telephone number, facsimile number, or e-mail address.

(g) No individual, corporation, partnership, or other legal entity shall hold a financial interest in the conduct of a raffle, except the eligible organization that is itself authorized to conduct that raffle, and any private, nonprofit, eligible organizations receiving financial support from that charitable organization pursuant to subdivisions (a) and (b).

(h) (1) An eligible organization may not conduct a raffle authorized under this section, unless it registers annually with the Department of Justice. The department shall furnish a registration form via the Internet or upon request to eligible nonprofit organizations. The department shall, by regulation, collect only the information necessary to carry out the provisions of this section on this form. This information shall include, but is not limited to, the following:

(A) The name and address of the eligible organization.

(B) The federal tax identification number, the corporate number issued by the Secretary of State, the organization number issued by the Franchise Tax Board, or the California charitable trust identification number of the eligible organization.

(C) The name and title of a responsible fiduciary of the organization.

(2) The department may require an eligible organization to pay an annual registration fee of ten dollars ($10) to cover the actual costs of the department to administer and enforce this section. The department may, by regulation, adjust the annual registration fee as needed to ensure that revenues willfully offset, but do not exceed, the actual costs incurred by the department pursuant to this section. The fee shall be deposited by the department into the General Fund.

(3) The department shall receive General Fund moneys for the costs incurred pursuant to this section subject to an appropriation by the Legislature.

(4) The department shall adopt regulations necessary to effectuate this section, including emergency regulations, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(5) The department shall maintain an automated database of all registrants. Each local law enforcement agency shall notify the department of any arrests or investigation that may result in an administrative or criminal action against a registrant. The department may audit the records and other documents of a registrant to ensure compliance with this section.

(6) Once registered, an eligible organization must file annually thereafter with the department a report that includes the following:

(A) The aggregate gross receipts from the operation of raffles.

(B) The aggregate direct costs incurred by the eligible organization from the operation of raffles.

(C) The charitable or beneficial purposes for which proceeds of the raffles were used, or identify the eligible recipient organization to which proceeds were directed, and the amount of those proceeds.

(7) The department shall annually furnish to registrants a form to collect this information.

(8) The registration and reporting provisions of this section do not apply to any religious corporation sole or other religious corporation or organization that holds property for religious purposes, to a cemetery corporation regulated under Chapter 19 of Division 3 of the Business and Professions Code, or to any committee as defined in Section 82013 that is required to and does file any statement pursuant to the provisions of Article 2 (commencing with Section 84200) of Chapter 4 of Title 9, or to a charitable corporation organized and operated primarily as a religious organization, educational institution, hospital, or a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code.

(i) The department may take legal action against a registrant if it determines that the registrant has violated this section or any regulation adopted pursuant to this section, or that the registrant has engaged in any conduct that is not in the best interests of the public's health, safety, or general welfare. Any action taken pursuant to this subdivision does not prohibit the commencement of an administrative or criminal action by the Attorney General, a district attorney, city attorney, or county counsel.

(j) Each action and hearing conducted to deny, revoke, or suspend a registry, or other administrative action taken against a registrant shall be conducted pursuant to the Administrative Procedure Act (Chapters 4.5 (commencing with Section 11400) and 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code). The department may seek recovery of the costs incurred in investigating or prosecuting an action against a registrant or applicant in accordance with those procedures specified in Section 125.3 of the Business and Professions Code. A proceeding conducted under this subdivision is subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(k) The Department of Justice shall conduct a study and report to the Legislature by December 31, 2003, on the impact of this section on raffle practices in California. Specifically, the study shall include, but not be limited to, information on whether the number of raffles has increased, the amount of money raised through raffles and whether this amount has increased, whether there are consumer complaints, and whether there is increased fraud in the operation of raffles.

(l) This section shall become operative on July 1, 2001.

(m) A raffle shall be exempt from this section if it satisfies all of the following requirements:

(1) It involves a general and indiscriminate distribution of the tickets.

(2) The tickets are offered on the same terms and conditions as the tickets for which a donation is given.
(3) The scheme does not require any of the participants to pay for a chance to win.

320.6. CHARITABLE RAFFLES

(a) Notwithstanding Section 320.5, this section applies to an eligible organization.

(b) A raffle that is conducted by an eligible organization for the purpose of directly supporting beneficial or charitable purposes or financially supporting another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, that performs beneficial or charitable purposes may be conducted in accordance with this section.

(c) For purposes of this section, “eligible organization” means a private, nonprofit organization established by, or affiliated with, a team from the Major League Baseball, National Hockey League, National Basketball Association, National Football League, Women’s National Basketball Association, or Major League Soccer, or a private, nonprofit organization established by the Professional Golfers’ Association of America, Ladies Professional Golf Association, or National Association for Stock Car Auto Racing that has been qualified to conduct business in California for at least one year before conducting a raffle, is qualified for an exemption under Section 501(c)(3) of the Internal Revenue Code, and is exempt from taxation pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, 23701t, or 23701w of the Revenue and Taxation Code.

(d) For purposes of this section, “raffle” means a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes, in which all of the following are true:

(1) Each ticket sold contains a unique and matching identifier.
(2) (A) Winners of the prizes are determined by a manual draw from tickets described in paragraph (1) that have been sold for entry in the manual draw.
(B) An electronic device may be used to sell tickets. The ticket receipt issued by the electronic device to the purchaser may include more than one unique and matching identifier, representative of and matched to the number of tickets purchased in a single transaction.
(C) A random number generator is not used for the manual draw or to sell tickets.
(D) The prize paid to the winner is comprised of one-half or 50 percent of the gross receipts generated from the sale of raffle tickets for a raffle.
(3) The manual draw is conducted in California under the supervision of a natural person who meets all of the following requirements:
(A) The person is 18 years of age or older.
(B) The person is affiliated with the eligible organization conducting the raffle.

(C) The person is registered with the Department of Justice pursuant to paragraph (4) of subdivision (o).

(4) (A) Fifty percent of the gross receipts generated from the sale of raffle tickets for any given manual draw are used by the eligible organization conducting the raffle solely for charitable purposes, or used to benefit another private, nonprofit organization, provided that an organization receiving these funds is itself an eligible organization as defined in subdivision (c) of Section 320.5. As used in this section, “charitable purposes” excludes purposes that are intended to benefit officers, directors, or members, as defined by Section 5056 of the Corporations Code, of the eligible organization. Funds raised by raffles conducted pursuant to this section shall not be used to fund any beneficial, charitable, or other purpose outside of California. This section does not preclude an eligible organization from using funds from sources other than the sale of raffle tickets to pay for the administration or other costs of conducting a raffle if these expenses comply with legal standard of care requirements described in Section 5231, 7231, and 9241 of the Corporations Code.

(B) An employee of an eligible organization who is a direct seller of raffle tickets shall not be treated as an employee for purposes of workers’ compensation under Section 3351 of the Labor Code if both of the following conditions are satisfied:

(i) Substantially all of the remuneration, whether or not paid in cash, for the performance of the service of selling raffle tickets is directly related to sales rather than to the number of hours worked.

(ii) The services performed by the person are performed pursuant to a written contract between the seller and the eligible organization and the contract provides that the person will not be treated as an employee with respect to the selling of raffle tickets for workers’ compensation purposes.

(C) For purposes of this section, an employee selling raffle tickets shall be deemed to be a direct seller, as described in Section 650 of the Unemployment Insurance Code, as long the employee meets the requirements of that section.

(e) A person who receives compensation in connection with the operation of the raffle shall be an employee of the eligible organization that is conducting the raffle, and in no event may compensation be paid from revenues required to be dedicated to beneficial or charitable purposes.

(f) A raffle ticket shall not be sold in exchange for Bitcoin or any other cryptocurrency.

(g) A raffle that is otherwise permitted under this section shall not be conducted by means of, or otherwise utilize, any gaming machine that meets the definition of slot machine contained in Section 330a, 330b, or 330.1.

(h) (1) A raffle otherwise permitted under this section shall not be conducted, nor may tickets for a raffle be sold, within an operating satellite wagering facility or racetrack inclosure licensed pursuant to the Horse Racing Law (Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code) or within a gambling establishment licensed pursuant to the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code).

(2) A raffle shall not be operated or conducted in any manner over the internet, nor may raffle tickets be sold, traded, or redeemed over the internet. For purposes of this paragraph, an eligible organization shall not be deemed to operate or conduct a raffle over the internet, or sell raffle tickets over the internet, if the eligible organization advertises its raffle on the internet or permits others to do so. Information that may be conveyed on an internet website pursuant to this paragraph includes, but is not limited to, all of the following:

(A) Lists, descriptions, photographs, or videos of the raffle prizes.

(B) Lists of the prize winners.

(C) The rules of the raffle.

(D) Frequently asked questions and their answers.

(E) Raffle entry forms, which may be downloaded from the internet website for manual completion by raffle ticket purchasers, but shall not be submitted to the eligible organization through the Internet.

(F) Raffle contact information, including the eligible organization's name, address, telephone number, facsimile number, or email address.

(i) An individual, corporation, partnership, or other legal entity shall not hold a financial interest in the conduct of a raffle, except the eligible organization that is itself authorized to conduct that raffle, and any private, nonprofit, eligible organizations receiving financial support from that charitable organization pursuant to subdivisions (b) and (d).

(j) (1) An eligible organization may conduct a major league sports raffle only at a home game.

(2) An eligible organization shall not conduct more than one major league sports raffle per home game.

(k) An employee shall not sell raffle tickets in any seating area designated as a family section.

(l) An eligible organization shall disclose to all ticket purchasers the designated private, nonprofit, eligible organization for which the raffle is being conducted.

(m) An eligible organization that conducts a raffle to financially support another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, shall distribute all proceeds not paid out to the winners of the prizes

to the private, nonprofit organization within 15 days of conducting the raffle, in accordance with this section.

(n) Any raffle prize remaining unclaimed by a winner at the end of the season for a team with an affiliated eligible organization that conducted a raffle to financially support another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, shall be donated within 30 days from the end of the season by the eligible organization to the designated private, nonprofit organization for which the raffle was conducted.

(o) (1) (A) An eligible organization shall not conduct a raffle authorized under this section, unless it has a valid registration issued by the Department of Justice. The department shall furnish a registration form via the Internet or upon request to eligible nonprofit organizations. The department shall, by regulation, collect only the information necessary to carry out the provisions of this section on this form. This information shall include, but is not limited to, all of the following:

(i) The name and address of the eligible organization.

(ii) The federal tax identification number, the corporate number issued by the Secretary of State, the organization number issued by the Franchise Tax Board, or the California charitable trust identification number of the eligible organization.

(iii) The name and title of a responsible fiduciary of the organization.

(B) (i) The department may require an eligible organization to pay a minimum annual registration fee of ten thousand dollars ($10,000) to cover the reasonable costs of the department to administer and enforce this section.

(ii) An eligible organization shall pay, in addition to the annual registration application fee, two hundred dollars ($200) for every individual raffle conducted at an eligible location to cover the reasonable costs of the department to administer and enforce this section. This fee shall be submitted in conjunction with the annual registration form.

(2) (A) A manufacturer or distributor of raffle-related products or services shall not conduct business with an eligible organization for purposes of conducting a raffle pursuant to this section unless the manufacturer or distributor has a valid annual registration issued by the department.

(B) The department may require a manufacturer or distributor of raffle-related products or services to pay a minimum annual registration fee of ten thousand dollars ($10,000) to cover the reasonable costs of the department to administer and enforce this section.

(3) An eligible organization shall register the equipment used in the sale and distribution of raffle tickets, and shall have the equipment tested by an independent gaming testing lab.

(4) (A) A person affiliated with an eligible organization who conducts the manual draw shall annually register with the department.

(B) The department may require a person affiliated with an eligible organization who conducts the manual draw to pay a minimum annual registration fee of twenty dollars ($20) to cover the reasonable costs of the department to administer and enforce this section.

(5) (A) The department may, by regulation, adjust the annual registration fees described in this section as needed to ensure that revenues will fully offset, but not exceed, the reasonable costs incurred by the department pursuant to this section. The fees shall be deposited by the department into the Major League Sporting Event Raffle Fund, which is hereby created in the State Treasury.

(B) A loan is hereby authorized from the General Fund to the Major League Sporting Event Raffle Fund on or after July 1, 2016, in an amount of up to one million five thousand dollars ($1,005,000) to address department workload related to the initial implementation activities relating to this section by the department's Indian and Gaming Law Section. The terms and conditions of the loan shall first be approved by the Department of Finance pursuant to appropriate fiscal standards. The loan shall be subject to all of the following conditions:

(i) Of the total amount loaned, no more than three hundred thirty-five thousand dollars ($335,000) shall be provided annually to the department.

(ii) The loan shall be repaid to the General Fund as soon as there is sufficient money in the Major League Sporting Event Raffle Fund to repay the loan, but no later than December 31, 2023.

(iii) Interest on the loan shall be paid from the Major League Sporting Event Raffle Fund at the rate accruing to moneys in the Pooled Money Investment Account.

(6) The department shall receive moneys for the costs incurred pursuant to this section subject to an appropriation by the Legislature.

(7) The department shall adopt regulations necessary to effectuate this section, including emergency regulations, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(8) The department shall maintain an automated database of all registrants.

(9) A local law enforcement agency shall notify the department of any arrests or investigation that may result in an administrative or criminal action against a registrant.

(10) The department may, to the extent the Legislature appropriates funds for this purpose, investigate all suspected violations of this section or any regulation adopted pursuant to this section, or any activity that the registrant has engaged in that is not in the best interests of the public's health, safety, or general welfare as it pertains to charitable raffles.

(11) The department may, to the extent the Legislature appropriates funds for this purpose, audit the records and other documents of a registrant to ensure compliance with this section.

(12) Once registered, an eligible organization shall post all of the following information on either its internet website or the affiliated sport team's internet website for each raffle:

(A) The gross receipts generated from the sale of raffle tickets.

(B) Each eligible recipient organization and the amount each eligible recipient organization received.

(C) The prize total.

(D) The winning ticket number and whether the prize was claimed.

(13)(A) Once registered, an eligible organization shall file with the department, each season or year thereafter, a report that includes all of the following information:

(i) For each raffle, all of the following information:

(I) The gross receipts generated from the sale of raffle tickets.

(II) Each eligible recipient organization and the amount each eligible recipient organization received.

(III) The prize total.

(IV) The winning ticket number and whether the prize was claimed.

(ii) The total number of raffles conducted for the season or year.

(iii) The gross receipts generated from the sale of raffle tickets for the season or year.

(iv) The average per raffle gross receipts generated from the sale of raffle tickets for the season or year.

(v) The prize total for the season or year, including any prize that was not claimed.

(vi) The average per raffle prize total for the season or year, including any prize that was not claimed.

(vii) The prize total that was not claimed, if any, during the season or year. For each raffle in which the prize was not claimed, the name of the eligible recipient organization who received the prize.

(viii) A schedule of all vendors used to operate the raffles and total payments made to each vendor.

(ix) An itemization of the direct costs of conducting the raffles, including labor, raffle equipment, software, marketing, and consulting costs.

(B) Failure to timely submit the seasonal or annual report to the department, as required in this paragraph, shall be grounds for denial of an annual registration and for the imposition of penalties under Section 12591.1 of the Government Code.

(C) Failure to submit a complete financial report shall be grounds for the denial of an annual registration and for the imposition of penalties under Section 12591.1 of the Government Code if the filer does not

resubmit a complete form within 30 days of receiving a notice of incomplete filing.

(D) (i) An eligible organization shall file with the department and post on either its internet website or the affiliated support team's internet web-site the report required by this paragraph no later than 60 days after the end of the league season or year.

(ii) The department shall post the reports required by this paragraph on its internet website, but shall not post the report on the online search portal of the Attorney General's Registry of Charitable Trusts maintained pursuant to Section 12584 of the Government Code.

(14) The department shall annually furnish to registrants a form to collect this information.

(p) The department may take legal action against a registrant if it determines that the registrant has violated this section or a regulation adopted pursuant to this section, or that the registrant has engaged in any conduct that is not in the best interests of the public's health, safety, or general welfare. An action taken pursuant to this subdivision does not prohibit the commencement of an administrative or criminal action by the Attorney General, a district attorney, city attorney, or county counsel.

(q) An action and hearing conducted to deny, revoke, or suspend a registry, or other administrative action taken against a registrant, shall be conducted pursuant to the Administrative Procedure Act (Chapters 4.5 (commencing with Section 11400) and 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code). The department may seek civil remedies, including imposing fines, for violations of this section, and may seek recovery of the costs incurred in investigating or prosecuting an action against a registrant or applicant in accordance with those procedures specified in Section 125.3 of the Business and Professions Code. A proceeding conducted under this subdivision is subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure. A violation of this section shall not constitute a crime.

(r) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

321. SALE OF TICKETS, CHANCES, SHARES OR INTEREST

Every person who sells, gives, or in any manner whatever, furnishes or transfers to or for any other person any ticket, chance, share, or interest, or any paper, certificate, or instrument purporting or understood to be or to represent any ticket, chance, share, or interest in, or depending upon the event of any lottery, is guilty of a misdemeanor.

322. AIDING OR ASSISTING

Every person who aids or assists, either by printing, writing, advertising, publishing, or otherwise in setting up, managing, or drawing any lottery, or in selling or disposing of any ticket, chance, or share therein, is guilty of a misdemeanor.

323. KEEPING OR ADVERTISING LOTTERY OFFICES

Every person who opens, sets up, or keeps, by himself or by any other person, any office or other place for the sale of, or for registering the number of any ticket in any lottery, or who, by printing, writing, or otherwise, advertises or publishes the setting up, opening, or using of any such office, is guilty of a misdemeanor.

324. INSURING LOTTERY TICKETS

Every person who insures or receives any consideration for insuring for or against the drawing of any ticket in any lottery whatever, whether drawn or to be drawn within this State or not, or who receives any valuable consideration upon any agreement to repay any sum, or deliver the same, or any other property, if any lottery ticket or number of any ticket in any lottery shall prove fortunate or unfortunate, or shall be drawn or not be drawn, at any particular time or in any particular order, or who promises or agrees to pay any sum of money, or to deliver any goods, things in action, or property, or to forbear to do anything for the benefit of any person, with or without consideration, upon any event or contingency dependent on the drawing of any ticket in any lottery, or who publishes any notice or proposal of any of the purposes aforesaid, is guilty of a misdemeanor.

325. FORFEITURE OF MONEY AND PROPERTY OFFERED FOR DISPOSAL; ATTACHMENT

All moneys and property offered for sale or distribution in violation of any of the provisions of this chapter are forfeited to the state, and may be recovered by information filed, or by an action brought by the Attorney General, or by any district attorney, in the name of the state. Upon the filing of the information or complaint, the clerk of the court must issue an attachment against the property mentioned in the complaint or information, which attachment has the same force and effect against such property, and is issued in the same manner as attachments issued from the superior courts in civil cases.

326. LETTING OR PERMITTING USE OF BUILDING OR VESSEL

Every person who lets, or permits to be used, any building or vessel, or any portion thereof, knowing that it is to be used for setting up, managing, or drawing any lottery, or for the purpose of selling or disposing of lottery tickets, is guilty of a misdemeanor.

326.4. CHARITY BINGO MITIGATION FUND

(a) Consistent with the Legislature's finding that card-minding devices, as described in subdivision (p) of Section 326.5, are the only permissible electronic devices to be used by charity bingo players, and in an effort to ease the transition to remote caller bingo on the part of those nonprofit organizations that, as of July 1, 2008, used electronic devices other than card-minding devices to conduct games in reliance on an ordinance of a city, county, or city and county that, as of July 1, 2008, expressly recognized the operation of electronic devices other than card-minding devices by organizations purportedly authorized to conduct bingo in the city, county, or city and county, there is hereby created the Charity Bingo Mitigation Fund.

(b) The Charity Bingo Mitigation Fund shall be administered by the Department of Justice.

(c) Mitigation payments to be made by the Charity Bingo Mitigation Fund shall not exceed five million dollars ($5,000,000) in the aggregate.

(d) (1) To allow the Charity Bingo Mitigation Fund to become immediately operable, five million dollars ($5,000,000) shall be loaned from the accrued interest in the Indian Gaming Special Distribution Fund to the Charity Bingo Mitigation Fund on or after January 1, 2009, to make mitigation payments to eligible nonprofit organizations. Five million dollars ($5,000,000) of this loan amount is hereby appropriated to the California Gambling Control Commission for the purposes of providing mitigation payments to certain charitable organizations, as described in subdivision (e). Pursuant to Section 16304 of the Government Code, after three years the unexpended balance shall revert back to the Charity Bingo Mitigation Fund.

(2) To reimburse the Special Distribution Fund, those nonprofit organizations that conduct a remote caller bingo game pursuant to Section 326.3 shall pay to the Department of Justice an amount equal to 5 percent of the gross revenues of each remote caller bingo game played until that time as the full advanced amount plus interest on the loan at the rate accruing to moneys in the Pooled Money Investment Account is reimbursed.

(e) (1) An organization meeting the requirements in subdivision (a) shall be eligible to receive mitigation payments from the Charity Bingo Mitigation Fund only if the city, county, or city and county in which the organization is located maintained official records of the net revenues generated for the fiscal year ending June 30, 2008, by the organization from the use of electronic devices or the organization maintained audited financial records for the fiscal year ending June 30, 2008, which show the net revenues generated from the use of electronic devices.

(2) In addition, an organization applying for mitigation payments shall provide proof that its board of directors has adopted a resolution and its chief executive officer has signed a statement executed under penalty of perjury stating that, as of January 1, 2009, the organization has ceased using electronic devices other than card-minding devices, as described in subdivision (p) of Section 326.5, as a fundraising tool.

(3) Each eligible organization may apply to the California Gambling Control Commission no later than January 31, 2009, for the mitigation payments in the amount equal to net revenues from the fiscal year ending June 30, 2008, by filing an application, including therewith documents and other proof of eligibility, including any and all financial records documenting the organization's net revenues for the fiscal year ending June 30, 2008, as the California Gambling Control Commission may require. The California Gambling Control Commission is authorized to access and examine the financial records of charities requesting

funding in order to confirm the legitimacy of the request for funding. In the event that the total of those requests exceeds five million dollars ($5,000,000), payments to all eligible applicants shall be reduced in proportion to each requesting organization's reported or audited net revenues from the operation of electronic devices.

326.45. Appropriation for Operating, Personnel, and Other Startup Costs

Up to five hundred thousand dollars ($500,000), as determined by order of the Director of Finance, is hereby appropriated from the California Bingo Fund to the California Gambling Control Commission for use in the 2008-09 fiscal year for the purposes described in subparagraph (C) of paragraph (3) of subdivision (q) of Section 326.3.

326.5. Bingo Games for Charity

(a) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any bingo game that is conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the California Constitution, if the ordinance allows games to be conducted only in accordance with this section and only by organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701w, and 23701l of the Revenue and Taxation Code and by mobilehome park associations, senior citizens organizations, and charitable organizations affiliated with a school district; and if the receipts of those games are used only for charitable purposes.

(b) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any bingo game authorized by Section 19 of Article IV of the State Constitution. Security personnel employed by the organization conducting the bingo game may be paid from the revenues of bingo games, as provided in subdivisions (j) and (k).

(c) A violation of subdivision (b) shall be punishable by a fine not to exceed ten thousand dollars ($10,000), which fine is deposited in the general fund of the city, county, or city and county that enacted the ordinance authorizing the bingo game. A violation of any provision of this section, other than subdivision (b), is a misdemeanor.

(d) The city, county, or city and county that enacted the ordinance authorizing the bingo game may bring an action to enjoin a violation of this section.

(e) Minors shall not be allowed to participate in any bingo game.

(f) An organization authorized to conduct bingo games pursuant to subdivision (a) shall conduct a bingo game only on property owned or leased by it, or property whose use is donated to the organization, and which property is used by that organization for an office or for performance of the purposes for which the organization is organized. Nothing in this subdivision shall be construed to require that the property owned or leased by, or whose use is donated to, the organization be used or leased exclusively by, or donated exclusively to, that organization.

(g) All bingo games shall be open to the public, not just to the members of the authorized organization.

(h) A bingo game shall be operated and staffed only by members of the authorized organization that organized it. Those members shall not receive a profit, wage, or salary from any bingo game. Only the organization authorized to conduct a bingo game shall operate such a game, or participate in the promotion, supervision, or any other phase of a bingo game. This subdivision does not preclude the employment of security personnel who are not members of the authorized organization at a bingo game by the organization conducting the game.

(i) Any individual, corporation, partnership, or other legal entity, except the organization authorized to conduct a bingo game, shall not hold a financial interest in the conduct of a bingo game.

(j) With respect to organizations exempt from payment of the bank and corporation tax by Section 23701d of the Revenue and Taxation Code, all profits derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Those profits shall be used only for charitable purposes.

(k) With respect to other organizations authorized to conduct bingo games pursuant to this section, all proceeds derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Proceeds are the receipts of bingo games conducted by organizations not within subdivision (j). Those proceeds shall be used only for charitable purposes, except as follows:

(1) The proceeds may be used for prizes.

(2) (A) Except as provided in subparagraph (B), a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or two thousand dollars ($2,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of bingo equipment, administrative expenses, security equipment, and security personnel.

(B) For the purposes of bingo games conducted by the Lake Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20 percent of the proceeds before the deduction for prizes, or three thousand dollars ($3,000) per month, whichever is less, may be used for the rental of property and for overhead, including the purchase of bingo equipment, administrative expenses, security equipment, and security personnel. Any amount of the proceeds that is additional to that permitted under subparagraph (A), up to one thousand dollars ($1,000), shall be used for the purpose of financing the rebuilding of the facility and the replacement of equipment that was destroyed by fire in 2007. The exception to subparagraph (A) that is provided by this subparagraph shall remain in effect only until the cost of rebuilding the facility is repaid, or January 1, 2019, whichever occurs first.

(3) The proceeds may be used to pay license fees.

(4) A city, county, or city and county that enacts an ordinance permitting bingo games may specify in the ordinance that if the monthly gross receipts from bingo games of an organization within this subdivision exceed five thousand dollars ($5,000), a minimum percentage of the proceeds shall be used only for charitable purposes not relating to the conducting of bingo games and that the balance shall be used for prizes, rental of property, overhead, administrative expenses, and payment of license fees. The amount of proceeds used for rental of property, overhead, and administrative expenses is subject to the limitations specified in paragraph (2).

(l) (1) A city, county, or city and county may impose a license fee on each organization that it authorizes to conduct bingo games. The fee, whether for the initial license or renewal, shall not exceed fifty dollars ($50) annually, except as provided in paragraph (2). If an application for a license is denied, one-half of any license fee paid shall be refunded to the organization.

(2) In lieu of the license fee permitted under paragraph (1), a city, county, or city and county may impose a license fee of fifty dollars ($50) paid upon application. If an application for a license is denied, one-half of the application fee shall be refunded to the organization. An additional fee for law enforcement and public safety costs incurred by the city, county, or city and county that are directly related to bingo activities may be imposed and shall be collected monthly by the city, county, or city and county issuing the license; however, the fee shall not exceed the actual costs incurred in providing the service.

(m) A person shall not be allowed to participate in a bingo game, unless the person is physically present at the time and place where the bingo game is being conducted.

(n) The total value of prizes available to be awarded during the conduct of any bingo games shall not exceed five hundred dollars ($500) in cash or kind, or both, for each separate game which is held.

(o) As used in this section, "bingo" means a game of chance in which prizes are awarded on the basis of designated numbers or symbols that are marked or covered by the player on a tangible card in the player's possession and that conform to numbers or symbols, selected at random and announced by a live caller. Notwithstanding Section 330c, as used in this section, the game of bingo includes tangible cards having numbers or symbols that are concealed and preprinted in a manner providing for distribution of prizes. Electronics or video displays shall not be used in connection with the game of bingo, except in connection with the caller's drawing of numbers or symbols and the public display of that drawing, and except as provided in subdivision (p). The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game. All preprinted cards shall bear the legend, "for sale or use only in a bingo game authorized under California law and pursuant to local ordinance." Only a covered or marked tangible card possessed by a player and

presented to an attendant may be used to claim a prize. It is the intention of the Legislature that bingo as defined in this subdivision applies exclusively to this section and shall not be applied in the construction or enforcement of any other provision of law.

(p) (1) Players who are physically present at a bingo game may use hand-held, portable card-minding devices, as described in this subdivision, to assist in monitoring the numbers or symbols announced by a live caller as those numbers or symbols are called in a live game. Card-minding devices may not be used in connection with any game where a bingo card may be sold or distributed after the start of the ball draw for that game. A card-minding device shall do all of the following:

(A) Be capable of storing in the memory of the device bingo faces of tangible cards purchased by a player.

(B) Provide a means for bingo players to input manually each individual number or symbol announced by a live caller.

(C) Compare the numbers or symbols entered by the player to the bingo faces previously stored in the memory of the device.

(D) Identify winning bingo patterns that exist on the stored bingo faces.

(2) A card-minding device shall perform no functions involving the play of the game other than those described in paragraph (1). Card-minding devices shall not do any of the following:

(A) Be capable of accepting or dispensing any coins, currency, or other representative of value or on which value has been encoded.

(B) Be capable of monitoring any bingo card face other than the faces of the tangible bingo card or cards purchased by the player for that game.

(C) Display or represent the game result through any means, including, but not limited to, video or mechanical reels or other slot machine or casino game themes, other than highlighting the winning numbers or symbols marked or covered on the tangible bingo cards or giving an audio alert that the player's card has a prize-winning pattern.

(D) Determine the outcome of any game or be physically or electronically connected to any component that determines the outcome of a game or to any other bingo equipment, including, but not limited to, the ball call station, or to any other card-minding device. No other player-operated or player-activated electronic or electromechanical device or equipment is permitted to be used in connection with a bingo game.

(3) (A) A card-minding device shall be approved in advance by the department as meeting the requirements of this section and any additional requirements stated in regulations adopted by the department. Any proposed material change to the device, including any change to the software used by the device, shall be submitted to the department and approved by the department prior to implementation.

(B) In accordance with Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code, the commission shall establish reasonable criteria for, and require the licensure of, any person that directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices or other supplies, equipment, or services related to card-minding devices designed for use in the playing of bingo games by any nonprofit organization.

(C) A person or entity that supplies or services any card-minding device shall meet all licensing requirements established by the commission in regulations.

(4) The costs of any testing, certification, license, or determination required by this subdivision shall be borne by the person or entity seeking it.

(5) On and after January 1, 2010, the Department of Justice may inspect all card-minding devices at any time without notice, and may immediately prohibit the use of any device that does not comply with the requirements established by the department in regulations. The Department of Justice may at any time, without notice, impound any device the use of which has been prohibited by the commission.

(6) The Department of Justice shall issue regulations to implement the requirements of this subdivision, and the California Gambling Control Commission may issue regulations regarding the means by which the operator of a bingo game, as required by applicable law, may offer assistance to a player with disabilities in order to enable that player to participate in a bingo game, provided that the means of providing that assistance shall not be through any electronic, electromechanical, or other device or equipment that accepts the insertion of any coin, currency, token, credit card, or other means of transmitting value, and does not constitute or is not a part of a system that constitutes a video lottery terminal, slot machine, or devices prohibited by Chapter 10 (commencing with Section 330).

(7) The following definitions apply for purposes of this subdivision:

(A) “Commission” means the California Gambling Control Commission.

(B) “Department” means the Department of Justice.

(C) “Person” includes a natural person, corporation, Limited Liability Company, partnership, trust, joint venture, association, or any other business organization.

CHAPTER 10. GAMING

330. ILLEGAL FORMS OF GAMBLING; PUNISHMENT

Every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employee, whether for hire or not, any game of faro, monte, roulette, lansquenet, rouge et noire, rondo, tan, fan-tan, seven-and-a-half, twenty-one, hokey-pokey, or any banking or percentage game played with cards, dice, or any device, for money, checks, credit, or other representative of value, and every person who plays or bets at or against any of those prohibited

games, is guilty of a misdemeanor, and shall be punishable by a fine not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail not exceeding six months, or by both the fine and imprisonment.

330A. SLOT MACHINES; POSSESSION; DICE; ILLEGAL USAGE; PUNISHMENT

(a) Every person, who has in his or her possession or under his or her control, either as owner, lessee, agent, employee, mortgagee, or otherwise, or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him or her, or under his or her management or control, any slot or card machine, contrivance, appliance or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated, or played, by placing or depositing therein any coins, checks, slugs, balls, or other articles or device, or in any other manner and by means whereof, or as a result of the operation of which any merchandise, money, representative or articles of value, checks, or tokens, redeemable in or exchangeable for money or any other thing of value, is won or lost, or taken from or obtained from the machine, when the result of action or operation of the machine, contrivance, appliance, or mechanical device is dependent upon hazard or chance, and every person, who has in his or her possession or under his or her control, either as owner, lessee, agent, employee, mortgagee, or otherwise, or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him or her, or under his or her management or control, any card dice, or any dice having more than six faces or bases each, upon the result of action of which any money or other valuable thing is staked or hazarded, or as a result of the operation of which any merchandise, money, representative or article of value, check or token, redeemable in or exchangeable for money or any other thing of value, is won or lost or taken, when the result of action or operation of the dice is dependent upon hazard or chance, is guilty of a misdemeanor.

(b) A first violation of this section shall be punishable by a fine or not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(c) A second offense shall be punishable by a fine or not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(d) A third or subsequent offense shall be punishable by a fine of not less than ten thousand dollars ($10,000) nor more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(e) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

330B. POSSESSION OR KEEPING OF SLOT MACHINES OR DEVICES

(a) It is unlawful for any person to manufacture, repair, own, store, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to repair, sell, rent, lease, let on shares, lend or give away, or permit the operation, placement, maintenance, or keeping of, in any place, room, space, or building owned, leased, or occupied, managed, or controlled by that person, any slot machine or device, as defined in this section.

It is unlawful for any person to make or to permit the making of an agreement with another person regarding any slot machine or device, by which the user of the slot machine or device, as a result of the element of hazard or chance or other unpredictable outcome, may become entitled to receive money, credit, allowance, or other thing of value or additional chance or right to use the slot machine or device, or to receive any check, slug, token, or memorandum entitling the holder to receive money, credit, allowance, or other thing of value.

(b) The limitations of subdivision (a), insofar as they relate to owning, storing, possessing, or transporting any slot machine or device, do not apply to any slot machine or device located upon or being transported by any vessel regularly operated and engaged in interstate or foreign commerce, so long as the slot machine or device is located in a locked compartment of the vessel, is not accessible for use, and is not used or operated within the territorial jurisdiction of this state.

(c) The limitations of subdivision (a) do not apply to a manufacturer's business activities that are conducted in accordance with the terms of a license issued by a tribal gaming agency pursuant to the tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act (18 U.S.C. Sec. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.).

(d) For purposes of this section, “slot machine or device” means a machine, apparatus, or device that is adapted, or may readily be converted, for use in a way that, as a result of the insertion of any piece of money or coin or other object, or by any other means, the machine or device is caused to operate or may be operated, and by reason of any element of hazard or chance or of other outcome of operation unpredictable by him or her, the user may receive or become entitled to receive any piece of money, credit, allowance, or thing of value, or additional chance or right to use the slot machine or device, or any check, slug, token, or memorandum, whether of value or otherwise, which may be exchanged for any money, credit, allowance, or thing of value, or which may be given in trade, irrespective of whether it may, apart from any element of hazard or chance or unpredictable outcome of operation, also sell, deliver, or present some merchandise, indication of weight, entertainment, or other thing of value.

(e) Every person who violates this section is guilty of a misdemeanor.

(1) A first violation of this section shall be punishable by a fine or not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(2) A second offense shall be punishable by a fine or not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.
(3) A third or subsequent offense shall be punishable by a fine or not less than ten thousand dollars ($10,000) nor more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.
(4) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

(f) Pinball and other amusement machines or devices, which are predominantly games of skill, whether affording the opportunity of additional chances or free plays or not, are not included within the term slot machine or device, as defined in this section.

330c. Punchboard; Definition

A punchboard as hereinafter defined is hereby declared to be a slot machine or device within the meaning of Section 330b of this code and shall be subject to the provisions thereof. For the purposes of this section, a punchboard is any card, board or other device which may be played or operated by pulling, pressing, punching out or otherwise removing any slip, tab, paper or other substance therefrom to disclose any concealed number, name or symbol.

330.1. Slot Machines or Devices; Manufacture, Ownership, Sale, Possession, Transportation, etc; definition

(a) Every person who manufactures, owns, stores, keeps, possesses, sells, rents, leases, lets on shares, lends or gives away, transports, or exposes for sale or lease, or offers to sell, rent, lease, let on shares, lend or give away or who permits the operation of or permits to be placed, maintained, used, or kept in any room, space, or building owned, leased, or occupied by him or her or under his or her management or control, any slot machine or device as hereinafter defined, and every person who makes or permits to be made with any person any agreement with reference to any slot machine or device as hereinafter defined, pursuant to which agreement the user thereof, as a result of any element of hazard or chance, may become entitled to receive anything of value or additional chance or right to use that slot machine or device, or to receive any check, slug, token, or memorandum, whether of value or otherwise, entitling the holder to receive anything of value, is guilty of a misdemeanor.

(b) A first violation of this section shall be punishable by a fine of not more than one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(c) A second offense shall be punishable by a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000), or by

imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(d) A third or subsequent offense shall be punishable by a fine of not less than ten thousand dollars ($10,000) nor more than twenty-five thousand dollars ($25,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(e) If the offense involved more than one machine or more than one location, an additional fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) shall be imposed per machine and per location.

(f) A slot machine or device within the meaning of Sections 330.1 to 330.5, inclusive, of this code is one that is, or may be, used or operated in such a way that, as a result of the insertion of any piece of money or coin or other object the machine or device is caused to operate or may be operated or played, mechanically, electrically, automatically or manually, and by reason of any element of hazard or chance, the user may receive or become entitled to receive anything of value of any check, slug, token, or memorandum, whether of value or otherwise, which may be given in trade, or the user may secure additional chances or rights to use such machine or device, irrespective of whether it may, apart from any element of hazard or chance, also sell, deliver or present some merchandise, indication of weight, entertainment or other thing of value.

330.2. Thing of Value; Definition

As used in Sections 330.1 to 330.5, inclusive, of this code a "thing of value" is defined to be any money, coin, currency, check, chip, allowance, token, credit, merchandise, property, or any representative of value.

330.3. Slot Machines or Devices; Seizure and Disposal

In addition to any other remedy provided by law any slot machine or device may be seized by any of the officers designated by Sections 335 and 335a of the Penal Code, and in such cases shall be disposed of, together with any and all money seized in or in connection with such machine or device, as provided in Section 335a of the Penal Code.

330.4. Slot Machines or Devices; Possession or Control; Permitting Placement; Punishment; Confiscation

It is specifically declared that the mere possession or control, either as owner, lessee, agent, employee, mortgagor, or otherwise of any slot machine or device, as defined in Section 330.1 of this code, is prohibited and penalized by the provisions of Sections 330.1 to 330.5, inclusive, of this code.

It is specifically declared that every person who permits to be placed, maintained or kept in any room, space, enclosure, or building owned, leased or occupied by him, or under his management or control, whether for use or operation or for storage, bailment, safekeeping or deposit only, any slot machine or device, as defined in Section 330.1 of this code, is guilty of a misdemeanor and punishable as provided in Section 330.1 of this code.

It is further declared that the provisions of this section specifically render any slot machine or device as defined in Section 330.1 of this code subject to confiscation as provided in Section 335a of this code.

330.5. Slot Machines; Exemptions; Music, Weighing, or Vending Machines

It is further expressly provided that Sections 330.1 to 330.4, inclusive, of this code shall not apply to music machines, weighing machines and machines which vend cigarettes, candy, ice cream, food, confections or other merchandise, in which there is deposited an exact consideration and from which in every case the customer obtains that which he purchases; and it is further expressly provided that with respect to the provisions of Sections 330.1 to 330.4, inclusive, only, of this code, pin ball, and other amusement machines or devices which are predominantly games of skill, whether affording the opportunity of additional chances or free plays or not, are not intended to be and are not included within the term slot machine or device as defined within Sections 330.1 to 330.4, inclusive, of this code.

330.6. Slot Machines or Devices; Exemption of Machines on Vessels

The provisions of Sections 330.1 to 330.5, inclusive, of this code, with respect to owning, storing, keeping, possessing, or transporting any slot machine or device as therein defined, shall not apply to any slot machine or device as therein defined, located upon or being transported by any vessel regularly operated and engaged in interstate or foreign commerce, so long as such slot machine or device is located in a locked compartment of the vessel, is not accessible for use and is not used or operated within the territorial jurisdiction of this State.

330.7. Antique Slot Machines

(a) It shall be a defense to any prosecution under this chapter relating to slot machines, as defined in subdivision (d) of Section 330b, if the defendant shows that the slot machine is an antique slot machine and was not operated for gambling purposes while in the defendant's possession. For the purposes of this section, the term “antique slot machine” means a slot machine that is over 25 years of age.

(b) Notwithstanding Section 335a, whenever the defense provided by subdivision (a) is offered, no slot machine seized from a defendant shall be destroyed or otherwise altered until after a final court determination that the defense is not applicable. If the defense is applicable, the machine shall be returned pursuant to provisions of law providing for the return of property.

(c) It is the purpose of this section to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes because of their aesthetic interest and importance in California history.

330.8. Slot Machines: Sale, Transportation, Storage, and Manufacture

Notwithstanding Sections 330a, 330b, and 330.1 to 330.5, inclusive, the sale, transportation, storage, and manufacture of gambling devices, as defined in Section 330.1, including the acquisition of essential parts therefore and the assembly of such parts, is permitted, provided those devices are sold, transported,

stored, and manufactured only for subsequent transportation in interstate or foreign commerce when that transportation is not prohibited by any applicable federal law. Those activities may be conducted only by persons who have registered with the United States government pursuant to Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code, as amended. Those gambling devices shall not be displayed to the general public or sold for use in California regardless of where purchased, nor held nor manufactured in violation of any applicable federal law. A violation of this section is a misdemeanor.

330.9. Slot Machines; Exemptions; Trade Shows; Use as Prop

(a) Notwithstanding Sections 330a, 330b, 330.1 to 330.5, inclusive, or any other provision of law, it shall be lawful for any person to transport and possess any slot machine or device for display at a trade show, conference, or convention being held within this state, or if used solely as a prop for a motion picture, television, or video production.

(b) Subdivision (a) shall apply only if the slot machine or device is adjusted to render the machine or device inoperable, or if the slot machine or device is set on demonstration mode.

(c) This section is intended to constitute a state exemption as provided in Section 1172 of Title 15 of the United States Code.

(d) For purposes of this section:

(1) "Demonstration mode" means that the programming or settings of a slot machine or device have been programmed, set, or selected to operate normally, but to not accept or pay out cash or any other consideration.

(2) "Slot machine or device" has the same meaning as "slot machine or device" as defined in Section 330.1, or "gambling device" as defined in paragraph (1) of subsection (a) of Section 1171 of Title 15 of the United States Code.

330.11. Banked or Banking Games; Definition

"Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the division finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

331. Permitting Gambling in Residence

Every person who knowingly permits any of the games mentioned in Sections 330 and 330a to be played, conducted, or dealt in any house owned or rented by

such person, in whole or in part, is punishable as provided in Sections 330 and 330a.

332. CHEATING

(a) Every person who by the game of “three card monte,” so-called, or any other game, device, sleight of hand, pretensions to fortune telling, trick, or other means whatever, by use of cards or other implements or instruments, or while betting on sides or hands of any play or game, fraudulently obtains from another person money or property of any description, shall be punished as in the case of larceny of property of like value for the first offense, except that the fine may not exceed more than five thousand dollars ($5,000). A second offense of this section is punishable, as in the case of larceny, except that the fine shall not exceed ten thousand dollars ($10,000), or both imprisonment and fine.

(b) For the purposes of this section, “fraudulently obtains” includes, but is not limited to, cheating, including, for example, gaining an unfair advantage for any player in any game through a technique or device not sanctioned by the rules of the game.

(c) For the purposes of establishing the value of property under this section, poker chips, tokens, or markers have the monetary value assigned to them by the players in any game.

333. PROSECUTION WITNESSES

Every person duly summoned as a witness for the prosecution, on any proceedings had under this Chapter, who neglects or refuses to attend, as required, is guilty of a misdemeanor.

334. FRAUDULENT GAMES

(a) Every person who owns or operates any concession, and who fraudulently obtains money from another by means of any hidden mechanical device or obstruction with intent to diminish the chance of any patron to win a prize, or by any other fraudulent means, shall be punished as in the case of theft of property of like value.

(b) Any person who manufactures or sells any mechanical device or obstruction for a concession which he knows or reasonably should know will be fraudulently used to diminish the chance of any patron to win a prize is guilty of a misdemeanor.

(c) Any person who owns or operates any game, at a fair or carnival of a type known as razzle-dazzle is guilty of a misdemeanor.

As used in this subdivision, “razzle-dazzle” means a series of games of skill or chance in which the player pays money or other valuable consideration in return for each opportunity to make successive attempts to obtain points by the use of dice, darts, marbles or other implements, and where such points are accumulated in successive games by the player toward a total number of points, determined by the operator, which is required for the player to win a prize or other valuable consideration.

(d) As used in this section, “concession” means any game or concession open to the public and operated for profit in which the patron pays a fee for participating and may receive a prize upon a later happening.

(e) Nothing in this section shall be construed to prohibit or preempt more restrictive regulation of any concession at a fair or carnival by any local governmental entity.

335. District Attorneys and Peace Officers; Enforcement Duties; Neglect of Duty

Every district attorney, sheriff, or police officer must inform against and diligently prosecute persons whom they have reasonable cause to believe offenders against the provisions of this chapter, and every officer refusing or neglecting so to do, is guilty of a misdemeanor.

335a. Lottery or Gambling Devices; Seizures; Destruction; Disposal of Seized Assets

In addition to any other remedy provided by law any machine or other device the possession or control of which is penalized by the laws of this State prohibiting lotteries or gambling may be seized by any peace officer, and a notice of intention summarily to destroy such machine or device as provided in this section must be posted in a conspicuous place upon the premises in or upon which such machine or device was seized. Such machine or device shall be held by such officer for 30 days after such posting, and if no action is commenced to recover possession of such machine or device, within such time, the same shall be summarily destroyed by such officer, or if such machine or device shall be held by the court, in any such action, to be in violation of such laws, or any of them, the same shall be summarily destroyed by such officer immediately after the decision of the court has become final.

The superior court shall have jurisdiction of any such actions or proceedings commenced to recover the possession of such machine or device or any money seized in connection therewith.

Any and all money seized in or in connection with such machine or device shall, immediately after such machine or device has been so destroyed, be paid into the treasury of the city or county, as the case may be, where seized, said money to be deposited in the general fund.

336. Prohibition of Minors to Gamble

Every owner, lessee, or keeper of any house used in whole, or in part, as a saloon or drinking place, who knowingly permits any person under 18 years of age to play at any game of chance therein, is guilty of a misdemeanor.

336.5. Gaming Chips Used for Food and Beverages

Gaming chips may be used on the gaming floor by a patron of a gambling establishment, as defined in subdivision (o) of Section 19805 of the Business and Professions Code, to pay for food and beverage items that are served at the table.

336.9. UNLAWFUL WAGERING OR POOLS; EXCEPTIONS

(a) Notwithstanding Section 337a, and except as provided in subdivision (b), any person who, not for gain, hire, or reward other than that at stake under conditions available to every participant, knowingly participates in any of the ways specified in paragraph (2), (3), (4), (5), or (6) of subdivision (a) of Section 337a in any bet, bets, wager, wagers, or betting pool or pools made between the person and any other person or group of persons who are not acting for gain, hire, or reward, other than that at stake under conditions available to every participant, upon the result of any lawful trial, or purported trial, or contest, or purported contest, of skill, speed, or power of endurance of person or animal, or between persons, animals, or mechanical apparatus, is guilty of an infraction, punishable by a fine not to exceed two hundred fifty dollars ($250).

(b) Subdivision (a) does not apply to either of the following situations:
  (1) Any bet, bets, wager, wagers, or betting pool or pools made online.
  (2) Betting pools with more than two thousand five hundred dollars ($2,500) at stake.

337. PUNISHMENT OF PUBLIC OFFICERS OR EMPLOYEES FOR RECEIVING OR ASKING FOR BRIBES

Every state, county, city, city and county, town, or judicial district officer, or other person who shall ask for, receive, or collect any money, or other valuable consideration, either for his own or the public use, for and with the understanding that he will aid, exempt, or otherwise assist any person from arrest or conviction for a violation of Section 330 of the Penal Code; or who shall issue, deliver, or cause to be given or delivered to any person or persons, any license, permit, or other privilege, giving, or pretending to give, any authority or right to any person or persons to carry on, conduct, open, or cause to be opened, any game or games which are forbidden or prohibited by Section 330 of said code; and any of such officer or officers who shall vote for the passage of any ordinance or by-law, giving, granting, or pretending to give or grant to any person or persons any authority or privilege to open, carry on, conduct, or cause to be opened, carried on, or conducted, any game or games prohibited by said Section 330 of the Penal Code, is guilty of a felony.

337A. POOL SELLING OR BOOKMAKING; APPLICATION OF SECTION

(a) Except as provided in Section 336.9, every person who engages in one of the following offenses, shall be punished for a first offense by imprisonment in a county jail for a period of not more than one year or in the state prison, or by a fine not to exceed five thousand dollars ($5,000), or by both imprisonment and fine:
  (1) Pool selling or bookmaking, with or without writing, at any time or place.
  (2) Whether for gain, hire, reward, or gratuitously, or otherwise, keeps or occupies, for any period of time whatsoever, any room, shed, tenement, tent, booth, building, float, vessel, place, stand or enclosure, of any kind, or any part thereof, with a book or books, paper or papers, apparatus, device or paraphernalia, for the purpose of recording or registering any bet or bets, any purported bet or bets, wager or wagers, any purported wager or wagers, selling pools, or purported pools, upon

the result, or purported result, of any trial, purported trial, contest, or purported contest, of skill, speed or power of endurance of person or animal, or between persons, animals, or mechanical apparatus, or upon the result, or purported result, of any lot, chance, casualty, unknown or contingent event whatsoever.

(3) Whether for gain, hire, reward, or gratuitously, or otherwise, receives, holds, or forwards, or purports or pretends to receive, hold, or forward, in any manner whatsoever, any money, thing or consideration of value, or the equivalent or memorandum thereof, staked, pledged, bet or wagered, or to be staked, pledged, bet or wagered, or offered for the purpose of being staked, pledged, bet or wagered, upon the result, or purported result, of any trial, or purported trial, or contest, or purported contest, of skill, speed or power of endurance of person or animal, or between persons, animals, or mechanical apparatus, or upon the result, or purported result, of any lot, chance, casualty, unknown or contingent event whatsoever.

(4) Whether for gain, hire, reward, or gratuitously, or otherwise, at any time or place, records, or registers any bet or bets, wager or wagers, upon the result, or purported result, of any trial, or purported trial, or contest, or purported contest, of skill, speed or power of endurance of person or animal, or between persons, animals, or mechanical apparatus, or upon the result, or purported result, of any lot, chance, casualty, unknown or contingent event whatsoever.

(5) Being the owner, lessee or occupant of any room, shed, tenement, tent, booth, building, float, vessel, place, stand, enclosure or grounds, or any part thereof, whether for gain, hire, reward, or gratuitously, or otherwise, permits that space to be used or occupied for any purpose, or in any manner prohibited by paragraph (1), (2), (3), or (4).

(6) Lays, makes, offers or accepts any bet or bets, or wager or wagers, upon the result, or purported result, of any trial, or purported trial, or contest, or purported contest, of skill, speed or power of endurance of person or animal, or between persons, animals, or mechanical apparatus.

(b) In any accusatory pleading charging a violation of this section, if the defendant has been once previously convicted of a violation of any subdivision of this section, the previous conviction shall be charged in the accusatory pleading, and, if the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall, if he or she is not imprisoned in the state prison, be imprisoned in the county jail for a period of not more than one year and pay a fine of not less than one thousand dollars ($1,000) and not to exceed ten thousand dollars ($10,000). Nothing in this paragraph shall prohibit a court from placing a person subject to this subdivision on probation. However, that person shall be required to pay a fine of not less than one thousand dollars ($1,000) nor more than ten thousand dollars ($10,000) or be imprisoned in the county jail for a period of not more than one year, as a condition thereof. In no event does the court have the power to absolve a person convicted

pursuant to this subdivision from either being imprisoned or from paying a fine of not less than one thousand dollars ($1,000) and not more than ten thousand dollars ($10,000).

(c) In any accusatory pleading charging a violation of this section, if the defendant has been previously convicted two or more times of a violation of any subdivision of this section, each previous conviction shall be charged in the accusatory pleadings. If two or more of the previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall, if he or she is not imprisoned in the state prison, be imprisoned in the county jail for a period of not more than one year or pay a fine of not less than one thousand dollars ($1,000) nor more than fifteen thousand dollars ($15,000), or be punished by both imprisonment and fine. Nothing in this paragraph shall prohibit a court from placing a person subject to this subdivision on probation. However, that person shall be required to pay a fine of not less than one thousand dollars ($1,000) nor more than fifteen thousand dollars ($15,000), or be imprisoned in the county jail for a period of not more than one year as a condition thereof. In no event does the court have the power to absolve a person convicted and subject to this subdivision from either being imprisoned or from paying a fine of not more than fifteen thousand dollars ($15,000).

(d) Except where the existence of a previous conviction of any subdivision of this section was not admitted or not found to be true pursuant to this section, or the court finds that a prior conviction was invalid, the court shall not strike or dismiss any prior convictions alleged in the information or indictment.

(e) This section applies not only to persons who commit any of the acts designated in paragraphs (1) to (6), inclusive, of subdivision (a), as a business or occupation, but also applies to every person who in a single instance engages in any one of the acts specified in paragraphs (1) to (6), inclusive, of subdivision (a).

337B. Offering or Attempting to Bribe Participants in Sporting Events

Any person who gives, or offers or promises to give, or attempts to give or offer, any money, bribe, or thing of value, to any participant or player, or to any prospective participant or player, in any sporting event, contest, or exhibition of any kind whatsoever, except a wrestling exhibition as defined in Section 18626 of the Business and Professions Code, and specifically including, but without being limited to, such sporting events, contests, and exhibitions as baseball, football, basketball, boxing, horse racing, and wrestling matches, with the intention or understanding or agreement that such participant or player or such prospective participant or player shall not use his or her best efforts to win such sporting event, contest, or exhibition, or shall so conduct himself or herself in such sporting event, contest, or exhibition that any other player, participant or team of players or participants shall thereby be assisted or enabled to win such sporting event, contest, or exhibition, or shall so conduct himself or herself in such sporting event, contest, or exhibition as to limit his or her or his or her team's margin of victory in such sporting event, contest, or exhibition, is guilty of a felony, and shall be

punished by imprisonment pursuant to subdivision (h) of Section 1170, or by a fine not exceeding five thousand ($5,000), or by both that fine and imprisonment.

337c. Participant in Sporting Event Accepting or Attempting to Accept Bribe

Any person who accepts, or attempts to accept, or offers to accept, or agrees to accept, any money, bribe or thing of value, with the intention or understanding or agreement that he or she will not use his or her best efforts to win any sporting event, contest, or exhibition of any kind whatsoever, except a wrestling exhibition as defined in Section 18626 of the Business and Professions Code, and specifically including, but without being limited to, such sporting events, contests, or exhibitions as baseball, football, basketball, boxing, horse racing, and wrestling matches, in which he or she is playing or participating or is about to play or participate in, or will so conduct himself or herself in such sporting event, contest, or exhibition that any other player or participant or team of players or participants shall thereby be assisted or enabled to win such sporting event, contest, or exhibition, or will so conduct himself or herself in such sporting event, contest, or exhibition as to limit his or her or his or her team's margin of victory in such sporting event, contest, or exhibition, is guilty of a felony, and shall be punished by imprisonment pursuant to subdivision (h) of Section 1170,or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

337d. Offering or Attempting to Offer Bribe to a Sporting Event Official

Any person who gives, offers to give, promises to give, or attempts to give, any money, bribe, or thing of value to any person who is umpiring, managing, directing, refereeing, supervising, judging, presiding, or officiating at, or who is about to umpire, manage, direct, referee, supervise, judge, preside, or officiate at any sporting event, contest, or exhibition of any kind whatsoever, including, but not limited to, sporting events, contests, and exhibitions such as baseball, football, boxing, horse racing, and wrestling matches, with the intention or agreement or understanding that the person shall corruptly or dishonestly umpire, manage, direct, referee, supervise, judge, preside, or officiate at, any sporting event, contest, or exhibition, or the players or participants thereof, with the intention or purpose that the result of the sporting event, contest, or exhibition will be affected or influenced thereby, is guilty of a felony and shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 or by a fine of not more than ten thousand dollars ($10,000), or by imprisonment and fine. A second offense of this section is a felony and shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 or by a fine of not more than fifteen thousand dollars ($15,000), or by both that imprisonment and fine.

337e. Sporting Event Official Accepting or Attempting to Accept Bribe

Any person who as umpire, manager, director, referee, supervisor, judge, presiding officer or official receives or agrees to receive, or attempts to receive any money, bribe or thing of value, with the understanding or agreement that such

umpire, manager, director, referee, supervisor, judge, presiding officer, or official shall corruptly conduct himself or shall corruptly umpire, manage, direct, referee, supervise, judge, preside, or officiate at, any sporting event, contest, or exhibition of any kind whatsoever, and specifically including, but without being limited to, such sporting events, contests, and exhibitions as baseball, football, boxing, horse racing, and wrestling matches, or any player or participant thereof, with the intention or purpose that the result of the sporting event, contest, or exhibition will be affected or influenced thereby, is guilty of a felony and shall be punished by imprisonment pursuant to subdivision (h) of Section 1170, or by a fine not exceeding five thousand dollars ($5,000), or by both that fine and imprisonment.

337F. HORSE RACES; ADMINISTRATION OF STIMULANT OR DEPRESSANT; DRUG DEFINED

(a) Any person who does any of the following is punishable by a fine not exceeding five thousand dollars ($5,000), or by imprisonment in a county jail not exceeding one year, or by imprisonment pursuant to subdivision (h) of Section 1170, or by both that fine and imprisonment:

(1) Influences, or induces, or conspires with, any owner, trainer, jockey, groom, or other person associated with or interested in any stable, horse, or race in which a horse participates, to affect the result of that race by stimulating or depressing a horse through the administration of any drug to that horse, or by the use of any electrical device or any electrical equipment or by any mechanical or other device not generally accepted as regulation racing equipment, or so stimulates or depresses a horse.

(2) Knowingly enters any horse in any race within a period of 24 hours after any drug has been administered to that horse for the purpose of increasing or retarding the speed of that horse.

(3) Willfully or unjustifiably enters or races any horse in any running or trotting race under any name or designation other than the name or designation assigned to that horse by and registered with the Jockey Club or the United States Trotting Association or willfully sets on foot, instigates, engages in or in any way furthers any act by which any horse is entered or raced in any running or trotting race under any name or designation other than the name or designation duly assigned by and registered with the Jockey Club or the United States Trotting Association.

(b) For purposes of this section, the term "drug" includes all substances recognized as having the power of stimulating or depressing the central nervous system, respiration, or blood pressure of an animal, such as narcotics, hypnotics, benzedrine or its derivatives, but shall not include recognized vitamins or supplemental feeds approved by or in compliance with the rules and regulations or policies of the California Horse Racing Board.

337G. HORSE RACES; PROHIBITION OF DRUGS WITHIN RACING INCLOSURE; EXCEPTION

The possession, transport or use of any local anaesthetic of the cocaine group, including but not limited to natural or synthetic drugs of this group, such as allocaine, apothesine, alypine, benzyl carbinol, butyn, procaine, nupercaine, beta-eucaine, novol or anestubes, within the racing inclosure is prohibited, except upon a bona fide veterinarian's prescription with complete statement of uses and purposes of same on the container. A copy of such prescription shall be filed with the stewards, and such substances may be used only with approval of the stewards and under the supervision of the veterinarian representing the board.

337H. RACING ANIMALS; EXHIBITION ANIMALS; ADMINISTRATION OF SUBSTANCES TO AFFECT SPEED

Any person who, except for medicinal purposes, administers any poison, drug, medicine, or other noxious substance, to any horse, stud, mule, ass, mare, horned cattle, neat cattle, gelding, colt, filly, dog, animals, or other livestock, entered or about to be entered in any race or upon any race course, or entered or about to be entered at or with any agricultural park, or association, race course, or corporation, or other exhibition for competition for prize, reward, purse, premium, stake, sweepstakes, or other reward, or who exposes any poison, drug, medicine, or noxious substance, with intent that it shall be taken, inhaled, swallowed, or otherwise received by any of these animals or other livestock, with intent to impede or affect its speed, endurance, sense, health, physical condition, or other character or quality, or who causes to be taken by or placed upon or in the body of any of these animals or other livestock, entered or about to be entered in any race or competition described in this section any sponge, wood, or foreign substance of any kind, with intent to impede or affect its speed, endurance, sense, health, or physical condition, is guilty of a misdemeanor.

337I. TRANSMISSION OF RACING INFORMATION

Every person who knowingly transmits information as to the progress or results of a horserace, or information as to wagers, betting odds, changes in betting odds, post or off times, jockey or player changes in any contest or trial, or purported contest or trial, involving humans, beasts, or mechanical apparatus by any means whatsoever including, but not limited to telephone, telegraph, radio, and semaphore when such information is transmitted to or by a person or persons engaged in illegal gambling operations, is punishable by imprisonment in the county jail for a period of not more than one year or in the state prison.

This section shall not be construed as prohibiting a newspaper from printing such results or information as news, or any television or radio station from telecasting or broadcasting such results or information as news. This section shall not be so construed as to place in jeopardy any common carrier or its agents performing operations within the scope of a public franchise, or any gambling operation authorized by law.

337J. CONTROLLED GAME; LICENSE REQUIREMENTS; FEE COLLECTION

(a) It is unlawful for any person, as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, to do any of the following without having first procured and thereafter maintained in effect all federal, state, and local licenses required by law:

(1) To deal, operate, carry on, conduct, maintain, or expose for play in this state any controlled game.

(2) To receive, directly or indirectly, any compensation or reward or any percentage or share of the revenue, for keeping, running, or carrying on any controlled game.

(3) To manufacture, distribute, or repair any gambling equipment within the boundaries of this state, or to receive, directly or indirectly, any compensation or reward for the manufacture, distribution, or repair of any gambling equipment within the boundaries of this state.

(b) It is unlawful for any person to knowingly permit any controlled game to be conducted, operated, dealt, or carried on in any house or building or other premises that he or she owns or leases, in whole or in part, if that activity is undertaken by a person who is not licensed as required by state law, or by an employee of that person.

(c) It is unlawful for any person to knowingly permit any gambling equipment to be manufactured, stored, or repaired in any house or building or other premises that the person owns or leases, in whole or in part, if that activity is undertaken by a person who is not licensed as required by state law, or by an employee of that person.

(d) Any person who violates, attempts to violate, or conspires to violate this section shall be punished by imprisonment in a county jail for not more than one year or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine. A second offense of this section is punishable by imprisonment in a county jail for a period of not more than one year or in the state prison or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine.

(e) (1) As used in this section, "controlled game" means any poker or Pai Gow game, and any other game played with cards or tiles, or both, and approved by the Department of Justice, and any game of chance, including any gambling device, played for currency, check, credit, or any other thing of value that is not prohibited and made unlawful by statute or local ordinance.

(2) As used in this section, "controlled game" does not include any of the following:

(A) The game of bingo conducted pursuant to Section 326.3 or 326.5.

(B) Parimutuel racing on horse races regulated by the California Horse Racing Board.

(C) Any lottery game conducted by the California State Lottery.

(D) Games played with cards in private homes or residences, in which no person makes money for operating the game, except as a player.

(f) This subdivision is intended to be dispositive of the law relating to the collection of player fees in gambling establishments. A fee may not be calculated as a fraction or percentage of wagers made or winnings earned. The amount of fees charged for all wagers shall be determined prior to the start of play of any hand or round. However, the gambling establishment may waive collection of the fee or portion of the fee in any hand or round of play after the hand or round has begun pursuant to the published rules of the game and the notice provided to the public. The actual collection of the fee may occur before or after the start of play. Ample notice shall be provided to the patrons of gambling establishments relating to the assessment of fees. Flat fees on each wager may be assessed at different collection rates, but no more than five collection rates may be established per table. However, if the gambling establishment waives its collection fee, this fee does not constitute one of the five collection rates.

337S. PROHIBITION OF DRAW POKER IN COUNTIES EXCEEDING 4 MILLION IN POPULATION

(a) This section applies only in counties with a population exceeding 4,000,000.

(b) Every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employee, whether for hire or not, any game of draw poker, including lowball poker, is guilty of a misdemeanor.

(c) Subdivision (b) shall become operative in a county only if the board of supervisors thereof by resolution directs that there be placed on the ballot at a designated county election the question whether draw poker, including lowball poker, shall be prohibited in the county and a majority of electors voting thereon vote affirmatively. The question shall appear on the ballot in substantially the following form:

> "Shall draw poker, including lowball poker, be prohibited in ____ County
> Yes ____ No ____"
> If a majority of electors voting thereon vote affirmatively, draw poker shall be prohibited in the unincorporated territory in the county.

(d) Any county ordinance in any county prohibiting, restricting, or regulating the playing of draw poker and other acts relating to draw poker shall not be superseded until, pursuant to subdivision (c), the electorate of the county determines that subdivision (b) shall be operative in the county.

(e) The Legislature finds that in counties with a large, concentrated population, problems incident to the playing of draw poker are, in part, qualitatively, as well as quantitatively, different from the problems in smaller counties.

The Legislature finds that counties with a population exceeding 4,000,000 constitute a special problem, and it is reasonable classification to adopt prohibitory legislation applicable only to such counties.

(f) If any provision of this section is held invalid, the entire section shall be invalid. The provisions of this section are not severable.

337T. DEFINITIONS

The following definitions govern the construction of this section and Sections 337u, 337w, 337x, and 337y:

(a) "Associated equipment" means any equipment or mechanical, electromechanical, or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems for monitoring slot machines and devices for weighing or counting money.

(b) "Cashless wagering system" means a method of wagering and accounting in which the validity and value of a wagering instrument or wagering credits are determined, monitored, and retained by a computer that is operated and maintained by a licensee and that maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device.

(c) "Cheat" means to alter the normal elements of chance, method of selection, or criteria, excluding those alterations to the game generally done by the casino to provide variety to games and that are known, or should be known, by the wagering players, which determine any of the following:

(1) The result of a gambling game.
(2) The amount or frequency of payment in a gambling game.
(3) The value of a wagering instrument.
(4) The value of a wagering credit.

(d) "Drop box" means the box that serves as a repository for cash, chips, tokens, or other wagering instruments.

(e) "Gambling establishment" means any premises wherein or whereon any gaming is done.

(f) "Gambling game device" means any equipment or mechanical, electromechanical, or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes any of the following:

(1) A slot machine.
(2) A collection of two or more of the following components:
    (A) An assembled electronic circuit which cannot be reasonably demonstrated to have any use other than in a slot machine.
    (B) A cabinet with electrical wiring and provisions for mounting a coin, token, or currency acceptor and provisions for mounting a dispenser of coins, tokens, or anything of value.

(C) A storage medium containing the source language or executable code of a computer program that cannot be reasonably demonstrated to have any use other than in a slot machine.
(D) An assembled video display unit.
(E) An assembled mechanical or electromechanical display unit intended for use in gambling.
(F) An assembled mechanical or electromechanical unit which cannot be demonstrated to have any use other than in a slot machine.

(3) Any mechanical, electrical, or other device that may be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game.

(4) A system for the accounting or management of any game in which the result of the wager is determined electronically by using any combination of hardware or software for computers.

(5) Any combination of one of the components set forth in subparagraphs (A) to (F), inclusive, of paragraph (2) and any other component that the commission determines, by regulation, to be a machine used directly or remotely in connection with gaming or any game which affects the results of a wager by determining a win or loss.

(g) "Past-posting" means the placing of a wager by an individual at a game after having knowledge of the result or outcome of that game.

(h) "Pinching wagers" means to reduce the amount wagered or to cancel the wager after acquiring knowledge of the outcome of the game or other event that is the subject of the wager.

(i) "Pressing wagers" means to increase a wager after acquiring knowledge of the outcome of the game or other event that is the subject of the wager.

(j) "Tribal Gaming Agency" means the person, agency, board, committee, commission, or council designated under tribal law, including, but not limited to, an intertribal gaming regulatory agency approved to fulfill those functions by the National Indian Gaming Commission, as primarily responsible for carrying out the regulatory responsibilities of the tribe under the Indian Gaming and Regulatory Act (25 U.S.C. Sec. 2701) and a tribal gaming ordinance.

(k) "Wagering credit" means a representative of value, other than a chip, token, or wagering instrument, that is used for wagering at a game or gaming device and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money.

(l) "Wagering instrument" means a representative of value, other than a chip or token that is issued by a licensee and approved by the California Gambling Control Commission or a tribal gaming agency, for use in a cashless wagering system.

337U. UNLAWFUL ACTS

It is unlawful for any person to commit any of the following acts:

(a) To alter or misrepresent the outcome of a gambling game or other event on which wagers lawfully have been made after the outcome is determined, but before it is revealed to the players.

(b) To place, increase, or decrease a wager or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the gambling game or any event that affects the outcome of the gambling game or which is the subject of the wager or to aid anyone in acquiring that knowledge for the purpose of placing, increasing, or decreasing a wager or determining the course of play contingent upon that event or outcome.

(c) To claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager contingent on the game, or to claim, collect, or take an amount greater than the amount actually won.

(d) Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of this section, or Section 337v, 337w, 337x, or 337y, with the intent that the other person play or participate in that gambling game.

(e) To place or increase a wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the wager, including past-posting and pressing wagers.

(f) To reduce the amount wagered or cancel the wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the bet, including pinching wagers.

(g) To manipulate, with the intent to cheat, any component of a gambling game device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the gambling game or with knowledge of any event that affects the outcome of the gambling game.

337v. Prohibited Devices

It is unlawful for any person at a gambling establishment to use, or to possess with the intent to use, any device to assist in any of the following:

(a) In projecting the outcome of the gambling game.

(b) In keeping track of the cards played.

(c) In analyzing the probability of the occurrence of an event relating to the gambling game.

(d) In analyzing the strategy for playing or wagering to be used in the gambling game, except as permitted by the California Gambling Control Commission or a tribal gaming agency.

337w. Unlawful Acts

(a) It is unlawful for any person to use counterfeit chips, counterfeit debit instruments, or other counterfeit wagering instruments in a gambling game, the equipment associated with a gambling game, or a cashless wagering system.

(b) It is unlawful for any person, in playing or using any gambling game, the equipment associated with a gambling game, or a cashless wagering system designed to be played with, receive, or be operated by chips, tokens, wagering credits or other wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency, or by lawful coin of the United States of America to either:

(1) Knowingly use chips, tokens, wagering credits, or other wagering instruments not approved by the California Gambling Control Commission or a tribal gaming agency, or lawful coin, legal tender of the United States of America, or use coins or tokens not of the same denomination as the coins or tokens intended to be used in that gambling game, associated equipment, or cashless wagering system.
(2) Use any device or means to violate this section or Section 337u, 337v, 337x, or 337y.

(c) It is unlawful for any person, not a duly authorized employee of a gambling establishment acting in furtherance of his or her employment within that establishment, to possess any device intended to be used to violate this section or Section 337u, 337v, 337x, or 337y.

(d) It is unlawful for any person, not a duly authorized employee of a gambling establishment acting in furtherance of his or her employment within that establishment, to possess any key or device known to have been designed for the purpose of, and suitable for, opening, entering, or affecting the operation of any gambling game, cashless wagering system, or dropbox, or for removing money or other contents from the game, system, or box.

(e) It is unlawful for any person to possess any paraphernalia for manufacturing slugs. As used in this subdivision, "paraphernalia for manufacturing slugs" means the equipment, products, and materials that are intended for use or designed for use in manufacturing, producing, fabricating, preparing, testing, analyzing, packaging, storing, or concealing a counterfeit facsimile of the chips, tokens, debit instruments, or other wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency, or a lawful coin of the United States, the use of which is unlawful pursuant to subdivision (b). The term "paraphernalia for manufacturing slugs" includes, but is not limited to, any of the following:

(1) Lead or lead alloys.
(2) Molds, forms, or similar equipment capable of producing a likeness of a gaming token or lawful coin of the United States.
(3) Melting pots or other receptacles.
(4) Torches.
(5) Tongs, trimming tools, or other similar equipment.

(6) Equipment which can be reasonably demonstrated to manufacture facsimiles of debit instruments or wagering instruments approved by the California Gambling Control Commission or a tribal gaming agency.

337x. Cheating

It is unlawful to cheat at any gambling game in a gambling establishment.

337y. Unlawful Manufacture, Sale, or Distribution of Prohibited Devices; Unlawful Marking, Altering, or Modification of Gaming Devices or Associated Equipment; Unlawfully Instructing Other in Cheating or Use of Devices for Cheating.

It is unlawful to do either of the following:

(a) Manufacture, sell, or distribute any cards, chips, dice, game, or device which is intended to be used to violate Section 337u, 337v, 337w, or 337x.

(b) Mark, alter, or otherwise modify any gambling game device or associated equipment in a manner that either:

(1) Affects the result of a wager by determining win or loss.
(2) Alters the normal criteria of random selection, which affects the operation of a gambling game or which determines the outcome of a game.

(c) It is unlawful for any person to instruct another in cheating or in the use of any device for that purpose, with the knowledge or intent that the information or use conveyed may be employed to violate Section 337u, 337v, 337w, or 337x.

337z. Penalties

(a) Any person who violates Section 337u, 337v, 337w, 337x, or 337y shall be punished as follows:

(1) For the first violation, by imprisonment in a county jail for a term not to exceed one year, or by a fine of not more than ten thousand dollars ($10,000), or by both imprisonment and fine.
(2) For a second or subsequent violation of any of those sections, by imprisonment in a county jail for a term not to exceed one year or by a fine of not more than fifteen thousand dollars ($15,000), or by both imprisonment and fine.

(b) A person who attempts to violate Section 337u, 337v, 337w, 337x, or 337y shall be punished in the same manner as the underlying crime.

(c) This section does not preclude prosecution under Section 332 or any other provision of law.

Chapter 10.5 Horse Racing Business and Professions Code

337.1. Tout Defined

Any person, who knowingly and designedly by false representation attempts to, or does persuade, procure or cause another person to wager on a horse in a race to be run in this state or elsewhere, and upon which money is wagered in this

state, and who asks or demands compensation as a reward for information or purported information given in such case is a tout, and is guilty of touting.

337.2. Punishment for Touting

Any person who is a tout, or who attempts or conspires to commit touting, is guilty of a misdemeanor and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment. For a second offense in this State, he shall be imprisoned.

337.3. Touting; Using the Name of CHRB Official

Any person who in the commission of touting falsely uses the name of any official of the California Horse Racing Board, its inspectors or attaches, or of any official of any race track association, or the names of any owner, trainer, jockey or other person licensed by the California Horse Racing Board as the source of any information or purported information is guilty of a felony and is punishable by a fine of not more than five thousand dollars ($5,000) or by imprisonment pursuant to subdivision (h) of Section 1170, or by both that fine and imprisonment.

337.4. Touting; Grand Theft

Any person who in the commission of touting obtains money in excess of nine hundred fifty dollars ($950) may, in addition to being prosecuted for the violation of any provision of this chapter, be prosecuted for the violation of Section 487 of this code.

337.5. Touts; Exclusion from Horse Racing Tracks

Any person who has been convicted of touting, and the record of whose conviction on such charge is on file in the office of the California Horse Racing Board or in the State Bureau of Criminal Identification and Investigation or of the Federal Bureau of Investigation, or any person who has been ejected from any racetrack of this or any other state for touting or practices inimical to the public interest shall be excluded from all racetracks in this State. Any such person who refuses to leave such track when ordered to do so by inspectors of the California Horse Racing Board, or by any peace officer, or by an accredited attaché of a racetrack or association is guilty of a misdemeanor.

337.6. CHRB Credentials or Licenses; Improper Use

Any credential or license issued by the California Horse Racing Board to licensees, if used by the holder thereof for a purpose other than identification and in the performance of legitimate duties on a race track, shall be automatically revoked whether so used on or off a race track.

337.7. Unauthorized Possession of CHRB Credentials or Licenses; Forgery

Any person other than the lawful holder thereof who has in his possession any credential or license issued by the California Horse Racing Board to licensees and any person who has a forged or simulated credential or license of said board in his possession, and who uses such credential or license for the purpose of misrepresentation, fraud or touting is guilty of a felony and shall be punished by a

fine of five thousand dollars ($5,000) or by imprisonment pursuant to subdivision (h) of Section 1170, or by both that fine and imprisonment. If he has previously been convicted of any offense under this chapter, he shall be imprisoned pursuant to subdivision (h) of Section 1170.

337.8. CREDENTIALS; USE FOR TOUTING

Any person who uses any credential, other than a credential or license issued by the California Horse Racing Board, for the purpose of touting is guilty of touting, and if the credential has been forged shall be imprisoned as provided in this chapter, whether the offense was committed on or off a race track.

337.9. ENFORCEMENT BY CHRB

The secretary and chief investigator of the California Horse Racing Board shall coordinate a policy for the enforcement of this chapter with all other enforcement bureaus in the State in order to insure prosecution of all persons who commit any offense against the horse racing laws of this State. For such purposes the secretary and chief investigator are peace officers and have all the powers thereof.

FAMILY CODE, DIVISION 17, CHAPTER 2

ARTICLE 2. COLLECTIONS AND ENFORCEMENT

17520. LICENSEES IN NON-COMPLIANCE WITH ORDER FOR SUPPORT

(a) As used in this section:

(1) "Applicant" means a person applying for issuance or renewal of a license.

(2) "Board" means an entity specified in Section 101 of the Business and Professions Code, the entities referred to in Sections 1000 and 3600 of the Business and Professions Code, the State Bar, the Bureau of Real Estate, the Department of Motor Vehicles, the Secretary of State, the Department of Fish and Wildlife, and any other state commission, department, committee, examiner, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession, or to the extent required by federal law or regulations, for recreational purposes. This term includes all boards, commissions, departments, committees, examiners, entities, and agencies that issue a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession. The failure to specifically name a particular board, commission, department, committee, examiner, entity, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession does not exclude that board, commission, department, committee, examiner, entity, or agency from this term.

(3) "Certified list" means a list provided by the local child support agency to the Department of Child Support Services in which the local child support agency verifies, under penalty of perjury, that the names contained therein are support obligors found to be out of compliance

with a judgment or order for support in a case being enforced under Title IV-D of the federal Social Security Act.

(4) "Compliance with a judgment or order for support" means that, as set forth in a judgment or order for child or family support, the obligor is no more than 30 calendar days in arrears in making payments in full for current support, in making periodic payments in full, whether court ordered or by agreement with the local child support agency, on a support arrearage, or in making periodic payments in full, whether court ordered or by agreement with the local child support agency, on a judgment for reimbursement for public assistance, or has obtained a judicial finding that equitable estoppel as provided in statute or case law precludes enforcement of the order. The local child support agency is authorized to use this section to enforce orders for spousal support only when the local child support agency is also enforcing a related child support obligation owed to the obligee parent by the same obligor, pursuant to Sections 17400 and 17604.

(5) "License" includes membership in the State Bar, and a certificate, credential, permit, registration, or any other authorization issued by a board that allows a person to engage in a business, occupation, or profession, or to operate a commercial motor vehicle, including appointment and commission by the Secretary of State as a notary public. "License" also includes any driver's license issued by the Department of Motor Vehicles, any commercial fishing license issued by the Department of Fish and Wildlife, and to the extent required by federal law or regulations, any license used for recreational purposes. This term includes all licenses, certificates, credentials, permits, registrations, or any other authorization issued by a board that allows a person to engage in a business, occupation, or profession. The failure to specifically name a particular type of license, certificate, credential, permit, registration, or other authorization issued by a board that allows a person to engage in a business, occupation, or profession, does not exclude that license, certificate, credential, permit, registration, or other authorization from this term.

(6) "Licensee" means a person holding a license, certificate, credential, permit, registration, or other authorization issued by a board, to engage in a business, occupation, or profession, or a commercial driver's license as defined in Section 15210 of the Vehicle Code, including an appointment and commission by the Secretary of State as a notary public. "Licensee" also means a person holding a driver's license issued by the Department of Motor Vehicles, a person holding a commercial fishing license issued by the Department of Fish and Game, and to the extent required by federal law or regulations, a person holding a license used for recreational purposes. This term includes all persons holding a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession, and the failure to specifically name a particular type of license, certificate,

credential, permit, registration, or other authorization issued by a board does not exclude that person from this term. For licenses issued to an entity that is not an individual person, “licensee” includes an individual who is either listed on the license or who qualifies for the license.

(b) The local child support agency shall maintain a list of those persons included in a case being enforced under Title IV-D of the federal Social Security Act against whom a support order or judgment has been rendered by, or registered in, a court of this state, and who are not in compliance with that order or judgment. The local child support agency shall submit a certified list with the names, social security numbers, and last known addresses of these persons and the name, address, and telephone number of the local child support agency who certified the list to the department. The local child support agency shall verify, under penalty of perjury, that the persons listed are subject to an order or judgment for the payment of support and that these persons are not in compliance with the order or judgment. The local child support agency shall submit to the department an updated certified list on a monthly basis.

(c) The department shall consolidate the certified lists received from the local child support agencies and, within 30 calendar days of receipt, shall provide a copy of the consolidated list to each board that is responsible for the regulation of licenses, as specified in this section.

(d) On or before November 1, 1992, or as soon thereafter as economically feasible, as determined by the department, all boards subject to this section shall implement procedures to accept and process the list provided by the department, in accordance with this section. Notwithstanding any other law, all boards shall collect social security numbers or individual taxpayer identification numbers from all applicants for the purposes of matching the names of the certified list provided by the department to applicants and licensees and of responding to requests for this information made by child support agencies.

(e) (1) Promptly after receiving the certified consolidated list from the department, and prior to the issuance or renewal of a license, each board shall determine whether the applicant is on the most recent certified consolidated list provided by the department. The board shall have the authority to withhold issuance or renewal of the license of an applicant on the list.

(2) If an applicant is on the list, the board shall immediately serve notice as specified in subdivision (f) on the applicant of the board’s intent to withhold issuance or renewal of the license. The notice shall be made personally or by mail to the applicant’s last known mailing address on file with the board. Service by mail shall be complete in accordance with Section 1013 of the Code of Civil Procedure.

(A) The board shall issue a temporary license valid for a period of 150 days to any applicant whose name is on the certified list if the applicant is otherwise eligible for a license.

(B) Except as provided in subparagraph (D), the 150-day time period for a temporary license shall not be extended. Except as provided in

subparagraph (D), only one temporary license shall be issued during a regular license term and it shall coincide with the first 150 days of that license term. As this paragraph applies to commercial driver's licenses, "license term" shall be deemed to be 12 months from the date the application fee is received by the Department of Motor Vehicles. A license for the full or remainder of the license term shall be issued or renewed only upon compliance with this section.

(C) In the event that a license or application for a license or the renewal of a license is denied pursuant to this section, any funds paid by the applicant or licensee shall not be refunded by the board.

(D) This paragraph shall apply only in the case of a driver's license, other than a commercial driver's license. Upon the request of the local child support agency or by order of the court upon a showing of good cause, the board shall extend a 150-day temporary license for a period not to exceed 150 extra days.

(3) (A) The department may, when it is economically feasible for the department and the boards to do so as determined by the department, in cases where the department is aware that certain child support obligors listed on the certified lists have been out of compliance with a judgment or order for support for more than four months, provide a supplemental list of these obligors to each board with which the department has an interagency agreement to implement this paragraph. Upon request by the department, the licenses of these obligors shall be subject to suspension, provided that the licenses would not otherwise be eligible for renewal within six months from the date of the request by the department. The board shall have the authority to suspend the license of any licensee on this supplemental list.

(B) If a licensee is on a supplemental list, the board shall immediately serve notice as specified in subdivision (f) on the licensee that his or her license will be automatically suspended 150 days after notice is served, unless compliance with this section is achieved. The notice shall be made personally or by mail to the licensee's last known mailing address on file with the board. Service by mail shall be complete in accordance with Section 1013 of the Code of Civil Procedure.

(C) The 150-day notice period shall not be extended.

(D) In the event that any license is suspended pursuant to this section, any funds paid by the licensee shall not be refunded by the board.

(E) This paragraph shall not apply to licenses subject to annual renewal or annual fee.

(f) Notices shall be developed by each board in accordance with guidelines provided by the department and subject to approval by the department. The notice shall include the address and telephone number of the local child support agency that submitted the name on the certified list, and shall emphasize the necessity of

obtaining a release from that local child support agency as a condition for the issuance, renewal, or continued valid status of a license or licenses.

(1) In the case of applicants not subject to paragraph (3) of subdivision (e), the notice shall inform the applicant that the board shall issue a temporary license, as provided in subparagraph (A) of paragraph (2) of subdivision (e), for 150 calendar days if the applicant is otherwise eligible and that upon expiration of that time period the license will be denied unless the board has received a release from the local child support agency that submitted the name on the certified list.

(2) In the case of licensees named on a supplemental list, the notice shall inform the licensee that his or her license will continue in its existing status for no more than 150 calendar days from the date of mailing or service of the notice and thereafter will be suspended indefinitely unless, during the 150-day notice period, the board has received a release from the local child support agency that submitted the name on the certified list. Additionally, the notice shall inform the licensee that any license suspended under this section will remain so until the expiration of the remaining license term, unless the board receives a release along with applications and fees, if applicable, to reinstate the license during the license term.

(3) The notice shall also inform the applicant or licensee that if an application is denied or a license is suspended pursuant to this section, any funds paid by the applicant or licensee shall not be refunded by the board. The Department of Child Support Services shall also develop a form that the applicant shall use to request a review by the local child support agency. A copy of this form shall be included with every notice sent pursuant to this subdivision.

(g) (1) Each local child support agency shall maintain review procedures consistent with this section to allow an applicant to have the underlying arrearage and any relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances so warrant.

(2) It is the intent of the Legislature that a court or local child support agency, when determining an appropriate payment schedule for arrearages, base its decision on the facts of the particular case and the priority of payment of child support over other debts. The payment schedule shall also recognize that certain expenses may be essential to enable an obligor to be employed. Therefore, in reaching its decision, the court or the local child support agency shall consider both of these goals in setting a payment schedule for arrearages.

(h) If the applicant wishes to challenge the submission of his or her name on the certified list, the applicant shall make a timely written request for review to the local child support agency who certified the applicant's name. A request for review pursuant to this section shall be resolved in the same manner and timeframe

provided for resolution of a complaint pursuant to Section 17800. The local child support agency shall immediately send a release to the appropriate board and the applicant, if any of the following conditions are met:

(1) The applicant is found to be in compliance or negotiates an agreement with the local child support agency for a payment schedule on arrearages or reimbursement.
(2) The applicant has submitted a request for review, but the local child support agency will be unable to complete the review and send notice of its findings to the applicant within the time specified in Section 17800.
(3) The applicant has filed and served a request for judicial review pursuant to this section, but a resolution of that review will not be made within 150 days of the date of service of notice pursuant to subdivision (f). This paragraph applies only if the delay in completing the judicial review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the local child support agency's notice of findings.
(4) The applicant has obtained a judicial finding of compliance as defined in this section.

(i) An applicant is required to act with diligence in responding to notices from the board and the local child support agency with the recognition that the temporary license will lapse or the license suspension will go into effect after 150 days and that the local child support agency and, where appropriate, the court must have time to act within that period. An applicant's delay in acting, without good cause, which directly results in the inability of the local child support agency to complete a review of the applicant's request or the court to hear the request for judicial review within the 150-day period shall not constitute the diligence required under this section which would justify the issuance of a release.

(j) Except as otherwise provided in this section, the local child support agency shall not issue a release if the applicant is not in compliance with the judgment or order for support. The local child support agency shall notify the applicant in writing that the applicant may, by filing an order to show cause or notice of motion, request any or all of the following:

(1) Judicial review of the local child support agency's decision not to issue a release.
(2) A judicial determination of compliance.
(3) A modification of the support judgment or order.

The notice shall also contain the name and address of the court in which the applicant shall file the order to show cause or notice of motion and inform the applicant that his or her name shall remain on the certified list if the applicant does not timely request judicial review. The applicant shall comply with all statutes and rules of court regarding orders to show cause and notices of motion.

This section shall not be deemed to limit an applicant from filing an order to show cause or notice of motion to modify a support judgment or order or to fix a payment schedule on arrearages accruing under a support judgment or order or to obtain a court finding of compliance with a judgment or order for support.

(k) The request for judicial review of the local child support agency's decision shall state the grounds for which review is requested and judicial review shall be limited to those stated grounds. The court shall hold an evidentiary hearing within 20 calendar days of the filing of the request for review. Judicial review of the local child support agency's decision shall be limited to a determination of each of the following issues:

(1) Whether there is a support judgment, order, or payment schedule on arrearages or reimbursement.

(2) Whether the petitioner is the obligor covered by the support judgment or order.

(3) Whether the support obligor is or is not in compliance with the judgment or order of support.

(4) (A) The extent to which the needs of the obligor, taking into account the obligor's payment history and the current circumstances of both the obligor and the obligee, warrant a conditional release as described in this subdivision.

(B) The request for judicial review shall be served by the applicant upon the local child support agency that submitted the applicant's name on the certified list within seven calendar days of the filing of the petition. The court has the authority to uphold the action, unconditionally release the license, or conditionally release the license.

(C) If the judicial review results in a finding by the court that the obligor is in compliance with the judgment or order for support, the local child support agency shall immediately send a release in accordance with subdivision (l) to the appropriate board and the applicant. If the judicial review results in a finding by the court that the needs of the obligor warrant a conditional release, the court shall make findings of fact stating the basis for the release and the payment necessary to satisfy the unrestricted issuance or renewal of the license without prejudice to a later judicial determination of the amount of support arrearages, including interest, and shall specify payment terms, compliance with which are necessary to allow the release to remain in effect.

(l) The department shall prescribe release forms for use by local child support agencies. When the obligor is in compliance, the local child support agency shall mail to the applicant and the appropriate board a release stating that the applicant is in compliance. The receipt of a release shall serve to notify the applicant and the board that, for the purposes of this section, the applicant is in compliance with the judgment or order for support. Any board that has received a release from the local child support agency pursuant to this subdivision shall process the release within five business days of its receipt.

If the local child support agency determines subsequent to the issuance of a release that the applicant is once again not in compliance with a judgment or order for support, or with the terms of repayment as described in this subdivision, the

local child support agency may notify the board, the obligor, and the department in a format prescribed by the department that the obligor is not in compliance.

The department may, when it is economically feasible for the department and the boards to develop an automated process for complying with this subdivision, notify the boards in a manner prescribed by the department, that the obligor is once again not in compliance. Upon receipt of this notice, the board shall immediately notify the obligor on a form prescribed by the department that the obligor's license will be suspended on a specific date, and this date shall be no longer than 30 days from the date the form is mailed. The obligor shall be further notified that the license will remain suspended until a new release is issued in accordance with subdivision (h). Nothing in this section shall be deemed to limit the obligor from seeking judicial review of suspension pursuant to the procedures described in subdivision (k).

(m) The department may enter into interagency agreements with the state agencies that have responsibility for the administration of boards necessary to implement this section, to the extent that it is cost effective to implement this section. These agreements shall provide for the receipt by the other state agencies and boards of federal funds to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and boards in implementing this section. Notwithstanding any other provision of law, revenue generated by a board or state agency shall be used to fund the nonfederal share of costs incurred pursuant to this section. These agreements shall provide that boards shall reimburse the department for the nonfederal share of costs incurred by the department in implementing this section. The boards shall reimburse the department for the nonfederal share of costs incurred pursuant to this section from moneys collected from applicants and licensees.

(n) Notwithstanding any other law, in order for the boards subject to this section to be reimbursed for the costs incurred in administering its provisions, the boards may, with the approval of the appropriate department director, levy on all licensees and applicants a surcharge on any fee or fees collected pursuant to law, or, alternatively, with the approval of the appropriate department director, levy on the applicants or licensees named on a certified list or supplemental list, a special fee.

(o) The process described in subdivision (h) shall constitute the sole administrative remedy for contesting the issuance of a temporary license or the denial or suspension of a license under this section. The procedures specified in the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to the denial, suspension, or failure to issue or renew a license or the issuance of a temporary license pursuant to this section.

(p) In furtherance of the public policy of increasing child support enforcement and collections, on or before November 1, 1995, the State Department of Social Services shall make a report to the Legislature and the Governor based on data

collected by the boards and the district attorneys in a format prescribed by the State Department of Social Services. The report shall contain all of the following:

(1) The number of delinquent obligors certified by district attorneys under this section.

(2) The number of support obligors who also were applicants or licensees subject to this section.

(3) The number of new licenses and renewals that were delayed, temporary licenses issued, and licenses suspended subject to this section and the number of new licenses and renewals granted and licenses reinstated following board receipt of releases as provided by subdivision (h) by May 1, 1995.

(4) The costs incurred in the implementation and enforcement of this section.

(q) Any board receiving an inquiry as to the licensed status of an applicant or licensee who has had a license denied or suspended under this section or has been granted a temporary license under this section shall respond only that the license was denied or suspended or the temporary license was issued pursuant to this section. Information collected pursuant to this section by any state agency, board, or department shall be subject to the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

(r) Any rules and regulations issued pursuant to this section by any state agency, board, or department may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. The regulations shall become effective immediately upon filing with the Secretary of State.

(s) The department and boards, as appropriate, shall adopt regulations necessary to implement this section.

(t) The Judicial Council shall develop the forms necessary to implement this section, except as provided in subdivisions (f) and (l).

(u) The release or other use of information received by a board pursuant to this section, except as authorized by this section, is punishable as a misdemeanor.

(v) The State Board of Equalization shall enter into interagency agreements with the department and the Franchise Tax Board that will require the department and the Franchise Tax Board to maximize the use of information collected by the State Board of Equalization, for child support enforcement purposes, to the extent it is cost effective and permitted by the Revenue and Taxation Code.

(w) (1) The suspension or revocation of any driver's license, including a commercial driver's license, under this section shall not subject the

licensee to vehicle impoundment pursuant to Section 14602.6 of the Vehicle Code.

(2) Notwithstanding any other law, the suspension or revocation of any driver's license, including a commercial driver's license, under this section shall not subject the licensee to increased costs for vehicle liability insurance.

(x) If any provision of this section or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(y) All rights to administrative and judicial review afforded by this section to an applicant shall also be afforded to a licensee.

WELFARE AND INSTITUTIONS CODE, DIVISION 4, PART 3

CHAPTER 8. STATE PROGRAM OF PROBLEM GAMBLING

4369. OFFICE OF PROBLEM GAMBLING

There is within the State Department of Public Health, the Office of Problem Gambling.

4369.1. DEFINITIONS

As used in this chapter, the following definitions shall apply:

(a) "Affected individual" means a person who experiences adverse psychiatric or physical impacts due to another person's gambling disorder.

(b) "Department" means the State Department of Public Health.

(c) "Gambling disorder" means a condition that causes the person to be unable to resist impulses to gamble, which can lead to harmful negative consequences, and that meets the diagnostic criteria set forth in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition. Gambling disorder includes both pathological and problem gambling behavior.

(d) "Office" means the Office of Problem Gambling.

(e) "Prevention program" means a program designed to reduce the prevalence of gambling disorders among California residents. The program shall include, but is not limited to, public education and awareness, outreach to high-risk populations, early identification and responsible gambling programs.

(f) "Treatment program" means a program designed to assist individuals who experience harmful negative consequences related to gambling disorders. This program shall include, but is not limited to, training and educating providers, establishing a provider network for the provision of treatment services, and conducting research to ensure the delivery of evidence-based practices.

4369.2. GAMBLING DISORDER PREVENTION PROGRAM

(a) The office shall develop a gambling disorder prevention program, which shall consist of all of the following:

(1) A toll-free telephone service for immediate crisis management with subsequent referrals of gamblers and affected individuals to health providers at various levels of care who can provide treatment for gambling disorders and related problems and to self-help groups.

(2) Public awareness campaigns that focus on prevention and education among the general public including, for example, dissemination of youth oriented preventive literature, educational experiences, and public service announcements in the media.

(3) Empirically driven research programs focusing on epidemiology/prevalence, etiology/causation, and best practices in prevention and treatment.

(4) Training of health care professionals and educators, and training for law enforcement agencies and nonprofit organizations in the identification of gambling disorders and knowledge of referral services and treatment programs.

(5) Training of gambling industry personnel in identifying customers at risk for gambling disorders and knowledge of referral and treatment services.

(b) The office shall develop a treatment program for California residents who have a gambling disorder or who are affected individuals. The treatment program may consist of all of the following components:

(1) Training for licensed health providers, including screening and assessment of gambling disorders, the use of evidence-based treatment modalities, and the administrative practices for treatment services implemented under this chapter.

(2) A network of licensed health providers authorized to receive reimbursement from the state for the provision of treatment services. This network may be created through partnerships with established health or substance use disorder facilities or individuals in private practice that can provide treatment for gambling disorders. State funded treatment services may include, but are not limited to, the following: self-administered, home-based educational programs; telephone counseling; group treatment; outpatient treatment; and inpatient residential treatment when medically necessary.

(3) A research program to conduct studies and develop evidence-based tools for use in treating gambling disorders.

(4) A funding allocation methodology that ensures treatment services are delivered efficiently and effectively to areas of the state most in need.

(5) Appropriate review and monitoring of the treatment program by the director of the office or a designated institution, including grant oversight and monitoring of contracts, the standards for treatment, and outcome monitoring.

(6) Treatment efforts shall provide services that are relevant to the needs of a diverse multicultural population with attention to groups with unique needs, including female gamblers, underserved ethnic groups, the elderly, and the physically challenged.

(c) The office shall make information available as requested by the Governor and the Legislature with respect to the comprehensive program.

4369.3. DESIGNING AND DEVELOPING THE OVERALL PROGRAM

In designing and developing the overall program, the office shall do all of the following:

(a) Develop a statewide plan to address gambling disorders.

(b) Adopt any regulations necessary to administer the program.

(c) Develop priorities for funding services and criteria for distributing program funds.

(d) Monitor the expenditures of state funds by agencies and organizations receiving program funding.

(e) Evaluate the effectiveness of services provided through the program. The department is authorized to contract with academic experts to perform these evaluations.

(f) Notwithstanding any other provision of law, any contracts required to meet the requirements of this chapter are exempt from the requirements contained in the Public Contract Code and the State Administrative Manual, and are exempt from the approval of the Department of General Services.

(g) Administrative costs for the program may not exceed 10 percent of the total funding budgeted for the program.

4369.4. GAMBLING DISORDERS

All state agencies, including, but not limited to, the California Horse Racing Board, the California Gambling Control Commission, the Department of Justice, and any other agency that regulates casino gambling or cardrooms within the state, and the Department of Corrections and Rehabilitation, the State Department of Public Health, the State Department of Health Care Services, and the California State Lottery, shall coordinate with the office to ensure that state programs take into account, as much as practicable, gambling disorders. The office shall also coordinate and work with other entities involved in gambling and the treatment of gambling disorders.

4369.5. INPUT INTO PUBLIC POLICY ISSUES

(a) It is the intent of the Legislature that the Office of Problem Gambling establish and maintain ongoing venues for system stakeholders to provide input into public policy issues related to gambling disorders, including, but not limited to, consumers of services and their families, providers of services and supports, and county representatives. It is further the intent of the Legislature that the Office of Problem Gambling shall have input into policy discussions at the State Department

of Public Health and at the California Health and Human Services Agency, when appropriate.

(b) It is the intent of the Legislature to ensure that the impacts of the transition of the Office of Problem Gambling from the State Department of Alcohol and Drug Programs to the State Department of Public Health are identified and evaluated, initially and over time. It is further the intent of the Legislature to establish a baseline for evaluating, on an ongoing basis, how and why services provided and overseen by the Office of Problem Gambling were improved, or otherwise changed, as a result of this transition.

(c) (1) By April 1, 2014, and March 1 annually thereafter, the State Department of Public Health shall report to the Joint Legislative Budget Committee and the appropriate budget subcommittees and policy committees of the Legislature, and publicly post a report on the Office of Problem Gambling on its Internet Web site.

(2) The report shall contain all of the following:

(A) A description of education and outreach activities related to the prevention program and how the Office of Problem Gambling establishes linkages with State Department of Public Health partners, including local health officers and other relevant entities, in order to increase awareness of, and provide input to, the Office of Problem Gambling, and how stakeholder involvement was changed, maintained, or enhanced after the transition.

(B) Beginning in the 2012–13 fiscal year, a description of year-over-year changes in the following: access to services, demographics of people served, the number of providers, and treatment program outcomes. The description of access to services shall include, but not be limited to, information regarding utilization of services and waiting lists for services. The description of providers shall include, but not be limited to, types and numbers of providers, including gambling disorder counselors, training protocols for providers, and workforce trends. The description of demographics of people served shall include, but not be limited to, age, sex, ethnicity, economic status, and geographic regions. The description of treatment program outcomes shall include, but not be limited to, participation levels in programs, recidivism rates, and quality of life measures.

(d) This section shall become inoperative on July 1, 2018, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.

ARTICLE IV, SECTION 19

(a) The Legislature has no power to authorize lotteries, and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit, casinos of the type currently operating in Nevada and New Jersey.

(f) Notwithstanding subdivisions (a) and (e), and any other provision of state law, the Governor is authorized to negotiate and conclude compacts, subject to ratification by the Legislature, for the operation of slot machines and for the conduct of lottery games and banking and percentage card games by federally recognized Indian tribes on Indian lands in California in accordance with federal law. Accordingly, slot machines, lottery games, and banking and percentage card games are hereby permitted to be conducted and operated on tribal lands subject to those compacts.

(f) Notwithstanding subdivision (a), the Legislature may authorize private, nonprofit, eligible organizations, as defined by the Legislature, to conduct raffles as a funding mechanism to provide support for their own or another private, nonprofit, eligible organization's beneficial and charitable works, provided that (1) at least 90 percent of the gross receipts from the raffle go directly to beneficial or charitable purposes in California, and (2) any person who receives compensation in connection with the operation of a raffle is an employee of the private nonprofit organization that is conducting the raffle. The Legislature, two-thirds of the membership of each house concurring, may amend the percentage of gross receipts required by this subdivision to be dedicated to beneficial or charitable purposes by means of a statute that is signed by the Governor.

CALIFORNIA CODE OF REGULATIONS, TITLE 4, DIVISION 18, CALIFORNIA GAMBLING CONTROL COMMISSION

CHAPTER 1. GENERAL PROVISIONS

ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES

12002. GENERAL DEFINITIONS

Unless otherwise specified, the definitions in Business and Professions Code section 19805, supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the Penal Code (commencing with section 330), shall govern the construction of this division. As used in this division:

(a) "Administrative Procedure Act Hearing" or "APA Hearing" means an evidentiary hearing which is conducted pursuant to the requirements of Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and section 1000 et seq. of Title 1 of the California Code of Regulations. An APA hearing includes those evidentiary hearings which proceed pursuant to Business and Professions Code sections 19825 and 19930, as well as under Chapter 10 of this division.

(b) "Advisor of the Commission" shall be all employees of the Commission except those designated as an advocate of the Commission.

(c) "Advocate of the Commission" shall be any employee so designated pursuant to subsection (a) of Section 12056.

(d) "BCII" means the Bureau of Criminal Identification and Information in the California Department of Justice.

(e) "Bureau" means the Bureau of Gambling Control in the California Department of Justice, acting as "the department" as provided in section 19810 of the Business and Professions Code.

(f) "Bureau report" means a final determination, as defined in Business and Professions Code section 19869 as "final action by the department," by the Chief of the Bureau regarding his or her recommendation to the Commission on any application.

(g) "California games" means controlled games that feature a rotating player-dealer position, as described in Penal Code section 330.11.

(h) "Commission" means the California Gambling Control Commission.

(i) "Conviction" means a plea or verdict of guilty or a plea of *nolo contendere*, irrespective of a subsequent order of expungement under the provisions of Penal Code section 1203.4, 1203.4a, or 1203.45, or a certificate of rehabilitation under the provisions of Penal Code section 4852.13. A plea of guilty entered pursuant to Penal Code section 1000.1 does not constitute a conviction for purposes of Business and Professions Code section 19859, subdivisions (c) or (d) unless a judgment of guilty is entered pursuant to Penal Code section 1000.3.

(j) “Deadly weapon” means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 16430.

(k) “Dealer's bank” means any and all monies a dealer has on deposit with the gambling enterprise or is assigned from the cage bank for chip trays.

(l) “Drop” means any and all player collection fees received from patrons or TPPPS companies by a gambling enterprise to play in controlled games, not including tournament fees, jackpot collections, or payments under contracts for third-party proposition player services.

(m) “Employee of the Commission” means the staff employed by the Commission including the Executive Director and all staff under the direction of the Executive Director.

(n) “Executive Director” means the executive officer of the Commission, as provided in Business and Professions Code section 19816 or his or her designee. If the Executive Director position is vacant, the “Executive Director” means the officer or employee who shall be so designated by the Commission.

(o) “Fiscal year” means the annual period used by a licensee for financial reporting purposes.

(p) “Gambling business” means a person that is registered or licensed in accordance with Chapter 2.2 of this division. “Gambling business” does not include the provision of proposition player services.

(q) “Gambling Control Act” or “Act” or “GCA” means Chapter 5 (commencing with section 19800) of Division 8 of the Business and Professions Code.

(r) “GCA hearing” means an evidentiary hearing referred to as “the meeting” pursuant to Business and Professions Code sections 19870 and 19871.

(s) “Interim license” means a license issued by the Commission for some interim period which includes an interim renewal license issued pursuant to Section 12035, an interim gambling license issued pursuant to Section 12349, and an interim key employee license issued pursuant to Section 12354.

(t) “Jackpot” means a gaming activity where the prize is awarded based on specified criteria occurring in the play of a controlled game.

(u) “Licensee” means any person who is licensed or registered, or endorsed on a license or registration, by the Commission pursuant to the Act or any regulation adopted pursuant to the Act.

(v) “Member of the Commission” means an individual appointed to the Commission by the Governor pursuant to Business and Professions Code sections 19811 and 19812, and does not include an employee of the Commission.

(w) “Player's bank” means any and all monies a patron or a TPPPS company has on deposit with the gambling enterprise.

(x) “Registrant” means a person having a valid registration issued by the Commission.

(y) “Surrender” means to voluntarily give up all legal rights and interests in a license, permit, registration, finding of suitability, or approval.

(z) “Temporary license” means a preliminary license issued by the Commission, prior to action on an initial license application, with appropriate conditions, limitations or restrictions determined on a case-by-case basis.

(aa) “Third-party providers of proposition player services” or “TPPPS” or “TPPPS company” means a person that is licensed or registered in accordance with Chapter 2.1 of this division.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3) and 19854, Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19816, 19853, 19951 and 19984, Business and Professions Code.

12003. General Requirements

(a) All books, accounts, financial records, and documents required by the Commission or the Bureau must be in English.

(b) All records required by the Commission or Bureau must be maintained for a minimum of five years, unless otherwise specified, in a secure location on the premises of the gambling establishment or at the main offices of the TPPPS company or gambling business, as applicable. Records may be maintained at another facility within California when approved in advance by the Bureau. Any change in an approved location must be reported to the Bureau by written notice mailed or delivered within five business days after establishing or changing a storage location. The location will be deemed approved if not disapproved by the Bureau within 30 calendar days of receipt of the written notice.

(c) Each licensee must allow Bureau representatives to inspect, copy, or audit all requested documents, papers, books, and other records required by the Act or this division within the time period specified in the request. The inspection may include all hardware, associated equipment, and systems that support the operation of the licensed activities. If the records are maintained in other than hardcopy form, the licensee must provide a printed copy pursuant to this section upon request.

(d) Records may be kept, stored, and submitted in a permanent form or media unless otherwise specified.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19827, 19841, 19857, 19866 and 19984, Business and Professions Code.

12004. Notification of Contact Information Change

A registrant or licensee shall report to the Bureau any change of contact information, whether residence address, address of record or mailing address, phone number or any other contact information, within ten days of that change on a form entitled “Notice of Contact Information Change,” CGCC-032 (Rev. 06/12), which is attached in Appendix A to this Chapter. This section does not apply to the physical relocation of a gambling establishment.

Note: Authority cited: Section 19811, 19823, 19824, 19853(a)(3), 19864, and 19984, Business and Professions Code. Reference: Sections 19850 and 19852, Business and Professions Code.

12006. SERVICE OF NOTICES, ORDERS AND COMMUNICATIONS

(a) When service of any notice or other written communication is specifically required to be made pursuant to this section, service shall be made by certified mail, addressed to the residence address, address of record or mailing address of the applicant, licensee, or designated agent, as last reported to the Commission.

(b) Service shall be effective upon mailing of the notice or communication.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Section 19811, 19824 and 19840, Business and Professions Code.

12008. REGISTRATION AND LICENSE APPLICATION FEES

Every application for a registration or license issued pursuant to this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19951(a). Every application for a work permit issued pursuant to Chapter 2 of this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19915. The fee for the initial application and renewal of registrations, licenses or work permits issued pursuant to this division is as follows:

(a) (1) For an initial Gambling License issued pursuant to Chapter 6, the fee is one thousand dollars ($1000).

(2) For a renewal Gambling License issued pursuant to Chapter 6 when the complete renewal application is submitted in a timely manner, as defined in subsection (a) of Section 12345 of Article 3, the fee is one thousand dollars ($1000) for each application required pursuant to Section 12345. For a renewal Gambling License issued pursuant to Chapter 6 when the complete renewal application is deemed delinquent, as defined in subsection (a) of Section 12345, the fee is two thousand dollars ($2000) for each application required pursuant to Section 12345, which includes a delinquency fee of one thousand dollars ($1000).

(b) For a Gambling Establishment Key Employee License issued pursuant to Chapter 6, the fee is as follows:

(1) For an interim key employee license, the fee is twenty-five dollars ($25).

(2) For an initial and renewal license, the fee is seven hundred and fifty dollars ($750).

(3) For a replacement license, the fee is twenty-five dollars ($25).

(c) For an initial and renewal Work Permit issued pursuant to Chapter 2, the fee is as follows:

(1) For a Regular Work Permit, the fee is two hundred and fifty dollars ($250).

(2) For a Temporary Work Permit, the fee is twenty-five dollars ($25), in addition to the regular work permit fee in paragraph (1) of this subsection.

(d) For a Third-Party Proposition Player Services registration or license issued pursuant to Chapter 2.1, the fee is as follows:

(1) For an initial and renewal registration of all registration types, the fee is five hundred dollars ($500).
(2) For a temporary player registration, the fee is twenty-five dollars ($25), in addition to the regular player registration fee specified in paragraph (1) of this subsection.
(3) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars ($1000).
(4) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars ($750).
(5) For an initial and renewal license as a player or other employee, the fee is five hundred dollars ($500).

(e) For a Gambling Business registration or license issued pursuant to Chapter 2.2, the fee is as follows:

(1) For an initial and renewal registration for all registration types, the fee is five hundred dollars ($500).
(2) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars ($1000).
(3) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars ($750).
(4) For an initial and renewal license as a player or other employee, the fee is five hundred dollars ($500).

(f) For a Gambling Equipment Manufacturer or Distributor Registration issued pursuant to Chapter 4, the fee is as follows:

(1) For an initial and renewal registration as a Class A Equipment Manufacturer or Distributor, the fee is five hundred dollars ($500).
(2) For an initial and renewal registration as an “antique collector”, within the meaning of Sections 12300(b)(1) and 12301(b)(10)(B), the fee is forty dollars ($40).
(3) For a Class B Equipment Manufacturer or Distributor Registration, no fee is required.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a), 19853(a)(3), 19854, 19876(g), 19915, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19915, 19841(r), 19853(a)(3), 19876(g), 19951(a) and 19984(b), Business and Professions Code.

12012. EX PARTE COMMUNICATION

(a) For purposes of this section, “*ex parte* communication” or “*ex parte*” means a communication upon the merits of an application without notice and opportunity for all parties to participate in the communication.

(b) The limitations on *ex parte* communication imposed by Business and Professions Code section 19872, subdivisions (a) and (b) shall apply when an application is submitted to the Bureau for investigation until the Bureau report is issued to the Commission and the communication is upon the merits of the application.

(c) The limitations on *ex parte* communication imposed by Business and Professions Code sections 19872, subdivisions (a) and (c) shall apply when the Bureau report is issued to the Commission until a decision is final pursuant to Section 12066 and the communication is upon the merits of the application.

(d) When the *ex parte* provisions of subsections (b) or (c) apply, the following communications shall not be considered *ex parte*:

(1) Communications related to undisputed issues of practice and procedure that are not upon the merits of an application.
(2) Communications made at a public hearing or meeting and which concern a properly noticed matter.
(3) Information or documents provided by the applicant upon the merits of an application pending disposition before the Bureau or Commission to an advisor or member of the Commission which is simultaneously provided to the Bureau or advocate of the Commission, if one has been designated.
(4) Information or documents provided by the Bureau or an advocate of the Commission, upon the merits of an application pending disposition before the Commission to an advisor or member of the Commission which is simultaneously provided to the applicant.
(5) Information or documents provided by any other interested person upon the merits of an application pending disposition before the Bureau or Commission to an advisor or member of the Commission which is simultaneously provided to both the Bureau and an advocate of the Commission, if one has been designated, and the applicant.
(6) Information or documents provided by the Bureau upon the merits of an application pending disposition before the Commission to an advisor or member of the Commission pursuant to Business and Professions Code section 19822, subdivision (b), but that cannot be provided to the applicant pursuant to Business and Professions Code section 19821, subdivision (d), and section 19868 subdivisions (b)(3) and (c)(2), and which is provided as follows:
    (A) The Bureau first provides redacted information or documents to both an advisor and member of the Commission and the applicant;
    (B) If an advisor or member of the Commission requests an unredacted copy of the information or documents, the Commission shall provide a notice to the applicant, pursuant to Section 12006, allowing at least 14 calendar days for the applicant to object and pursue any appropriate judicial remedies to challenge the request and seek a judicial in camera review of the confidentiality and relevancy of the information;
    (C) The Bureau shall provide the unredacted information or documents only to an advisor or member of the Commission and only after the time period specified to seek judicial review has elapsed, or the appropriate judicial remedies have been exhausted, whichever is later.

(e) The limitations on *ex parte* communication imposed by Government Code sections 11430.10 through 11430.80 shall apply from when:

(1) The Executive Director has elected to hold an evidentiary hearing under subsection (a) of Section 12060 until any decision is final pursuant to Section 12066;
(2) The Commission has elected to hold an evidentiary hearing under paragraph (2) of subsection (a) of Section 12054 until any decision is final pursuant to Section 12066; or,
(3) The Bureau has filed an accusatory pleading under Section 12554 or Business and Professions Code section 19930 until any decision is final pursuant to Government Code section 11519.

(f) If an applicant, the Bureau or other interested person or an advocate of the Commission, if one has been designated, communicates directly or indirectly on an *ex parte* basis with a member of the Commission, including indirectly through submission of information or documentation to an advisor of the Commission, then:

(1) All information, documentation and responses shall immediately be provided to the Bureau, or an advocate of the Commission, if one has been designated, and the applicant.
(2) That communication, if by the applicant, may be used as a basis for denial of the application pursuant to Business and Professions Code sections 19856, 19857 and subdivision (d) of section 19872.
(3) Any meeting or hearing following the provision of this communication may be delayed as necessary to allow for the full participation of all parties.

(g) A member of the Commission who is involved in a communication on an *ex parte* basis with an applicant, the Bureau, other interested persons or an advocate of the Commission, if one has been designated, must publicly disclose the communication, and provide notices to both the applicant and Bureau pursuant to Section 12006. The notice shall contain any information or document(s) conveyed and shall be provided to the applicant and the Bureau as soon as possible so that they may participate in the communication. Any meeting or hearing following the provision of this communication may be delayed as necessary to allow for the full participation of all parties. The member of the Commission may voluntarily withdraw from consideration of an application as long as the withdrawal would not prevent the existence of a quorum qualified to act on the particular application.

(h) An advisor of the Commission may communicate and convey information or documents upon the merits of an application as long as it is simultaneously conveyed to the applicant, the Bureau, and the advocate of the Commission, if one has been designated, so that they may participate in the communication.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, and 19872, Business and Professions Code; Sections 11400.20, 11410.40, 11415.10, and 11415.20, Government Code. Reference: Sections 19821, 19822, 19825, 19868, 19870, 19871, 19872, and 19930, Business and

Professions Code; Sections, 11425.10, 11430.10, 11430.20, 11430.30, 11430.50, and 11430.60, Government Code.

12014. SUBPOENAS

(a) The issuance and enforcement of a subpoena or subpoena duces tecum in any adjudicative proceeding held pursuant to the Act for which a notice of hearing has been issued shall be in accordance with Article 11 (commencing with section 11450.05) and Article 12 (commencing with section 11455.10), respectively, of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. The issuance of a subpoena or subpoena duces tecum may be on the form CGCC-Sub 001 (New 02/13), which is attached in Appendix A to this chapter, or in a manner that otherwise complies with Article 11 of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. All subpoenas and subpoenas duces tecum shall be served at least 30 days prior to the date specified for commencement of the hearing in the notice of hearing, or the date specified in the subpoena for the appearance of a witness or the production of records.

(b) Any motion made pursuant to subdivision (a) of section 11450.30 of the Government Code shall be filed with the presiding officer no later than 15 days prior to the date specified for appearance or for the production of records. The party bringing the motion shall serve copies of the motion on all parties and persons who are required by law to receive notice of the subpoena. Any response to the motion shall be filed with the presiding officer and served no later than 5 days before the motion is scheduled to be heard. Upon a timely motion of a party or a witness, after notice to the parties and an opportunity to be heard, upon a showing of good cause, the presiding officer may order the quashing of a subpoena or subpoena duces tecum entirely, may modify it, or may direct compliance with it upon other terms and conditions.

(c) The presiding officer may shorten or extend, as applicable, any of the time periods specified in subsections (a) and (b) upon a showing of good cause.

Note: Authority cited: Section 19811, 19823(a), 19824(h), 19840 and 19841, Business and Professions Code; and section 11450.05(b), Government Code. Reference: Sections 19840, 19870 and 19871, Business and Professions Code; sections 1985, 1985.1, 1985.2, 1985.3 and 1985.4, Code of Civil Procedure; sections 1560 and 1561, Evidence Code; and sections 11450.05, 11450.20, 11450.30, 11450.50, and 11455.10, Government Code.

12015. WITHDRAWAL OF APPLICATIONS

(a) A request by an applicant to withdraw a submitted application may only be made prior to the Bureau report being issued to the Commission. The request shall be made in writing to the Bureau. Upon receipt of the request to withdraw, Bureau staff shall send written confirmation of receipt to the applicant. The Bureau shall stay any investigation of the applicant being conducted under Business and Professions Code section 19868. The Executive Director shall, upon receipt of any information or documentation provided by the Bureau, place the request before the Commission for consideration at a regularly scheduled meeting pursuant to Section 12054.

(b) The Commission may grant or deny a withdrawal request based upon the public interest and the applicable provisions of the Act, including for example,

where the applicant has failed to respond to Bureau or Commission inquires, or preliminary information has been provided by the Bureau which would indicate grounds for mandatory denial under Business and Professions Code section 19859. A withdrawal request may be granted with or without prejudice based upon the public interest and the applicable provisions of the Act.

(c) If a request for withdrawal is granted, any unused portion of a background investigation deposit shall be refunded by the Bureau.

(d) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to apply again for licensure or approval until after the expiration of one year from the date the request for withdrawal is granted.

(e) If the request for withdrawal is denied, the Bureau shall proceed with the investigation of the applicant and provide a recommendation pursuant to Business and Professions Code section 19826.

(f) An applicant who withdraws his, her or its application shall not have a right to an evidentiary hearing pursuant to Section 12056.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19869, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, 19951, and 19984, Business and Professions Code.

12017. ABANDONMENT OF APPLICATIONS

(a) (1) At any time before the Bureau report is issued to the Commission, the Chief of the Bureau may deem an application abandoned based upon the following:
- (A) Failure of the applicant to respond to Bureau inquiries; or,
- (B) Notice by the applicant or his, her or its designated agent that the application is no longer being pursued because, for example, the applicant is deceased or no longer employed in a capacity that requires Commission consideration.

(2) If an application has been deemed abandoned, a notice of abandonment shall be sent to the applicant or his, her or its designated agent, with a copy to the Commission, stating the reasons for abandonment of the application and that the Bureau will consider the application abandoned unless the applicant contacts the Bureau within 30 calendar days from the date of the notice.

(b) (1) At any time after the Bureau report is issued to the Commission and either recommended approval or made no recommendation, the Executive Director may deem an application abandoned based upon the following:
- (A) Information related to abandonment provided to the Commission as a result of the Bureau's background investigation;
- (B) Failure of the applicant to respond to Bureau or Commission inquiries; or,
- (C) Notice by the applicant or his, her or its designated agent that the application is no longer being pursued.

(2) If an application has been deemed abandoned, a notice of abandonment shall be sent to the applicant, pursuant to Section 12006, with a copy to the Bureau, stating the reasons for abandonment of the application and that the Commission will consider the application abandoned unless the applicant contacts the Commission within 30 calendar days from the date of the notice.

(c) Where the Bureau has issued its Bureau report, the Commission may deem an application abandoned at its discretion, pursuant to Section 12054 after taking into consideration those criteria listed under subparagraphs (A) through (C), inclusive, of paragraph (1) of subsection (b).

(d) Upon abandonment of an application, a refund of any unexpended portion of a background investigation deposit shall be made, if possible.

(e) An applicant who abandons their application shall not have a right to an evidentiary hearing pursuant to Section 12056.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, and 19951, Business and Professions Code.

12035. ISSUANCE OF INTERIM RENEWAL LICENSES

(a) The Commission shall issue an interim renewal license to an applicant for renewal of a license when:

(1) The Commission has elected to hold an evidentiary hearing pursuant to paragraph (2) of subsection (a) of Section 12054;
(2) The Executive Director determines, pursuant to subsection (a) of Section 12060, that it is appropriate for the application to be considered at a GCA hearing; or,
(3) An accusation is pending pursuant to Business and Professions Code section 19930 and under Chapter 10 of this division.

(b) The following conditions shall apply to all interim renewal licenses issued under subsection (a):

(1) An interim renewal license shall be issued with the same conditions, limitations, or restrictions, if any, that existed for the previous license, except for any condition that by Commission decision has been determined to be satisfied and no longer applicable. This paragraph does not preclude the Commission from applying additional conditions through a separate GCA hearing or with the consent of the applicant.
(2) An interim renewal license shall be valid for a period of two years from the date the previous license expires, or until a decision is final under Section 12066, whichever is earlier, and is not subject to renewal. The Commission may issue additional interim renewal licenses if the hearing process has not been, or will not be, concluded by the expiration date of the current interim renewal license.
(3) The holder of an interim renewal license shall pay all applicable annual fees associated with that license.

(4) The issue date of the most recently granted interim renewal license shall serve as the issue date for any regular license granted thereafter.
(5) The issuance of an interim renewal license does not limit or impair, and is without prejudice to, any exercise of the discretion vested in the Commission with respect to the license at issue in the hearing process.
(6) The issuance of an interim renewal license is without prejudice to the Bureau's prosecution of an accusation and has no preclusive effect on any ground for discipline that may exist against the licensee, whether or not presented in an accusation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19876, 19880, 19881, 19890, 19891, and 19951, Business and Professions Code

ARTICLE 2. PROCEDURES FOR HEARINGS AND MEETINGS ON APPLICATIONS

12050. BUREAU RECOMMENDATION AND INFORMATION

(a) When the Bureau report is issued to the Commission with a recommendation to deny, limit, restrict, or condition a license, permit, finding of suitability, renewal, or other approval, as described in Business and Professions Code section 19868, subdivisions (b) and (c):

(1) The Bureau shall provide to the applicant a copy of the following as relevant to the application:
   (A) The Bureau report which shall include any Bureau recommendation to the Commission.
   (B) A detailed factual and/or legal basis for any recommendation.
   (C) Any supplemental documents provided to the Commission.
   (D) Any other information or documentation provided to the Commission.
(2) The documents or information provided under paragraph (1) need not include anything inconsistent with paragraph (6) of subsection (d) of Section 12012.

(b) The Commissioners, or Administrative Law Judge sitting on behalf of the Commission at an APA hearing, will determine what, if any, significance the Bureau's or Commission staff's recommendation shall have regarding the merits of the application. The Commissioners and Administrative Law Judge are not bound by the recommendation's rationale or conclusions in any way.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19824, 19826, 19827, 19868, 19869, 19870, 19871, and 19930, Business and Professions Code.

12052. COMMISSION MEETINGS; GENERAL PROCEDURES; SCOPE; RESCHEDULING OF MEETING

(a) Nothing in this article is intended to limit the manner in which the Commission reviews an application, or otherwise limit its authority or discretion under the Act.

(b) This article does not apply to accusations brought under Business and Professions Code section 19930, subdivision (b) to revoke, suspend, or discipline a license, registration, permit, finding of suitability, renewal or other approval under the Act or a matter proceeding pursuant to Chapter 10 of this division.

(c) An applicant for any license, permit, finding of suitability, renewal, or other approval shall be given notice of the meeting at which the application is scheduled to be heard. Notice shall be given pursuant to Section 12006.

(1) If the application is scheduled at a non-evidentiary hearing meeting, the notice shall be provided at least 10 calendar days prior to the meeting date and shall inform the applicant of the following:
   (A) That the applicant will be afforded the opportunity to:
      1. Address the Commission by way of an oral statement, written statement, or both; and,
      2. Submit documents in support of the application; however, documents which are not provided to the Commission and Bureau with sufficient time for consideration may result in the documents not being considered or the application being continued, at the Commission's discretion.
   (B) That the application may be rescheduled for consideration at an evidentiary hearing pursuant to Section 12058, by Commission action.
   (C) Any individual making an oral statement may be required to be placed under oath.

(2) If the application is to be scheduled at an evidentiary hearing, pursuant to subsections (a) or (b) of Section 12060, the notice of hearing shall inform the applicant of the following:
   (A) The date, time and location of the evidentiary hearing at which the application is scheduled to be heard;
   (B) The date, time and location of the pre-hearing conference, pursuant to paragraph (1) of subsection (f) of Section 12060;
   (C) The individual assigned, pursuant to subsection (c) of Section 12060, as the presiding officer and his or her contact information;
   (D) That the applicant will be afforded the opportunity to:
      1. Address the Commission by way of an oral statement, written statement, or both;
      2. Submit documents in support of the application;
      3. Call, examine, cross-examine and impeach witnesses; and,
      4. Offer rebuttal evidence.
   (E) That a Notice of Defense, CGCC-ND-002 (New 01/14), which is attached in Appendix A to this chapter, will be included unless already provided by Commission staff or the Bureau.
   (F) That the waiver of an evidentiary hearing, or failure of the applicant to submit a Notice of Defense, or failure by the applicant to appear at the evidentiary hearing, may result in:
      1. A default decision being issued by the Commission based upon the Bureau report, any supplemental reports by the Bureau and

any other documents or testimony already provided or which may be provided to the Commission, or

2. The hearing being held as originally noticed without applicant participation.

(d) Any application for a license, permit, approval or finding of suitability scheduled for Commission consideration at a noticed public meeting may be rescheduled for a later public meeting by the Executive Director, prior to the meeting, or by the Commission at the meeting, provided that in the case of renewal applications, the Commission must act before the license expires.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19856, 19870, 19871, 19876 and 19930, Business and Professions Code.

12054. CONSIDERATION AT REGULAR COMMISSION MEETING

(a) At a non-evidentiary hearing meeting, the Commission may take, but is not limited to taking, one of the following actions:

(1) Issue a license, temporary license, interim license, registration, permit, finding of suitability, renewal or other approval.

(2) Elect to hold an evidentiary hearing in accordance with Section 12056 and, when for a renewal application, issue an interim renewal license pursuant to Section 12035. The Commission shall identify those issues for which it requires additional information or consideration related to the applicant's suitability.

(3) Table or continue an item for consideration at a subsequent meeting, for any purpose, including obtaining new or additional information from the applicant, Bureau or Commission staff, provided however in the case of renewals, the Commission must act on the application before the license expires.

(4) Extend a license for up to 180 calendar days as necessary, as provided in Business and Professions Code section 19876, subdivision (c).

(5) Approve or deny a request for withdrawal pursuant to Section 12015.

(6) Make a finding of abandonment pursuant to subsection (c) of Section 12017.

(7) If the Bureau has filed an accusatory pleading with the Commission pursuant to Business and Professions Code section 19930 prior to Commission action on a renewal application, the Commission shall issue an interim renewal license pursuant to Section 12035.

(b) If the Commission approves or denies a request for withdrawal pursuant to paragraph (5) of subsection (a) or makes a finding of abandonment pursuant to paragraph (6) of subsection (a), that decision is final when issued, unless the Commission specifies otherwise. An applicant shall not have a right to an evidentiary hearing pursuant to Section 12056.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19869, 19870, 19871, and 19876, Business and Professions Code.

12056. EVIDENTIARY HEARINGS

(a) If the Commission elects to hold an evidentiary hearing, the hearing will be conducted as a GCA hearing under Section 12060, unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section 12058. The evidence shall be presented by the complainant, which is selected by the Executive Director or the Commission, and may be either the Bureau or advocates of the Commission. If an advocate of the Commission is selected, the determination shall include a list of employees of the Commission who shall be designated as an advocate of the Commission.

(b) Nothing in this section, Section 12058 or Section 12060 confers upon an applicant a right to discovery of the Commission's or Bureau's confidential information or to require production of any document or the disclosure of information which is otherwise prohibited by any provision of the Act, or is privileged from disclosure or otherwise made confidential by any other provision of law. Documentary evidence may be redacted as needed to prevent the disclosure of confidential information. Exculpatory or mitigating information shall be provided to the applicant, but any confidential information may be redacted by the Bureau.

(c) Under either an APA or a GCA hearing, all parties will bear their own costs. This does not prevent the Bureau from requiring that additional sums be deposited pursuant to Business and Professions Code section 19867 for any necessary supplemental investigations.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19825, 19868, 19870, 19871, and 19876, Business and Professions Code; Section 11512, Government Code.

12058. APA HEARING

(a) When the Commission elects to hold an APA hearing the Commission shall determine whether the APA hearing will be held before an Administrative Law Judge sitting on behalf of the Commission or before the Commission itself with an Administrative Law Judge presiding in accordance with Government Code section 11512. Notice of the APA hearing shall be provided to the applicant pursuant to Government Code section 11500 et seq.

(b) The burden of proof is on the applicant to prove his, her, or its qualifications to receive any license or other approval under the Act.

(c) A Statement of Issues shall be prepared and filed according to Government Code section 11504 by the complainant.

(d) At the conclusion of the evidentiary hearing, when the Commission is hearing the matter, the members of the Commission shall take the matter under submission, may discuss the matter in a closed session meeting, may leave the administrative record open in order to receive additional evidence as specified by the Commission, and may schedule future closed session meetings for deliberation.

(e) The evidentiary hearing shall proceed as indicated in the notice, unless and until the Executive Director or Commission approves cancellation or a continuance.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19825, 19868, and 19876, Business and Professions Code; Section 11512 and 11517, Government Code.

12060. GCA HEARINGS

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations. The Commission retains the authority to refer the matter to an APA hearing pursuant to subsection (a) of Section 12056 or hear the matter at a Section 12054 meeting if the Commission deems it appropriate.

(b) When the Commission has elected to hold a GCA hearing, the Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in advance of the GCA hearing.

(c) The presiding officer shall have no communication with the Commission or Commission staff upon the merits, or upon information or documents related to the application prior to the evidentiary hearing. The Executive Director shall designate a presiding officer which shall be:

(1) A member of the Commission's legal staff; or,
(2) An Administrative Law Judge.

(d) The applicant or the complainant, or the applicant and the complainant, may request a continuance in writing to the Executive Director stating the reason for the continuance and any proposed future hearing dates. The Executive Director or Commission may approve the request.

(e) The complainant shall provide to the applicant, at least 45 calendar days prior to the GCA hearing, and the applicant shall provide to the complainant, at least 30 calendar days prior to the GCA hearing, the following items:

(1) A list of potential witnesses with the general subject of the testimony of each witness;
(2) Copies of all documentary evidence intended to be introduced at the hearing and not previously provided;
(3) Reports or statements of parties and witnesses, if available; and
(4) All other written comments or writings containing relevant evidence.

(f) A presiding officer shall rule on the admissibility of evidence and on any objections raised except for objections raised under subsection (g). A ruling by the presiding officer shall be final.

(1) In advance of the GCA hearing, upon a motion of a party or by order of the presiding officer, the presiding officer may conduct a pre-hearing conference, either in person, via teleconference, or by email exchange, subject to the presiding officer's availability and shall issue a pre-hearing order if appropriate or requested by either party. The pre-hearing conference and order may address the following:
   (A) Evidentiary issues;
   (B) Witness and exhibit lists;
   (C) Alterations in the Bureau recommendation;
   (D) Stipulation for undisputed facts including the admission of the Bureau's report; and
   (E) Other issues that may be deemed appropriate to promote the orderly and prompt conduct of the hearing.
(2) The GCA hearing need not be conducted according to technical rules of evidence. Any relevant evidence may be considered, and is sufficient in itself to support findings if it is the sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action.

(g) The Commission may, at any time upon a showing of prejudice by the objecting party:
(1) Prohibit the testimony of any witness or the introduction of any documentary evidence that has not been disclosed pursuant to subsection (e); or
(2) Continue any meeting or hearing as necessary to mitigate any prejudice.

(h) The complainant shall present all facts and information in the Bureau report, if any, and the results of the Bureau's background investigation, and the basis for any recommendation, if the Bureau filed one with the Commission according to Business and Professions Code section 19868, to enable the Commission to make an informed decision on whether the applicant has met his, her, or its burden of proof. The complainant may but is not required to recommend or seek any particular outcome during the evidentiary hearing, unless it so chooses.

(i) The burden of proof is on the applicant at all times to prove his, her, or its qualifications to receive any license or other approval under the Act.

(j) The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative.

(k) Except as otherwise provided in subsection (g), the complainant and applicant shall have the right to call and examine witnesses under oath; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in direct examination; to impeach any witness, regardless of which party first called the

witness to testify; and to offer rebuttal evidence. If the applicant does not testify on his, her or its own behalf, the applicant may be called and examined, under oath, as if under cross-examination.

(l) Oral evidence shall be taken upon oath or affirmation, which may be administered by the Executive Director, a member of the Commission, or the presiding officer, if an Administrative Law Judge.

(m) At the conclusion of the evidentiary hearing, the members of the Commission shall take the matter under submission, may discuss the matter in a closed session meeting, and may schedule future closed session meetings for deliberation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19824.5, 19825, 19868, 19870, 19871, and 19876, Business and Professions Code; Section 11512, Government Code.

12062. Issuance of GCA Hearing Decisions

(a) Within 30 calendar days of the conclusion of a GCA hearing, the Commission legal staff shall prepare and submit to the Commission a proposed decision.

(b) Within 45 calendar days of the issuance of the proposed decision, the Commission shall issue its decision, which shall comply with Business and Professions Code section 19870, and shall be served pursuant to Section 12006 and, in the case of a gambling license, on any associated or endorsed owner or owner-licensee.

(c) All decisions of the Commission issued pursuant to this section shall specify an effective date and may include further directions as to any stay provisions or orders to divest.

(d) Only members of the Commission who heard the evidence presented in the hearing are eligible to vote on a decision and may vote by mail or by another appropriate method unless such a requirement would prevent the existence of a quorum qualified to act on the particular application. In that event, a member of the Commission who has not heard the evidence may be allowed to vote after a review of the complete record and any additional briefing or hearing the Commission believes necessary.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, 19876, 19883 and 19892, Business and Professions Code.

12064. Requests for Reconsideration

(a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is later.

(b) A request for reconsideration shall be made in writing to the Commission, copied to the Bureau, and shall state the reasons for the request, which must be based upon either:

(1) Newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission's issuance of the decision or at the hearing on the matter; or,

(2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

(c) The Executive Director shall determine whether a request for reconsideration is complete and if so shall place the request on the Commission's agenda within 60 calendar days of its receipt. The applicant shall be given at least 10 calendar days' advance written notice, pursuant to Section 12006, of the date and time of the Commission meeting at which the request will be heard. The applicant, whether present at that meeting or not, shall be notified in writing of the Commission's decision on the request within 10 calendar days following the meeting pursuant to Section 12006.

(d) The effective date of the decision will be stayed while the request is under review by the Commission.

(e) The granting or denial of reconsideration under this section shall be at the sole discretion of the Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, and 19876, Business and Professions Code; Section 11521 Government Code.

12066. FINAL DECISIONS; JUDICIAL REVIEW

(a) A withdrawal or abandonment decision is final:

(1) 30 calendar days after the date of notice of abandonment pursuant to either paragraph (2) of subsection (a) or paragraph (2) of subsection (b) of Section 12017 if not repealed by the issuing agency.

(2) Upon approval by the Commission pursuant to paragraph (5) of subsection (a) of Section 12054 or the making of a finding of abandonment pursuant to paragraph (6) of subsection (a) of Section 12054.

(b) A Commission decision is final

(1) Upon the effective date specified in the decision or 30 calendar days after service of the decision if no effective date is specified, and if reconsideration under Section 12064 has not been requested; or,

(2) If a request for reconsideration has been granted under Section 12064, immediately upon the Commission's affirmation of its decision or issuance of a reconsidered decision.

(c) A decision of the Commission denying an application or imposing conditions on a license shall be subject to judicial review as provided in Business and Professions Code section 19870, subdivision (e). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, and 19876, Business and Professions Code; Section 11521 Government Code.

12068. DECISIONS REQUIRING RESIGNATION OR DIVESTITURE

When an application is denied or conditions, limitations, or restrictions are imposed under the Act or this chapter and that decision is final under Section 12066, any requirements set forth in the decision shall be complied with, and the following shall apply to the extent not inconsistent with the decision, as applicable:

(a) (1) If the denied applicant is an officer, director, employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(2) If the denied applicant is an officer or director of a corporation that is licensed, registered, or found suitable by the Commission, the corporation shall remove that person from office according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(3) If the denied applicant is an employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the corporation shall terminate its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing.

(4) Any denied applicant subject to paragraphs (1) or (2) of this subsection and the corporation licensed, registered, or found suitable by the Commission, shall comply with Business and Professions Code section 19882, if applicable.

(b) (1) If the denied applicant is an officer, director, manager, member, employee, agent, representative, or independent contractor of a limited liability company licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(2) If the denied applicant is an officer, director, manager or member of a limited liability company that is licensed, registered, or found suitable by the Commission, the limited liability company shall remove that person from office according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(3) If the denied applicant is an employee, agent, representative, or independent contractor of a limited liability company licensed, registered, or found suitable by the Commission, the limited liability company shall terminate its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing.

(c) (1) If the denied applicant is a general or limited partner in a general or limited partnership licensed, registered, or found suitable by the Commission, the denied applicant shall resign as a partner according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(2) If the denied applicant is an owner or holder of an interest in a limited partnership licensed, registered, or found suitable by the Commission, the denied applicant and the limited partnership shall comply with Business and Professions Code section 19892 and shall so notify the Commission in writing.

(d) If the denied applicant is a principal in a business entity not otherwise described above that is licensed, registered, or found suitable by the Commission:

(1) The denied applicant shall resign his or her position within that entity and divest whatever interest is held in that entity pursuant to the timelines and instructions specified in the Commission's decision, and shall so notify the Commission in writing.

(2) The business entity shall remove the denied applicant from any principal role in the business entity and shall so notify the Commission in writing.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, 19876, 19882, 19883 and 19892, Business and Professions Code.

APPENDIX A: FORMS

Please refer to the California Gambling Control Commission's website (www.cgcc.ca.gov) for its forms

CHAPTER 2. WORK PERMITS.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

12100. DEFINITIONS

In addition to section 12002, the following definitions govern the construction of the regulations contained in this Chapter:

(a) "Regular Work Permit" or "Work Permit" means a work permit issued pursuant to Business and Professions Code section 19912 for a period of no more than two years.

(b) "Temporary Work Permit" means a work permit issued pursuant to this article to a prospective gambling enterprise employee in accordance with Business and Professions Code section 19824, subdivision (f), valid for a period not to exceed 120 days from the date of issuance.

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.

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. 07/17) which is hereby incorporated by reference.

(b) "Replacement Badge Application" means the "Application for Replacement Work Permit Badge" BGC-026 (Rev. 07/17) which is hereby incorporated by reference.

(c) "Transfer of Work Permit Application Form" means the "Application for Transfer of Work Permit" BGC-022 (Rev. 07/17) 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. 07/17) 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 2. REGULAR WORK PERMITS

12104. TERM OF WORK PERMIT

As provided in Business and Professions Code section 19912, a work permit issued by the Commission is valid for two years. If a temporary work permit is issued, the term of the subsequently issued regular work permit shall run from the date of the issuance of the temporary work permit.

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.

12105. MANDATORY AND DISCRETIONARY GROUNDS FOR DENIAL OF WORK PERMIT

(a) An application for a work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification under Business and Professions Code section 19859.

(2) The applicant is found unqualified pursuant to the criteria set forth in subdivisions (a) or (b) of Business and Professions Code section 19857.

(b) An application for a work permit may be denied by the Commission if it finds any of the following:

(1) Cause set forth in Business and Professions Code section 19914, subdivision (a), paragraphs (1) through (9), inclusive.

(2) Within ten years immediately preceding the submission of the application, the applicant was convicted of any of the following offenses:

(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 a violation of the Gambling Control Act.
(E) A misdemeanor involving dishonesty or moral turpitude whether or not the applicant was granted relief pursuant to Sections 1203.4, 1203.4a, or 1203.45 of the Penal Code.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute.

(d) The criteria set forth in this section shall constitute grounds for objection to the issuance of a work permit by a city, county, or city and county pursuant to Business and Professions Code section 19912.

(e) The provisions of Business and Professions Code sections 19857, 19859, and 19914, subdivision (a) shall be deemed incorporated by reference into this regulation for the purposes set forth in this section. For the purposes of this section, the criteria incorporated by reference in these regulations from Business and Professions Code section 19914, subdivision (a), apply to conduct or events occurring prior to the filing of an application for a work permit.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 19800, 19811, 19816, 19857, 19859, 19911, 19912 and 19914(b), 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, 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(k), 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.

12124. EFFECT OF DENIAL OR CANCELLATION OF TEMPORARY WORK PERMIT

Denial of an application for a temporary work permit or cancellation of a temporary work permit shall not suspend the processing and review of the related application for a regular work permit.

Note: Authority cited: Sections 19811(a), 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 19824, 19910 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.

12128. CANCELLATION OF TEMPORARY WORK PERMIT

(a) Any temporary work permit issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary work permit shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary work permit is ineligible under subsection (c) of Section 12122, has failed to reveal any fact material to the holder's qualification for a temporary work permit, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary work permits.

(2) Pursuant to Business and Professions Code section 19826, the Bureau recommends denial of a regular work permit to the applicant.

(3) The applicant's regular work permit application is referred by a vote of the Commission for an evidentiary hearing pursuant to Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary work permit.

(4) The Executive Director receives from the applicant a request to withdraw his or her application for a regular work permit.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director or his or her designee shall immediately do all of the following:

(1) Notify the temporary work permit holder, the gambling establishment, the local law enforcement agency, and the Bureau in writing of the cancellation of the temporary work permit and the grounds thereof.

(2) Require the holder of the license for the gambling establishment or its hiring authority to terminate immediately any employment of the holder covered by the cancelled temporary work permit.

(3) Notify the temporary work permit holder that he or she is required to surrender the temporary work permit to the Commission not more than

ten days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and l9841, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912(a) and (d), 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 Executive Director 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 issued 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: REGISTRATION; LICENSING

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 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) must 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 either employed or hired by a primary owner including a subcontractor or independent contractor who is present in the gambling establishment during the provision of proposition player services under the primary owner’s proposition player contract, who is not authorized to provide proposition player service. “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 (i), and
(C) Any funding source.

(17) “Primary Owner” means the owner specified in subparagraph (A) of paragraph (16) of this subsection.

(18) “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.

(19) “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.

(20) "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.
(21) "Registrant" means a person having a valid registration.
(22) "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, 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.
(23) "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.
(24) "Supervisor" means an individual who, in addition to any supervisorial responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to proposition players engaged in the provision of third-party proposition player services in a gambling establishment.
(25) "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. 07/17)) 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. 07/17)) for a level III investigation.
   (C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 07/17)) 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. 07/17)) for a level I investigation.

(26) "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.

(27) "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."

(28) "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.

12200.1. CERTIFICATE

(a) The Commission shall issue a registration or license certificate, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 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. 10/17)), 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. 10/17), which is hereby incorporated by reference.

(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. 07/17), 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.

12200.7. Proposition Player Contract Criteria

(a) All proposition player contracts will be subject to, and superseded by, any changes in the requirements of regulations adopted under Business and Professions Code section 19984 that conflict with or supplement provisions of the proposition player contract.

(b) Each proposition player contract must specifically require all of the following to be separately set forth at the beginning of the contract in the following order:

(1) The names of the parties to the contract.

(2) The effective dates of the contract; expiration date shall be the last day of the month.
(3) The specific name of the Bureau-approved gaming activities for which proposition player services may be provided.
(4) The maximum and minimum number of gaming tables available to the proposition player provider service.
(5) That no more than one owner, supervisor, or player from each provider of proposition player service shall simultaneously play at a table.
(6) The hours of operation that proposition player services will be provided.
(7) A detailed description of the location, applicable security measures, and purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or kept within the gambling establishment by or on behalf of the primary owner.
(8) That proposition player services shall be provided in the gambling establishment only in compliance with laws and regulations pertaining to controlled gambling.
(9) That proposition player services may be provided only by authorized players with current registration or licensing under this chapter.
(10) That the primary owner shall provide the gambling establishment with a copy of its registration or license certificate, and that the gambling establishment shall maintain the certificate on file, together with a copy of the proposition player contract applying to that establishment.
(11) That a registrant or licensee may not provide proposition player services in a gambling establishment for which the registrant holds a state gambling license, key employee license, or work permit.
(12) That collection fees charged by the house for participation in any controlled game shall be the same as those charged to other participants during the play of the game.
(13) Any agreement between the primary owner and the house for owners or supervisors to inspect or receive a copy of surveillance recordings of tables at which proposition player services are provided under the contract during the times the services are provided, as necessary for business purposes.
(14) A full disclosure of any financial arrangements entered into during the term of the contract for any purpose between the house and any registrant or licensee covered by the proposition player contract. If there is no financial consideration that passes under the contract, a statement to that effect shall be included.
(15) That any legal dispute between the primary owner and the house, including any exclusion of a registered or licensed owner, player, or supervisor covered by the contract with the house shall be reported in writing within ten (10) days by the primary owner and the house to both the Commission and the Bureau.
(16) That the primary owner and the house shall report in writing within ten (10) days to both the Commission and the Bureau the identity of any registrant whose activities are covered by the proposition player

contract and who is arrested in the gambling establishment by a peace officer, who is removed from the gambling establishment by a peace officer or the house, or who is involved in a patron dispute regarding his or her activities in the gambling establishment that is the subject of a report to a peace officer and that results in removal of one or more individuals.

(17) That any cheating reported to the house by a registrant or licensee shall be reported in writing within five (5) days of the incident by the primary owner and the house to the Commission and Bureau.

(18) That the criteria for granting any rebates by proposition players to patrons be fully disclosed in the contract; and that neither the house nor any employee of the house shall have any role in rebates. If there are no criteria for granting rebates, a statement to that effect shall be included.

(19) That any tipping arrangements shall be specified in the contract and that percentage tips shall not be given. If there are no tipping arrangements, a statement to that effect shall be included.

(20) That the primary owner may reimburse the house in specified amounts for equipment such as surveillance cameras and monitors, or cards, shuffling machines, and dice. Neither the primary owner nor its employees shall purchase, lease, or control such equipment. If there is no arrangement to reimburse the house for equipment, a statement to that effect shall be included.

(21) That the contract is a complete expression of all agreements and financial arrangements between the parties; that any addition to or modification of the contract, including any supplementary written or oral agreements, must be approved in advance by the Bureau pursuant to Section 12200.10B (Review and Approval of Amendments to Proposition Player Contracts) before the addition or modification takes effect.

(c) (1) Except as expressly authorized by this subsection, a proposition player contract shall not include any provision authorizing payment to or receipt by the house, or a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any payments made by a registrant or licensee to the house for a purpose determined by agreement with the house shall be specifically authorized by the proposition player contract. All payments shall be specified in the contract. The contract shall identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the items provided or received in each of these categories.

(2) In no event may a proposition player contract provide for any payment based on a percentage or fraction of the registrant's or licensee's gross profits or wagers made or the number of players. All payments shall be fixed and shall only be made for services and facilities requested by, and provided to, the registrant or licensee, and for a reasonable share

of the cost of advertising with respect to gaming at the gambling establishment in which the registered or licensed owner participates.

(3) No contract provision shall authorize any payments for services or facilities that are substantially disproportionate to the value of the services or facilities provided. No contract shall include any charge, direct or indirect, for the value of an exclusive right to conduct proposition play within all or a portion of the gambling establishment. No payment other than the collection fee for play, shall be required for play at any table, including, without limitation, reservation of a seat.

(d) The proposition player contract shall not contain any provision that limits contact with officials or employees of the Commission or Bureau. The proposition player contract shall prohibit an owner or the house from retaliating against any registrant or licensee on account of contact with an official or employee of the Commission or Bureau or any other public official or agency.

(e) A proposition player contract shall be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the house from having any interest, whether direct or indirect, in funds wagered, lost, or won. No proposition player contract shall be approved that would permit the house to bank any game in the gambling establishment.

(f) Each proposition player contract approved by the Bureau shall contain a provision authorizing the Commission, after receiving the findings and recommendation of the Bureau, to terminate the contract for any material violation of any term required by this section.

(g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more than one primary owner at the same time. This subsection is not intended to prohibit a contract in which a gambling establishment and a primary owner agree that one primary owner shall be the exclusive provider of proposition player services to that gambling establishment.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.9. Review and Approval of Proposition Player Contracts

(a) (1) Proposition player services must not be provided except pursuant to a written proposition player contract approved in advance by the Bureau. Provision of proposition player services by any person subject to registration or licensing under this chapter, or engagement of proposition player services by the holder of a state gambling license, without a contract as required by this section is a violation of this section. The Bureau must approve a proposition player contract only if all the following requirements have been satisfied:

(A) The contract is consistent with this regulation and the Act.

(B) The contract does not provide for controlled gambling that will be conducted in a manner that is inimical to the public health, safety, or welfare.
(C) The contract will not create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of controlled gambling or in the carrying on of the business and related financial arrangements.
(D) The contract will not undermine public trust that the controlled gambling operations covered by the contract will be conducted honestly, by reason of the existence or perception of any collusive arrangement between any party to the contract and the holder of a state gambling license, or otherwise.

(2) Prior to December 7, 2003, each primary owner providing proposition player services at a gambling establishment on the date that these regulations originally became effective (November 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player Services (BGC-APP-030 (Rev. 07/17)), which is hereby incorporated by reference.

(3) A complete application for contract approval must include all of the following:
(A) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030) referenced in paragraph (2).
(B) A completed Appointment of Designated Agent for Owners and Proposition Players (BGC-APP-031 (Rev. 07/17)), which is hereby incorporated by reference.
(C) An executed copy of the contract that specifically addresses all of the requirements of Section 12200.7.
(D) A $1000 nonrefundable application fee.
(E) The 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 contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.

(4) The Bureau shall notify the applicant, in writing, within ten working days of receiving the application that the application or resubmitted application is complete or incomplete. If an application is incomplete, the Bureau shall request, in writing, any information, fees, or documentation needed to complete the application. Unless extended by the Bureau for further investigation up to 90 days or with the consent of the applicant, review and approval or disapproval of a proposition player contract shall be completed within 90 days of receiving a completed application and notice thereof shall be sent via United States

mail to the applicant or the applicant's designee within ten (10) days of the Bureau's decision. Notice of disapproval of the contract or amendments shall specify the cause.

(b) An executed copy of the currently effective contract, and all amendment(s) thereto, and a copy of all Bureau notices that approved the contract and any amendment shall be maintained at the gambling establishment and shall be provided for review or copying upon request by any representative of the Commission or Bureau.

(c) The term of any proposition player contract shall not exceed two years and shall not be extended or renewed without the prior approval of the Bureau. 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 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.

12200.10A. Expedited Review and Approval of Proposition Player Contracts

(a) In lieu of the procedure specified in Section 12200.9, the Bureau must provide an expedited review process of an application for contract approval if all of the following conditions exist

(1) Proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application pursuant to a contract that was previously approved by the Bureau and that has been terminated in whole or in part.
(2) The proposed contract is between the house and a different primary owner than the previous contract under which proposition player services were provided in the gambling establishment.
(3) The terms of the proposed contract are substantially identical to the contract previously approved by the Bureau under which proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application.

(b) If an application for contract approval is submitted as an expedited contract request and the Bureau determines that it does not meet the criteria, the primary owner or designee and the house shall be notified within three (3) business days of the Bureau's decision. Any contract that is not processed through the expedited review and approval process shall be treated as a new contract request and reviewed and approved or disapproved as otherwise provided by Section 12200.9(a).

(c) The Bureau must complete the expedited review and approval of a contract within five (5) business days of receiving all of the following:

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030), referenced paragraph (2) of subsection (a) of Section 12200.9.
(2) A completed Appointment of Designated Agent for Owners and Proposition Players (BGC-APP-031 (Rev. 11/07)), referenced in Section 12200.9.
(3) An executed copy of the contract that specifically addresses all the requirements of Section 12200.7.
(4) A $1000 nonrefundable application fee.
(5) An expedited processing fee of $150 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated processing costs in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 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.

12200.10C. Submission of Contract or Amendment to Commission

(a) As soon as is practicable after determining that any application for approval of a proposition player contract or amendment is complete and that the contract or amendment appears to qualify for approval, but in no event more than 75 days from receipt of the application package, the Bureau shall submit the contract or amendment to the Executive Director for review and comment. The Executive Director shall provide the Bureau with comments, if any, within 15 days

of receipt of the contract or amendment. This paragraph does not apply to expedited approval under Section 12200.10A.

(b) A copy of the Bureau's notice of approval or disapproval of a proposition player contract or amendment thereto shall be sent to the Commission.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.11. Extension of Proposition Player Contracts

(a) An application for approval of a contract to continue proposition player services must include all of the following:

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030), referenced in paragraph (2) of subsection (a) of Section 12200.9.
(2) A $1000 application fee.
(3) An executed copy of the contract.
(4) A deposit in such amount as, in the judgment of the Chief of the Bureau, will be sufficient to pay the anticipated processing costs. The Bureau may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.

(b) The application shall be submitted to the Bureau no later than 90 days prior to the date that the current contract is scheduled to expire.

(c) As soon as is practicable after determining that any application for approval of a proposition player contract extension is complete and that the contract extension appears to qualify for approval, but in no event more than 75 days from receipt of the application, the Bureau shall submit the contract extension to the Commission for review and comment. The Commission shall provide the Bureau with comments, if any, within 15 days of receipt of the contract extension.

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. 10/17)), 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.

12200.15. Transfers and Sale

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPP registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application for registration or license, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of the final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.17. Emergency Orders

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19931 and 19984, Business and Professions Code.

12200.18. Revocation

The Commission may revoke a registration or license, upon any of the following grounds, after a hearing conducted pursuant to the same procedures applicable to the revocation of a gambling establishment license:

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act or this chapter.

(b) Any act or omission by the registrant that would disqualify the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from obtaining licensing under this chapter.

(c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, including any violation of laws related to cheating.

(d) The registrant or licensee failed or refused to comply with the requirements of Section 12003.

(e) The registrant or licensee failed or refused to comply with the requirements of Section 12200.14 (Organization Chart and Employee Report).

(f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission.

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling licensee or proposition player registrant or on the premises of a gambling establishment.

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Act by the registrant or licensee.

(i) The registrant or licensee buys or sells chips other than to or from the house, except for exchanging with a patron chips of one denomination for chips of another denomination.

(j) The registrant or licensee lends money or chips to gambling establishment patrons, except for exchanging with a patron chips of one denomination for chips of another denomination.

(k) The registrant or licensee made wagers that were not specifically authorized by the game rules approved by the Bureau.

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) to (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Act and failed or refused to take action to prevent the recurrence of the violation or violations.

(n) The registrant or licensee provided proposition player services to a gambling establishment without a Bureau-approved contract on and after April 30, 2004.

Note: Authority cited: Sections 19840, 19941, and 19984, Business and Professions Code. Reference: Section 19984, 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 Bureau, 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 Bureau, 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 Bureau.

(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: Section 19984, Business and Professions Code.

ARTICLE 2. REGISTRATION

12201. REGISTRATION

(a) On and after March 31, 2004, in addition to the requirements of Section 12200.9(a)(1), no person may provide proposition player services or obtain a badge, as required by Section 12200.3, without a current valid registration issued by the Commission.

(b) Registration will be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor does not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner, and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (i), inclusive, must individually apply for and obtain registration as an owner listed on the business entity's registration certificate. No business entity or sole proprietor can be registered under this chapter that is also licensed under the Act to operate a gambling establishment.

(e) If the application is for registration as a supervisor or player, the primary owner that will employ the applicant must be currently registered under this chapter.

(f) Registration is non-transferable.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19951(a), Business and Professions Code.

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 subsection (d) of Section 12008.
(2) A completed Bureau Application for Third Party Proposition Player Services Registration (BGC-435 (Rev. 10/17)), 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. 07/17)), 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 Commission and Bureau as required for the application and as requested by the 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 therefore 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 renewal of 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 therefore under Section 12204.

(e) The Bureau shall provide written notice of abandonment of an application and the Commission to the applicant. 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.

12203.1. TEMPORARY PLAYER REGISTRATION

(a) While an application for regular player registration is being processed, and subject to Section 12203.2, the Executive Director may issue a temporary registration pursuant to this section, which shall be valid for no more than 60 days.

(b) Upon issuance of a regular registration, the temporary registration previously issued to the registrant shall become void and shall not be used thereafter.

(c) In the event that the regular registration is issued prior to Commission action on the application for the temporary registration, the application for the temporary registration shall be deemed withdrawn and no further action will be taken on it.

(d) If an application for a regular registration is withdrawn, the application for a temporary registration shall be deemed abandoned and the Commission will take no further action.

(e) If Family Code section 17520 (child and family support) is applicable to an application, then a temporary registration shall be issued for 150 days as provided in the Family Code.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 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:

(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.

12203.5. CANCELLATION OF TEMPORARY REGISTRATION

(a) Any temporary registration issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary registration shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary registration is ineligible under subsection (c) of Section 12203.2, has failed to reveal any fact material to the holder's qualification for temporary registration, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary registrations.

(2) The applicant's regular registration application is referred by a vote of the Commission for an evidentiary hearing pursuant Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary registration.

(3) The Executive Director receives from the applicant a request to withdraw his or her application for regular registration.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director shall immediately do all of the following:

(1) Notify the temporary registration holder, the primary owner, the contracted gambling establishment, and the Bureau in writing of the cancellation of the temporary registration and the grounds for cancellation.

(2) Notify the temporary registrant that he or she is required to surrender the temporary registration badge to the Commission not more than ten (10) days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12204. INELIGIBILITY FOR REGISTRATION

An applicant will be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) If the application is for registration as an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant has violated one or more of the prohibitions set forth in paragraphs (5), (11), or (19) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(h) The applicant has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (14), (15), (16), (17) and (20) of subsection (b) of Section 12200.7, or in paragraph (2) of subsection (c) or subsection (e) of Section 12200.7.

(i) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12205. CANCELLATION OF REGULAR REGISTRATION

(a) Any regular registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the owner, if the registrant is a supervisor, player, or other employee and to any gambling establishment in which the registrant provides proposition player services.
(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

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. 10/17)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434 (Rev. 08/18)), 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 cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12218.1. SUBSEQUENT REGISTRANTS

After a primary owner is licensed, the summons previously issued to that primary owner by the Bureau shall be deemed to apply to all subsequent registrants who become affiliated with that primary owner subsequent to licensure.

Note: Authority cited: 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 will 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 will act on the request, pursuant to Section 12054, within 120 days after the Bureau report for that application is submitted to the Commission, 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 12205.01.

(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 the anticipated investigation and processing costs, in accordance with Business and Professions Code sections 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.

12218.11. INELIGIBILITY FOR LICENSING

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any disqualifying felony under Business and Professions Code section 19859, subdivision (c).

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f)The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The requester has violated one or more of the prohibitions set forth in paragraphs (5), (11) and (20) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(i) The requester has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) or (21) of subsection (b) of Section 12200.7 or in paragraph (2) of subsection (c) of Section 12200.7.

(j) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19859 and 19984, Business and Professions.

12218.13. TERM OF LICENSE

All initial and renewal licenses shall be issued for a period of two (2) years.

Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section 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 govern the construction of this chapter.

(b) As used in this chapter:

(1) "Additional Badge" means a badge provided by the Commission 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) will 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.

(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 either employed or hired by a primary owner including a subcontractor or independent contractor who is present in the gambling establishment during the provision of proposition player services under the primary owner's proposition player contract, 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.

(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 (i), 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) "Primary Owner" means the owner specified in subparagraph (A) of paragraph (17) of this subsection.

(20) "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.

(21) "Registrant" means a person having a valid registration.

(22) "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.

(23) "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.

(24) "Supervisor" means an individual who, in addition to any supervisorial 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.

(25) "Supplemental information package" means all of the documentation and deposits required by each of the following forms (which are referenced in paragraph (25) 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.

(26) "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.

12220.1. CERTIFICATE

(a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the 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. 10/17)), 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. 10/17), which is hereby incorporated by reference.

(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 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 and 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.07/17), 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 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. 10/17)), 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 or licensed 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.

12220.15. Transfers and Sales

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

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

12220.17. Emergency Orders

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

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

12220.18. REVOCATION

The Commission may revoke a registration or license, upon any of the following grounds, after a hearing conducted pursuant to the same procedures applicable to the revocation of a gambling establishment license:

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act or this chapter.

(b) Any act or omission by the registrant that would disqualify the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from obtaining licensing under this chapter.

(c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, including any violation of laws related to cheating.

(d) The registrant or licensee failed or refused to comply with the requirements of Section 12003.

(e) The registrant or licensee failed or refused to comply with the requirements of Section 12220.14 (Organization Chart and Employee Report).

(f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission.

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling business registrant or licensee or proposition player registrant or licensee or against a holder of a state gambling license, or on the premises of a gambling establishment.

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Act by the registrant or licensee.

(i) The registrant or licensee buys or sells chips other than to or from the house, except for exchanging with a patron chips of one denomination for chips of another denomination.

(j) The registrant or licensee lends money or chips to gambling establishment patrons or proposition players, except for exchanging with a patron chips of one denomination for chips of another denomination.

(k) The registrant or licensee made wagers that were not specifically authorized by the game rules approved by the Bureau.

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) through (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Act and failed or refused to take action to prevent the recurrence of the violation or violations.

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

(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: Section 19853(a)(3), Business and Professions Code.

12220.20A. Annual Fee as Applied to Those Registered or Licensed Under Chapter 2.1

(a) A primary owner who is currently registered or licensed under Chapter 2.1 may also operate as a gambling business and not be required to pay annual fees under Chapter 2.2 if the following conditions are satisfied:

(1) The primary owner has paid all Chapter 2.1 annual fees due on the date of the Chapter 2.2 application.

(2) The primary owner files an application for registration or licensure under this chapter and pays the applicable application fee specified in subsection (e) of Section 12008.

(3) Each registrant or licensee affiliated with the primary owner under Chapter 2.1 who wishes to be registered or licensed under Chapter 2.2 pays a one hundred and twenty-five dollar ($125) fee for this Chapter 2.2 registration or license.

(b) If an employee works solely as part of a gambling business and does not provide services under Chapter 2.1, then the primary owner shall pay the per registrant or licensee annual fee assessment for that employee pursuant to Section 12220.20.

(c) If a background investigation of a person has already been performed under Chapter 2.1, and if that person's registration or licensure under Chapter 2.1 is current, then a second background investigation shall not be required under this chapter.

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.

12220.23. EXCLUSION

(a) In order to promote the purposes of the Act to provide for effective regulation of gambling enterprises, owner-licensees of gambling establishments shall notify the Commission and Bureau of, and may exclude from the gambling establishment, any person that the owner-licensee reasonably believes is conducting a gambling business within the gambling establishment without having been registered or licensed under this chapter. An owner-licensee acting under this section shall notify the Commission and Bureau in writing of any such unregistered or unlicensed person and of any such exclusion, including the identity of the excluded individuals and entity if known, within ten (10) business days following the exclusion. Upon receiving such notice of an unregistered or unlicensed person, the Commission shall notify the person in writing of the registration and license requirement of this chapter and shall notify all owner-licensees of the name of the unregistered or unlicensed person, if known and may condition any subsequent registration or license of the person under this chapter or Chapter 2.1 of this division upon a 60 to 90 day suspension of registration or license or payment of a civil penalty under Business and Professions Code section 19930(c), or both.

(b) An owner-licensee of a gambling establishment may exclude any registered or licensed gambling business and shall notify the Commission and Bureau in writing within five (5) days following the exclusion.

Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code

ARTICLE 2. REGISTRATION

12221. REGISTRATION

(a) No person may engage in a gambling business as an owner or as an employee or independent contractor of an owner, nor may any person obtain a badge as required by Section 12220.3 without a current valid registration issued by the Commission. Persons registered to provide proposition player services under Chapter 2.1 (commencing with Section 12200) of this title are not required to register under this chapter to provide proposition player services pursuant to one or more proposition player contracts approved by the Bureau pursuant to Section 12200.9 of this title.

(b) Registration will be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor does not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (i), inclusive, must

individually apply for and obtain registration as an owner listed on the business entity's registration certificate.

(e) Any application for registration of any person, other than as the primary owner, must designate the primary owner or owners that will employ the applicant or with whom the applicant otherwise will be affiliated.

(f) If the application is for registration as a supervisor, player, or other employee, the primary owner that will employ the applicant must be currently registered under this chapter.

(g) Registration is non-transferable.

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

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:

(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. 10/17)), 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. 07/17)), 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 the 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.

12224. INELIGIBILITY FOR REGISTRATION

An applicant shall be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) The applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e) or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant is ineligible based on any other provision of law.

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

12225. CANCELLATION OF REGISTRATION

(a) Any registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the primary owner, if the registrant is not the primary owner and to all gambling establishments.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

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. 10/17)) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534 (Rev. 10/17)), 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.

ARTICLE 3. LICENSING

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 will 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 will act on the request, pursuant to Section 12054, within 120 days after the Bureau report for that application is submitted to the

Commission, 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.

12236. INELIGIBILITY FOR LICENSING

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any disqualifying felony under Business and Professions Code section 19859, subdivision (c).

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3) and 19859, Business and Professions Code.

12237. TERM OF LICENSE

All initial and renewal licenses shall be issued for a period of two (2) years.

Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), 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, 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 paragraph (25) of subsection (b) of Section 12220 and 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.

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 of 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 3. CONDITIONS OF OPERATION FOR PROVIDERS OF PROPOSITION PLAYER SERVICES AND GAMBLING BUSINESS

ARTICLE 1. GENERAL PROVISIONS

12250. DEFINITIONS

(a) Except as otherwise provided in subsection (b), the definitions in Business and Professions Code section 19805, and Sections 12002, 12200, and 12220 of this division, governs the construction of this chapter.

(b) For the purposes of this chapter, the following definitions apply:

(1) "Authentication" means the verification that an individual is authorized to access a system.
  (A) "Active authentication" means the identification information of an individual with permission to use or access an electronic playing book system.
  (B) "Inactive authentication" means the identification information of an individual that no longer has permission to use or access an electronic playing book system.
(2) "Backup" means the process of copying files to a physical and removable second medium that is accessible to the Bureau or other law enforcement, including but not limited to disk, tape, or flash memory.
(3) "Electronic playing book" refers to a collection of digital playing book forms.
(4) "Electronic Playing Book Device" or "playing book device" means a terminal used to access an electronic playing book.
(5) "Hardcopy playing book" means a tangible collection of paper playing book forms.
(6) "Independent gaming test laboratory" means a gaming test laboratory that is either:
  (A) (1) Licensed or registered to test, approve, and certify gambling equipment, systems, and software in any United States jurisdiction; and,
    (2) Accredited by a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement; or,
  (B) Operated by a state governmental gaming regulatory agency.

(7) “Information technology technician” or “IT technician” means any person who is responsible for and has the system permissions necessary to access an electronic playing book system, including but not limited to the software coding, data storage functions, all critical components of system functioning, and the receipt of system alerts in accordance with paragraph (5) of subsection (a) of Section 12263.
(8) “Ink” means a pigmented liquid or paste used especially for writing or printing. For purposes of this chapter, ink also includes printer toner powder or other means of placing an indelible mark onto paper.
(9) “Permissions” means the assigned level of system access rights of an individual to view or make changes to the content of a system.
(10) “Playing Book” means a record documenting each session of play by a third-party proposition player or by a gambling business individual player.
(11) “Primary database” or “database” means a collection and storage of all electronic playing book information.
(12) “Session of play” as used in Section 12260 means the time period when a TPPPS company or gambling business operates a player at a gaming table before the gaming table closes; however, provided that in no event may a time period be longer than 24 consecutive hours.
(13) “Synchronization” or “synch” means the process of uploading information from a terminal to a primary database.
(14) “System” means a group of interdependent components that interact regularly to perform a task.
(15) “Terminal” means computer hardware that is used to enter data into or display information from a system.

Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19805, 19841, 19853 and 19984, Business and Professions Code.

ARTICLE 2. PLAYING BOOKS

12260. GENERAL PROVISIONS

(a) Nothing in this article prohibits a licensee from using more stringent standards, or from having other applications or programs accessible from a terminal with access to the playing book system. Programs performing processes other than playing book functions may be a separate application, but any program with access to the electronic playing book database must be approved by the Bureau. The licensee is responsible to ensure that there is no data leakage or data contamination between the playing book database and an unauthorized source.

(b) The primary owner of a TPPPS company or gambling business is responsible for assuring that its players maintain accurate, complete, legible, and up-to-date playing books in conformity with regulations of the Commission for all sessions of play. A playing book must be established and maintained in either hardcopy or electronic form.

(c) The information in a playing book record must be transferred to the primary owner, or a supervisor designated by the primary owner, at the end of each session of play.

(d) Hardcopy playing book records must be recorded in ink, and stored in accordance with Section 12003.

(e) Electronic playing book records must be electronically maintained in accordance with the database and backup requirements of Section 12263.

(f) The primary owner of a TPPPS company or gambling business must develop written procedures, acceptable to the Bureau, for limiting access to the electronic playing book system, database, and equipment; controlling passwords and segregating access within systems; dictating the complexity and expiration of passwords; and, achieving unalterable logs of user access and security incidents.

(g) A playing book form may use any method of data entry acceptable to the Bureau, including, but not limited to, fillable spaces, pre-filled spaces, drop-down menus, or check-boxes, as applicable. Each form in a playing book must include, but is not limited to, all of the following information:

(1) Sequential numbers including a unique identifier for the specific gambling establishment. For hardcopy playing books, any unused form must be voided and maintained in the playing book;
(2) The name of the gambling establishment where play occurred;
(3) The date and time of commencement of the session of play;
(4) The beginning and ending balances of the session of play and for each player that operated during the session of play;
(5) Win and loss balances;
(6) An itemization of all fills and credits for each session of play;
(7) The printed full name and badge number of each player, including owners and supervisors, when acting as players;
(8) The table number assigned by the gambling enterprise;
(9) The specific Bureau identification number of the Bureau-approved controlled game played;
(10) The name of the TPPPS company or gambling business;
(11) The date and time of completion for the session of play;
(12) The signature of the player whose activity has been recorded and the signature of a supervisor. Each signature must include a declaration regarding that player's activities in the following form: "I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."; and,
(13) A place for a cage receipt to be either physically or electronically attached (as appropriate to the playing book type).

(h) If a supervisor is not present to sign, the funds must be deposited into a TPPPS company player's bank within the gambling establishment; and, a cage receipt must be obtained and substituted for that signature.

(i) For electronic playing books, the version of the playing book form to be signed by the player whose activity is being recorded must be in the same format

as the printed version of the approved playing book form and visible as one document on the playing book device. If screen size is a constraint, scrolling across or up and down to view different areas of the form is permitted.

(j) All IT technicians employed by or contracting with a licensee must be registered or licensed as "other employees" pursuant to Chapter 2.1 or 2.2, as applicable, regardless if they are present in the gambling establishment or not. This requirement applies to any subcontractor, independent contractor, or employee thereof who is authorized to perform IT technician duties as defined in paragraph (7) of subsection (b) of Section 12250.

(k) Any incident notification requirements as found in section 12290(c) must be submitted to the Bureau with the following information:

(1) Name of the TPPPS company or gambling business.
(2) Location(s) of incident to include, but is not limited to, the table number or server location, if applicable.
(3) Date of the incident.
(4) Date of discovery of incident.
(5) Name of person reporting the incident.
(6) Description of incident and impact to the electronic playing book system or device.
(7) Description of data compromised.
(8) Resolution or plan to resolve the reported incident.
(9) Licensee name, phone number, and email address.

Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19841, 19853 and 19984, Business and Professions Code.

12261. REVIEW OF PLAYING BOOK FORMS

(a) The Bureau must review and approve or disapprove all playing book forms. Only an approved playing book form on record with the Bureau may be used during play.

(b) To request the review of a new or amended hardcopy playing book, the form Application for Playing Book Approval, BGC-APP 036 (Rev. 1/18), attached in Appendix A to this chapter, must be completed and submitted to the Bureau along with the following:

(1) An application processing fee of $75.
(2) Those using hardcopy playing books must submit a sample playing book form that complies with Section 12260. Those using an electronic playing book system must submit all required information that complies with Sections 12260 and 12262.
(3) If the request is to amend an existing approved playing book form, a brief description of any changes made to the previously approved form must be included.

(c) The Bureau must notify the applicant in writing that an application or a resubmitted application for an initial or amended hardcopy playing book form is complete and accepted for filing; or, is deficient and what is necessary to correct any deficiencies within 10 working days after the receipt of the application. The

Bureau must review and approve or disapprove an initial or amended playing book form within 30 calendar days of receiving a completed application. Written notices regarding this review must be sent to the primary owner or the designated agent.

(d) If a change is non-substantive, for example, the addition of a Bureau-approved controlled game, or a change in formatting, font, spacing, or other cosmetic change, the primary owner must submit a notice and copy of the revised form to the Bureau to update the Bureau's records. This notice will be deemed accepted unless otherwise notified in writing by the Bureau within 30 calendar days of receiving the notice. The Bureau may determine the change is substantive and require the primary owner to request approval pursuant to subsection (b).

(e) An approved playing book form may be used at any gambling establishment where the TPPPS company or gambling business operates.

Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19841, 19853 and 19984, Business and Professions Code.

12262. ELECTRONIC PLAYING BOOK DEVICE REQUIREMENTS

(a) Electronic playing book devices must meet the following information storage and retrieval requirements:

(1) The capability to retrieve or display information for system integrity and certification confirmation.
(2) The playing book form and recorded data must be exportable as a printable version of the playing form and to a spreadsheet file format.
(3) Documentation must be printable from an on-site printer.

(b) Electronic playing book devices must meet the following security requirements:

(1) Upon login, the date and time of last login by the user must appear and be accepted.
(2) The device must have anti-virus, firewall, and unauthorized software installation protection.

(c) Electronic playing book devices must have the following capabilities and limitations:

(1) All access, activities, and entries into the playing book device must be time, date and user identification stamped.
(2) All information entered into the playing book device must be automatically synchronized to the database in time increments of 60 seconds or less.
(3) The capability for manual synchronization.
(4) The ability to remain functional and save to the playing book device in the event of database connectivity failure. Information must be synchronized upon reconnection.
(5) The ability to accept signatures. A signature consists of any method that is supported by the electronic playing book system and approved by the Bureau. This may include, but is not limited to, a signature signed onto a touch-screen, the activation of a mandatory checkbox, or the use of one or more secured authentications, or any combination

thereof. Examples of authentication include, but are not limited to, unique username, password, pin, fob/badge recognition, security image, caption verification, security question, Quick Response (QR) coding, biometrical verification, or facial recognition, or any combination thereof.

(d) In case of a playing book device failure, printed copies of the approved electronic playing book form must be available for use until the device is repaired or replaced. Any information recorded manually must be later entered into the database with a notation that the information was originally recorded manually and the reason therefore.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19841, and 19984, Business and Professions Code.

12263. ELECTRONIC PLAYING BOOK DATABASE REQUIREMENTS

(a) The primary database must meet the following security requirements:

(1) All access, activities, and data entries must be date, time, user identification, and terminal identification stamped and logged.

(2) All communications between the database and any terminal, including the playing book devices, must be encrypted.

(3) The database must have anti-virus, firewall, and unauthorized software installation protection.

(4) The physical database must be surge protected and uninterrupted power supply (UPS) protected.

(5) The database must be able to identify and log the date, time, and terminal of any unauthorized access, system error, or connectivity failure and notify a registered or licensed IT technician.

(b) The database must control system access through the following authentications and permissions:

(1) All users require a minimum of two methods of authentication at login, including but not limited to the options in paragraph (5) of subsection (c) of Section 12262. The database must only allow active authentications to access the device. After three failed attempts by a user to access the system, the database must log the failed attempts and must not permit access under that user's authentications until the login account has been reset.

(2) An IT technician requires a minimum of three methods of authentication for login to access the database, including but not limited to the options in paragraph (5) of subsection (c) of Section 12262. The database must only allow IT technicians with active authentications to access the database. If an IT technician has three failed attempts and is denied access to the database, the database must log the failed attempts, notify the primary owner, and not permit access under that individual authentication until reset by another person with IT technician permissions.

(3) The authentication for any person losing permission to use the system must be made inactive within 24 hours of the loss of permission.

(4) The database must not allow a user to be active on more than one terminal or device at a time without specific permissions as indicated on the chart of system access for the electronic playing book system. The database must be able to identify the terminal and user accessing the system at all times.

(c) The primary database must meet the following information storage and retrieval requirements:

(1) Original data stored in the system cannot be edited, deleted, or replaced. If a change to the data is made, all original data must be preserved, with a notation or documentation of any change, and the reasons therefore.

(2) The database must have the ability to generate the following information:

(A) A system report, including, but not limited to, errors, failed login attempts, and successful logins.

(B) A list of all notations as required in paragraph (1).

(3) The database must have the capability to retrieve or display system information for system integrity and certification confirmation.

(d) A backup of the system and database must be performed daily and documentation maintained in a physically secured location in accordance with paragraph (2) of subsection (f) for five years.

(e) The database must have date and time synchronization for all playing book devices, terminals, and the database, controlled or updated by a network time protocol server.

(f) The database must meet the following location requirements:

(1) The location of the database must be in California and disclosed to the Bureau in accordance with Section 12003; and,

(2) A backup storage location must be at a site other than where the primary database is located for increased protection. A backup storage location must be in California and disclosed to the Bureau with consent to entry and administrative inspection by the Bureau.

(g) If access to the database must be made by a non-licensed party, an IT technician must monitor and be responsible for this access at all times.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19841, and 19984, Business and Professions Code.

12264. Review and Certification of Electronic Playing Book Systems

(a) Each electronic playing book system requires prior review and approval by the Bureau. To request review of the electronic playing book system, the form Application for Playing Book Approval, BGC-APP 036 (Rev. 1/18), referenced in subsection (b) of Section 12261, must be completed and submitted to the Bureau along with the following:

(1) An application processing fee of $1200 per system.

(2) Printed playing book form, screen-shots or pictures of the form as it appears on the device, a copy of the current certification of the electronic playing book system, and a description of how a signature will be indicated, as specified in paragraph (5) of subsection (c) of Section 12262.
(3) Certification from an independent gaming test laboratory that the electronic playing book system, including the software, the database, and a playing book device prototype, meets the requirements of this article. The certification must identify which technical test standard was used.
(4) A chart of system access, providing the position titles, methods of authentication, and the permissions granted for any use of or access to the system. After initial approval, the Bureau must be notified in writing of any changes in the chart of system access within five business days of the change.
(5) A written summary of the design and operation of the system, and at least one of the following:
    (A) A video of the system in operation to include how the system meets the technical requirements of Sections 12262 and 12263; or,
    (B) A prototype device with written instructions and necessary access to the system; or,
    (C) A live demonstration of the system in operation at a Bureau office or at another facility at the expense of the applicant.
(6) The name and contact information of the IT technician responsible for the administration of the electronic playing book system, who must be available by phone to answer any questions during the Bureau's normal business hours.

(b) The Bureau must notify the applicant in writing that a request or resubmitted request for an electronic playing book system approval is complete and accepted for filing or is deficient, and what is needed to correct any deficiencies, within 30 working days after the receipt of the request. The Bureau must review and approve or disapprove an initial or amended playing book system within 120 calendar days of receiving a completed request. The Bureau must send written notices to the primary owner or the primary owner's designated agent.

(c) Security or system replacements or upgrades require certification of continued compliance with the requirements of this article by an independent gaming test laboratory and Bureau approval.
(1) Security updates of a previously approved version do not require Bureau notification or approval, or certification by an independent gaming test laboratory.
(2) Any update to software or system components developed by the licensee or an employee of the licensee requires notification to the Bureau within five business days of the update. That notice must include a description of the update and its necessity.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19841, and 19984, Business and Professions Code.

ARTICLE 3. (RESERVED)

ARTICLE 4. SECURITY AND USE OF PLAYER'S BANKS

12285. GENERAL PROVISIONS

(a) Any written procedures required pursuant to this Chapter must be submitted to the Bureau for their review and approval. This includes any amendments made to the written procedures after initial approval.

(b) The written procedures must be established and implemented in accordance with the applicable provisions of this chapter on or before July 1, 2018.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19826, 19841, 19920, and 19984, Business and Professions Code.

12287. LOSS NOTIFICATION

(a) A licensed or registered TPPPS company and gambling business must develop written procedures which:

(1) Establish a dollar threshold for notification to the primary owner of any significant loss incurred in a single controlled game immediately upon the determination of the loss.

(2) Includes a provision that requires notification to the Bureau's Criminal Intelligence Unit 24 hours after notification has been made to the primary owner.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19826, 19841, 19920, and 19984, Business and Professions Code.

ARTICLE 5. COMPLIANCE

12290. COMPLIANCE

(a) A registrant or licensee under Chapter 2.1 or Chapter 2 must comply with game rules approved by the Bureau, including but not limited to the rules regarding player-dealer rotation and table wagering.

(b) Only an authorized player for a TPPPS and Gambling Business, as applicable, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the operation of the gambling business.

(c) The licensee must notify the Bureau within five calendar days of the following incidents:

(1) An electronic playing book device, system, or database failure that prevents it from functioning as initially approved.

(2) Impermissible use or access to the electronic playing book device system.

(3) Failure of the electronic playing book database to synchronize information from the electronic playing book device for a period longer than 24 hours.

(d) A proposition player contract may, concerning any table assigned for play by the contracted registrant or licensee, contain a provision precluding players of

any other registrant or licensee under Chapters 2.1 or Chapter 2.2 of this division from playing at that table during the periods of play assigned by the proposition player contract for the contracted registrant or licensee.

(e) The house is not precluded from assigning a seat at the table to a registrant or licensee.

Note: Authority cited: Sections 19826, 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19826, 19841, and 19984, Business and Professions Code.

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS

12300. DEFINITIONS

(a) Except as 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 the regulations contained in this chapter.

(b) As used in this chapter only:

(1) "Antique collector" means any individual that sells, exchanges, or otherwise transfers five or fewer antique slot machines, as defined in Penal Code section 330.7, during any calendar year. For purposes of computing the number of antique slot machines transferred during any calendar year, transactions in which a registered manufacturer or distributor acts as an agent or broker on behalf of an antique collector shall not be counted or included. "Antique collector" does not include any individual who is otherwise a manufacturer or distributor within the meaning of paragraph (6) of this subsection.

(2) "Class B" refers to any manufacturer or distributor that has no place of business in the State of California and that does not transport gambling equipment to a destination within the State of California, other than transportation of gambling equipment from an out-of-state location to a tribal gaming facility in this state in compliance with the requirements of section 7.4.5 of the applicable Tribal-State Gaming Compact and the procedures established by agreement there under. All other manufacturers or distributors are Class A.

(3) "Essential Parts" means and includes any of the following:

(A) Game and pay table programmed media, whether in programmable read-only memory or erasable programmable read-only memory.

(B) Other electronic or magnetic storage media containing programming or data that affect the outcome of the game.

(4) "Gambling equipment" means any slot machine or device as defined in section 330b or 330.1 of the Penal Code. "Gambling Equipment" also includes (A) any essential part and (B) any inoperable slot machine or device that is substantially complete and repairable or that can be made operable with the installation of one or more essential parts. Any reference to slot machines or devices has the meaning defined in Penal Code sections 330b and 330.1.

(5) “Manufacture or distribute” and “manufacture or distribution” refer to the activities of a manufacturer or distributor specified in paragraph (6) of this subsection.
(6) “Manufacturer or Distributor” means any person that manufactures, including the assembly, production, programming, or modification of, distributes, sells, leases, inspects, tests, repairs, refurbishes, or stores gambling equipment in this state or for use in this state. Manufacturer or distributor includes, in addition to in-state manufacturers and distributors, persons performing these functions in a location outside of this state with respect to gambling equipment intended for operation in this state.
(7) “Registration” means registration with the Commission under this chapter.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code; and Section 337j, Penal Code. Reference: Section 19841(r), Business and Professions Code; and Section 337j(e)(1), Penal Code.

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. 10/17), 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 or 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.

(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(h), 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.

12306. APPLICABILITY ON INDIAN LANDS

This chapter does not apply to the manufacture or distribution of gambling equipment conducted upon Indian lands in this state on which class III gaming has been authorized, in accordance with a Compact between a federally recognized Indian Tribe and the State of California, as provided in section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497), Title 25, United States Code, section 2710 and any amendments thereto; provided, that the manufacture or distribution is not prohibited by the laws of the United States and is limited to gambling equipment that is used or for use in the Tribe's gaming operation, including the sale of gambling equipment previously acquired for use in the Tribe's gaming operation.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Title 25, United States Code, section 2710.

12308. PENAL CODE APPLICABILITY

Nothing in this chapter shall be construed to make lawful the manufacture, distribution, or transportation of any slot machine or device in violation of any provision of Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Chapter 10 (commencing with Section 330) of Title 9 of Part 1, Penal 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. 07/17), 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.

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 5. ACCOUNTING AND TRANSACTION APPROVALS

ARTICLE 1. ACCOUNTING AND FINANCIAL REPORTING

12311. DEFINITIONS

(a) Except as otherwise provided in subsection (b), the definitions in Business and Professions Code section 19805 and Section 12002 of this division shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Group I licensee" means a licensee with a reported gross revenue of $10 million or more for the preceding fiscal year.

(2) "Group II licensee" means a licensee with a reported gross revenue of $2 million or more but less than $10 million for the preceding fiscal year.

(3) "Group III licensee" means a licensee with a reported gross revenue of $500,000 or more but less than $2 million for the preceding fiscal year.

(4) "Group IV licensee" means a licensee with a reported gross revenue of less than $500,000 for the preceding fiscal year.

(5) "Jackpot administrative fee" means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(6) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805(ad) and, for the purposes of this chapter, the holder of a third-party provider of proposition player services or gambling business license or registration.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19805, 19840, 19841, 19853 and 19984, Business and Professions Code.

12312. RECORD RETENTION AND MAINTENANCE; GENERAL PROVISIONS

Each licensee shall:

(a) Maintain all records required by this article for a minimum of seven years.

(b) Maintain accurate, complete, and legible records of all transactions pertaining to financial activities. Records must be maintained in sufficient detail to support the amount of revenue reported to the Bureau in renewal applications.

(c) Maintain accounting records identifying the following, as applicable:

(1) Revenues, expenses, assets, liabilities, and equity for the gambling enterprise, TPPPS company or gambling business.

(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, separated by gaming activity, of all jackpot monies contributed by the gambling enterprise, jackpot monies collected from patrons, and monies withdrawn for either jackpot administrative fees or payment to patrons.

(d) 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 (balance sheet), a detailed statement of operations (income statement or profit and loss statement), a statement of changes in equity, a statement of cash flow, and other statements appropriate for the particular licensee. A chart of accounts shall be submitted with an initial license or registration application for review and approval by the Bureau.

(e) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (d) 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, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19841, 19857 and 19984, Business and Professions Code.

12313. FINANCIAL STATEMENTS AND REPORTING REQUIREMENTS

(a) Each licensee shall prepare financial statements covering all financial activities of that TPPPS company, gambling business, or the gambling enterprise, as applicable, for each fiscal year, in accordance with generally accepted accounting principles, unless otherwise provided in this section. If a gambling enterprise (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 gambling 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, at a minimum, review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. 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.

(3) A Group III licensee 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 licensee may elect to engage an independent accountant licensed by the California Board of Accountancy to compile or perform a review of the licensee's annual financial statements in accordance with standards for accounting and review services, or to audit the annual financial statements in accordance with generally accepted auditing standards.

(4) (A) A Group IV licensee 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. 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 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.

(b) The Bureau may require a Group II, III, or IV licensee 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.

(c) 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 and the Commission 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.

(d) 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.

(e) 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 by the Bureau or Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19841, 19857 and 19984, Business and Professions Code.

12315. RECORDS AND REPORTS OF MONETARY INSTRUMENT TRANSACTIONS FOR GAMBLING ENTERPRISES

(a) A gambling enterprise 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, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency, in accordance with sections 5313 and 5314 of Title 31 of the United States Code and with Chapter X of Title 31 of the Code of Federal Regulations, and any successor provisions. These reports shall be available for inspection at any time as requested by the Bureau.

(c) 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 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12316. UNCLAIMED OR ABANDONED PROPERTY

(a) A gambling enterprise shall establish written policies and procedures which comply with California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a gaming table or in any player's bank deemed inactive by the terms of the gambling enterprise's policies and procedures, un-deposited checks issued by the gambling enterprise to a patron, and un-deposited checks drawn on a gambling enterprise's account.

(b) Records of the date and amount of any unclaimed property sent or reported to the State Controller shall be kept by the licensee.

Note: Authority cited: Sections 19811, 19840, 19841 and 19920, Business and Professions Code. Reference: Sections 19801 and 19841, Business and Professions Code; and Title 10, Chapter 7 (Commencing with section 1500), Code of Civil Procedure.

CHAPTER 6. GAMBLING LICENSES AND APPROVALS FOR GAMBLING ESTABLISHMENTS AND OWNERS; PORTABLE PERSONAL KEY EMPLOYEE LICENSES

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

12335. DEFINITIONS

(a) Except as otherwise provided in subsection (c) of Section 12002 of these regulations, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Annual Fee" means the fee established by Business and Professions Code, section 19951(b)(2).

(2) "Portable Personal Key Employee License" or "Key Employee License" means a license which authorizes the holder to be associated with any gambling enterprise as a key employee, as provided in Business and Professions Code sections 19805, subdivisions (x) and (y), and 19854, subdivision (c).

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19854 and 19951(b)(2), Business and Professions Code.

ARTICLE 2. GAMBLING LICENSES

12340. GAMBLING LICENSES

(a) No person may conduct a gambling operation without a current valid gambling license issued by the Commission.

(b) A gambling license shall be valid for a period of two (2) years.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852, 19853 and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851, 19855 and 19876(a), Business and Professions Code.

12341. FEE FOR INITIAL STATE GAMBLING LICENSE

(a) The fee required by Business and Professions Code section 19951, subdivision (b)(2)(A) for initial issuance of a state gambling license shall be based on the number of tables authorized by the state gambling license and determined pursuant to the following schedule:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars ($300) for each table.
(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars ($550) for each table.
(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred dollars ($1,300) for each table.
(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred dollars ($2,700) for each table.
(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars ($4,000) for each table.
(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars ($4,700) for each table.

(b) Subsection (a) applies to the following:

(1) The initial issuance of a state gambling license to the holder of a provisional license as defined in Title 11, California Code of Regulations, Section 2140(c).
(2) The initial issuance of a state gambling license to a person who has purchased an existing gambling establishment and who is seeking issuance of an owner's state gambling license certificate pursuant to Business and Professions Code section 19851.

(c) Subsection (a) does not apply to the following:

(1) Changes in the ownership structure of currently licensed gambling establishments.
(2) Holders of newly acquired interests in currently licensed gambling establishments.

Note: Authority: Sections 19811, 19824, 19840, 19841(a) and 19951(b)(2)(A), Business and Professions Code. Reference: Section 19951(b)(2)(A), Business and Professions Code.

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. 10/17).
(2) Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 07/17).

(3) Gambling Establishment Owner Entity Supplemental Information for State Gambling License, BGC-APP-015B (Rev. 07/17).
(4) Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 07/17).
(5) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, BGC-APP-009A (Rev. 07/17).
(6) Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 07/17).
(7) Declaration of Full Disclosure, BGC-APP-005 (Rev. 11/07).
(8) Authorization to Release Information, BGC-APP-006 (Rev. 07/17).
(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. 07/17).
(14) Key Employee Report, BGC-LIC-101 (Rev. 07/17).
(15) Instructions to Applicant's Spouse, BGC-APP-010 (Rev. 07/17).
(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 will 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 will act on an application, pursuant to Section 12054, within 120 days after the Bureau report for that application is submitted to the Commission, 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 (a) 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.

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, CCR, 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.

12346. MANDATORY AND DISCRETIONARY GROUNDS FOR DENIAL OF APPLICATION FOR A GAMBLING LICENSE

(a) An application for a gambling license shall be denied by the Commission if any of the following apply:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(2) The Commission finds that the local ordinance does not conform to the requirements of Business and Professions Code section 19860.

(b) An application for a gambling license may be denied if:

(1) The Commission finds that the applicant meets any of the criteria for license denial set forth in Business and Professions Code section 19862, subdivision (a).

(2) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(3) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or

contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(4) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:
   (A) Any regulation adopted by the Commission or Bureau.
   (B) Any condition, limitation, or directive imposed on a previously held gambling license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19861, 19870, 19872, 19880, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19857, 19858, 19859, 19860, 19862, 19863 and 19960, Business and Professions Code.

12347. STATE GAMBLING LICENSE; SURRENDER; ABANDONMENT

(a) An owner-licensee may propose to surrender a state gambling license at any time prior to expiration. In order to propose the surrender of a license, the owner-licensee must submit a written request to the Commission. A proposed surrender shall be agendized for consideration at the next available Commission meeting. Each proposed surrender shall be considered on its merits by the Commission. A proposed surrender is not effective unless and until the surrender is accepted by the Commission. A proposed surrender may be rejected if the Commission determines that acceptance would not be in the public interest, for example, if the owner licensee is currently under investigation or if disciplinary action has been initiated.

(b) A state gambling license that has been surrendered or abandoned after the effective date of this section is subject to the following:

(1) The license cannot be reactivated, reinstated, reissued, or renewed.
(2) The gambling enterprise associated with that license is no longer eligible to conduct any gambling operation under that license.
(3) Business and Professions Code section 19963 precludes that cardroom from being reopened in that jurisdiction or in any other jurisdiction.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19823, 19851, 19876, 19877 and 19963, Business and Professions Code.

12348. STATE GAMBLING LICENSES: PRIOR SURRENDER OR ABANDONMENT

(a) A state gambling license that was valid as of December 31, 1999, or that was issued pursuant to an application on file with the department prior to September 1, 2000, and that was surrendered or expired without being renewed prior to the effective date of this section, shall be eligible for reinstatement in accordance with the following guidelines:

(1) The applicant seeking to reinstate the license must be the last holder of the license that he or she is seeking to reinstate.

(2) The applicant shall notify the Commission, in writing, within 30 days of the effective date of this section of the intent to apply for reinstatement of the license.
(3) The applicant shall submit all applicable forms for an initial application required pursuant to Section 12342, all fees and deposits required for an initial application required by Section 12341 and Title 11, California Code of Regulations, Section 2037, and all documentation required by subsection (b) within 12 months of the effective date of this section.

(b) The following documentation shall be required of any applicant applying to reinstate a state gambling license under this section:
(1) A copy of the last license issued by the state, or other documentation satisfactory to the Commission, authorizing the applicant to operate the gambling establishment, which may include either a provisional license or a state gambling license. For a corporation or partnership, the applicant must also demonstrate that it is the same entity as was previously licensed to operate the gambling establishment.
(2) A written document addressing the circumstances under which the previous license was surrendered, abandoned, or allowed to expire without being renewed, as well as the applicant's prior efforts, if any, to have the license renewed.
(3) A copy of the current applicable local gambling ordinance.
(4) An opinion from the chief legal officer of the local jurisdiction, dated no earlier than the effective date of this section, certifying that the reopening of the gambling establishment is authorized by and consistent with the local gambling ordinance.
(5) A copy of a formal resolution or other evidence satisfactory to the Commission, adopted by the applicable city council, board of supervisors, or other local governing authority, dated no earlier than the effective date of this section, which clearly states a willingness to issue a local license to the applicant, contingent upon issuance of a state license.
(6) A statement signed by the chief law enforcement officer of the local jurisdiction, dated no earlier than the effective date of this section, confirming that he or she supports the reopening of the gambling establishment.
(7) An economic feasibility study that demonstrates to the satisfaction of the Commission that the proposed gambling establishment will be economically viable, and that the owners have sufficient resources to make the gambling establishment successful and to fully comply with all requirements of the local ordinance, the Act, applicable state regulations, and all local, state, and federal tax laws.

(c) In making the determination to grant or deny a request to reactivate a license pursuant to this section, the Commission shall consider, but is not limited to considering, the following:
(1) Generally, whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine

public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

(2) The circumstances under which the previous license was surrendered, abandoned, or allowed to expire without being renewed. Among other things, the Commission may consider, in its discretion, any or all of the following:
   (A) The presence or absence of any extenuating circumstances.
   (B) Information which indicates an attempt to avoid adverse action arising from potential misconduct as a licensee.
   (C) A voluntary decision to relinquish the prior license.
   (D) The applicant's prior efforts, if any, to have the license reissued or reactivated.

(3) In the case of a corporation or partnership, changes in the legal status or composition of the licensed entity

(4) The potential impact a reopened gambling establishment may have on the incidence of problem gambling.

(5) The potential impact on the local economy, including revenues to the local jurisdiction and the number of jobs that may be created.

(6) The economic impact on cardrooms located within a 20 statute mile radius.

(d) The gambling establishment to be reopened must be located in the same local jurisdiction in which it was previously licensed.

(e) No temporary licenses shall be issued to any applicant under this section.

(f) A gambling license meeting the qualifications of subsection (a) shall be considered abandoned if the time limits imposed by paragraphs (2) and (3) of subsection (a) are not met. An abandoned license shall be subject to the provisions of subsection (b) of Section 12347.

Note: Authority cited: Sections 19800, 19811, 19824, 19840, 19841 and 19963, Business and Professions Code. Reference: Sections 19811, 19823, 19824, 19851, 19856, 19860, 19862, 19864, 19865, 19873, 19876, 19960 and 19963, Business and Professions Code.

12349. INTERIM LICENSES FOR CONTINUED OPERATION FOLLOWING QUALIFYING EVENTS; CRITERIA; PROCESSING TIME; 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, CCR, 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:

(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. 10/17)," 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. 10/17), which is hereby incorporated by reference.
(5) Authorization to Release Information, BGC-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 will 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 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. 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 will act on an application, pursuant to Section 12054, within 120 days after the Bureau report for that application is submitted to the Commission, 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. 10/17), 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. 10/17) 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.

12353. LICENSE CONTENT; LICENSE DISPLAY AND PRESENTATION

(a) A key employee license issued by the Commission shall contain all of the following on the front of the license:
(1) A photograph of the licensee,
(2) The first name of the licensee;
(3) The license number; and
(4) The expiration date of the license.

(b) A key employee license issued by the Commission shall contain the full name of the licensee on the reverse side of the license.

(c) A key employee must wear in a visible and conspicuous manner, their key employee license at all times while on duty in the gambling establishment.

(d) A key employee license shall be presented upon request without delay or interference, to the employee's gambling enterprise employer or supervisor, a representative of the Commission or Bureau, or anyone requesting to verify the key employee has a valid license.

(e) A key employee license shall not be altered in any manner nor shall the content contained on the license be obstructed from view.

(f) A key employee license that has expired or is determined to be invalid, pursuant to any applicable provision of the Act or this division, shall not be used to gain employment or perform any duties which require a valid key employee license. Any expired or invalid license shall be surrendered to the Commission or Bureau upon request.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841 and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19854, 19855 and 19864, 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. 07/17), 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.
(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.

12355. MANDATORY AND DISCRETIONARY GROUNDS FOR DENIAL OF APPLICATION FOR A KEY EMPLOYEE LICENSE

(a) An application for a portable personal key employee license shall be denied by the Commission if any of the following applies:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(b) An application for a key employee license may be denied if:

(1) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(2) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(3) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling or key employee license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19870, 19872, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19856, 19857, 19858 and 19859, 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. 10/17), 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. 10/17), 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. 07/17), 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.

(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.

APPENDIX A: FORMS

Please refer to the California Gambling Control Commission's website (www.cgcc.ca.gov) for its forms

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS

ARTICLE 1. GENERAL PROVISIONS

12360. CHAPTER DEFINITIONS

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

(a) "Cage bank" means a fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained inside a cage for use in gambling operations.

(b) "Cashier bank" means an imprest fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained for or by an individual cashier inside a cage.

(c) "Confidential document" means any document or record, whether maintained in writing or electronically, concerning any entity, individual, or group of individuals that contains any private financial or personal information directly obtained from or provided by the subject (e.g., credit and check cashing information, exclusion lists, Title 31 reports, etc.), or documents that are otherwise protected under any other provision of law, and includes documents and information the public disclosure of which may jeopardize the safety and security of patrons, employees, and their property, the assets of the gambling enterprise, or the integrity of gambling operations.

(d) "Floor bank" means an imprest fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained outside a cage on or near the gambling floor.

(e) “Gambling equipment” means any equipment, devices, or supplies used or intended for use in the play of any controlled game, and includes, but is not limited to, playing cards, tiles, dice, dice cups, card shufflers, and gaming tables.

(f) “Gaming activity” has the same meaning as defined in Title 11, CCR, Section 2010, subsection (f).

(g) “House rules” means a set of written policies and procedures, established by a gambling enterprise, which set general parameters under which that gambling enterprise operates the play of controlled games.

(h) “Licensee” means “owner licensee” as defined in Business and Professions Code section 19805, subdivision (ad).

(i) “Security department” means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

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

(j) “Surveillance unit” means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, and assisting the personnel of the security department in the performance of their duties.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19805, 19841, 19860 and 19924, Business and Professions Code.

12362. STATEWIDE INVOLUNTARY EXCLUSION LIST

(a) A licensee may remove a person from the gambling establishment pursuant to Business and Professions Code section 19801, subdivision (j), or Business and Professions Code section 19845. A gambling establishment may also have an internal removal list to bar certain individuals from entering the specific gambling establishment only.

(b) A licensee or government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) (“requestor”) may submit, on form CGCC-12362 (Rev. 05/11) “Request for Statewide Involuntary Exclusion of an Individual,” which is attached in Appendix A to this chapter, a request to exclude an individual from all California gambling establishments based upon the reasons listed in Business and Professions Code section 19844 or 19845, subdivision (a)(7). Such request shall have the protections afforded under Business and Professions Code section 19846, subdivision (a).

(c) Removal of an individual from a specific gambling establishment, as described in subsection (a) above, or statewide exclusion, pursuant to the request described in subsection (b) above, shall not be based upon the sex, race, color, religion, ancestry, national origin, marital status, sexual orientation, medical condition, or disability of the individual, with the exception that a problem or pathological gambler may be excluded pursuant to Article 6 of these regulations (commencing with section 12460) or involuntarily excluded pursuant to this section.

(d) Upon receipt of a request by a licensee or governmental official for statewide involuntary exclusion of an individual, the Executive Director shall review the reason for exclusion. If there appears to be good cause to place an individual on the statewide involuntary exclusion list, the Executive Director shall cause a notice of exclusion to issue to the individual. Such notice shall state the grounds for exclusion and may be served by personal service, by certified mail at the last known address of the individual, or by publication daily for 1 week in a newspaper of general circulation in the vicinity of the requestor. The exclusion shall be effective upon perfection of notice and shall remain in effect until the individual is removed from the list by Commission decision.

(e) An individual may contest the Commission's notice of exclusion by requesting a hearing from the Commission. Such hearing may be pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director. Such hearing shall occur within 60 days of the request for hearing, unless the time of the hearing is changed by agreement of the Commission and the individual requesting the hearing.

(f) If the individual fails to appear at the time and place set for hearing, and the individual does not contact the Commission within 24 hours to give good cause why the hearing should be reset, a default decision shall issue affirming the exclusion.

(g) At the hearing, the individual may appear in person and/or be represented by counsel at the individual's own expense and present relevant testimony or documentary evidence. If a governmental agency requested that the individual be placed on the statewide involuntary exclusion list, the governmental agency may appear. If a licensee requested that the individual be placed on the statewide involuntary exclusion list, then the licensee or designated agent may appear.

(h) The standard of proof shall be preponderance of the evidence that the individual poses a threat either to the public, gambling enterprise employees, or the gambling industry, or should be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). The burden of proof shall be on the Commission staff. Evidence of exclusion or discipline by another gaming jurisdiction based upon the factors described in Business and Professions Code section 19844 or 19845, subdivision (a)(7) may be introduced.

(i) The final decision in the matter shall be in writing, shall state any term-length for the exclusion if other than lifetime, shall be sent by certified mail or personal service to the individual and the governmental agency or gambling

establishment which requested the individual be placed on the statewide involuntary exclusion list, and shall be effective immediately.

(j) If the individual requested a hearing after the Commission's notice of exclusion and was given a final decision in the matter that affirmed the exclusion, that individual shall not petition the Commission to be removed from the statewide involuntary exclusion list for a minimum of one year after the date of the final decision.

(k) Petitions to be removed from the statewide involuntary exclusion list shall be in writing, directed to the Executive Director, and sent to the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833. Petitioners should clearly state the circumstances of the ejection or exclusion, any new evidence which is material and necessary, including evidence that circumstances have changed since placement on the statewide involuntary exclusion list, and why they do not pose a threat to the public, gambling enterprise employees, the gambling industry, or should otherwise not be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). This statement shall be signed under penalty of perjury under the laws of the State of California. The Executive Director may summarily deny the petition without prejudice due to lack of compliance with this subsection. If not summarily denied, the Executive Director shall provide notice and opportunity to comment to the requestor. After review of the requestor's comments, the Executive Director, may notify the Bureau to remove the individual from the statewide involuntary exclusion list, or may set the matter for hearing pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director.

(l) The Executive Director may order an individual removed from the list after verified information is received that the individual is deceased and shall so notify the Bureau.

(m) If the Commission determines that an individual should be removed from the statewide involuntary exclusion list, the Commission's decision shall include an order removing the individual's name from the list, and shall so notify the Bureau. The Bureau shall amend the exclusion database and send notification to all gambling establishments and to the requestor.

(n) Judicial review of the Commission's decision shall be in accordance with Code of Civil Procedure, section 1094.5.

(o) The statewide involuntary exclusion list shall be maintained by the Bureau, sent or made available to all gambling establishments, and may be shared with law enforcement personnel of any jurisdiction.

(p) Licensees shall implement policies and procedures designed to thwart excluded persons, as noticed by the Bureau, from entering the gambling establishment, ejection or removal procedures of any patrons once recognized as being a known excluded person, and notification to the Bureau of any incidents of attempted entry, entry, or removals of known excluded persons. This regulation

does not require a licensee's policies and procedures to include patrons providing proof of identification before entering the gambling establishment. This regulation does not require the gambling establishment to use physical force in ejecting or removing an excluded person.

(q) The Commission may discipline a licensee that knowingly fails to take prompt, reasonable action to eject or exclude an individual listed on the statewide involuntary exclusion list, or fails to notify the Bureau of any entries or attempts to enter by an excluded person, pursuant to Chapter 10 of these regulations.

(r) This regulation does not create any right or cause of action against a gambling establishment, government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) by an excluded person or abrogate the existing statutory privileges and immunities of a licensee or requestor, or limit or expand the provisions of Business and Professions Code section 19846.

Note: Authority cited: Sections 19840 and 19844, Business and Professions Code. Reference: Sections 19801(j), 19801(m), 19844, 19845, 19846 and 19940, Business and Professions Code.

12364. RELOCATION OF GAMBLING ESTABLISHMENT.

(a) For purposes of this section:

(1) "Neighboring jurisdiction" means any other adjoining jurisdiction whose common boundary line with the governing local jurisdiction is 1,000 feet or less from the proposed new location of the gambling establishment.

(2) "Relocation" means the physical relocation of a gambling establishment, including the buildings, grounds and parking lots, from one site consisting of one or more contiguous parcels to another site, consisting entirely of different parcels. Relocation does not include the addition of new, contiguous parcels to the current site or modification of existing buildings.

(b) An owner-licensee shall notify the Bureau of a planned relocation of a gambling establishment at least 90 days in advance of the intended commencement of gambling operations at the new location on the form entitled "Notice of Relocation," CGCC-050 (New 06/12), which is attached in Appendix A to this Chapter. A draft floor plan of the proposed gambling establishment depicting, at a minimum, the location of the main cage, the count room, the surveillance room, and the gaming area(s) shall accompany the notice to the Bureau.

(1) If the new location is more than 1,000 feet from any boundary line of its governing local jurisdiction, the owner-licensee shall submit to the Bureau all of the following information and documents, of which the information and documents specified in subparagraphs (A) through (C), inclusive, are to be submitted no later than 30 days prior to the Bureau's site visit conducted pursuant to subsection (d):

(A) A copy of the licensee's fully executed rental or lease agreement for, or evidence of the licensee's ownership of, the proposed new location.

(B) A copy of the licensee's fire safety and evacuation plan for the proposed new location, prepared in compliance with Section 12370.

(C) A copy of the licensee's security and surveillance plan for the proposed new location, prepared in compliance with Section 12372.

(D) Documentary evidence of the issuance to the licensee of all required approvals, licenses and permits by any applicable local jurisdictional entity concerning the new location; e.g., business licenses, occupancy permits, conditional use permits, zoning variances, local gaming licenses, etc. These documents, if available, shall be submitted at the same time as the documents specified in subparagraphs (A) through (C), inclusive, or, if not available, shall be submitted upon availability and prior to the commencement of gambling operations.

(E) Documentary evidence of the issuance to the licensee of all required approvals, licenses and permits, other than those specifically relating to gambling operations, by any applicable state or federal agency concerning the new location; e.g., liquor licenses, check cashing permits, etc. These documents are not required to be submitted prior to the commencement of gambling operations or the Bureau's site visit pursuant to subsection (d), but must be submitted to the Bureau prior to the commencement of the associated activity.

(2) (A) If the new location is 1,000 feet or less from any boundary line of its governing local jurisdiction, the owner-licensee shall, in addition to the documentation required by paragraph (1), and prior to the commencement of gambling operations, submit documentation from the appropriate agency or department in the neighboring jurisdiction confirming that the agency or department has no objection to the planned location of the gambling establishment.

(B) As an alternative to obtaining advance confirmation, the licensee may submit to the appropriate agency or department in the neighboring jurisdiction, a copy of its Notice of Relocation concurrent with the submission to the Bureau. The licensee shall provide the Bureau with proof of submission of the notice to the neighboring jurisdiction. The copy of the notice submitted to a neighboring jurisdiction shall be accompanied by a written statement from the licensee which, at a minimum, shall include the following information:

"The appropriate agency or department of [name of neighboring jurisdiction] may submit objections to the proposed relocation of [name of gambling establishment] to the Bureau of Gambling Control, at Post Office Box 168024, Sacramento, CA 95816-8024. Any objections to the proposed location must be received by the Bureau within 45 days of the date of this notice and must be based upon evidence of probable negative effects resulting from the

gambling establishment's relocation or proof that the legitimate interests of residents in the neighboring jurisdiction are threatened."

(C) This paragraph does not apply to a gambling establishment that is all of the following:

1. Already located 1,000 feet or less from any boundary line;
2. After the relocation, it will continue to be within 1,000 feet of same neighboring jurisdiction;
3. Any reduction in distance is less than half of the current distance from the same boundary line; and,
4. Any distance moved parallel to the boundary line is less than half of the current distance from the same boundary line.

(c) (1) If an owner-licensee does not provide documentation from a neighboring jurisdiction as provided in subparagraph (A) of paragraph (2) of subsection (b), and the Bureau receives objections to the relocation from a neighboring jurisdiction, the gambling establishment shall not be relocated without Commission review. The Bureau shall forward the relocation notice to the Commission within 10 days of receipt by the Bureau of objections from any neighboring jurisdiction for placement on a Commission agenda for consideration. The Commission shall notify the objecting neighboring jurisdiction, the Bureau, and the licensee of the time and place of the Commission hearing at least 10 days prior to the hearing in order for all parties to have the opportunity to attend and be heard.

(2) If an owner-licensee obtains documentation from a neighboring jurisdiction as provided in paragraph (2) of subsection (b), or if the Bureau does not receive timely objections to the relocation from a neighboring jurisdiction, no Commission review shall be required and the Bureau may proceed as if paragraph (2) of subsection (b) did not apply.

(d) (1) The Bureau shall schedule and conduct a site visit prior to the intended commencement of gambling operations as indicated in subsection (b). A written report of the findings of the site visit shall be provided to the Commission, as well as any follow-up reports. The Bureau's site visit report shall include determinations regarding compliance with, at a minimum, the following internal control requirements of Article 3 of Chapter 7:

(A) Drop and drop collection, pursuant to Section 12384;
(B) Count and count room functions, pursuant to Section 12385;
(C) Cage functions, pursuant to Section 12386;
(D) Security, pursuant to Section 12395; and,
(E) Surveillance, pursuant to Section 12396.

(2) If the Bureau notes any deficiency in compliance with laws or regulations, including, but not limited to, a deficiency in the internal controls listed in paragraph (1), it shall issue a notice to the owner-licensee to correct the deficiency. The notice shall describe each deficiency and specify a reasonable time in which the deficiency is to be

corrected. The commencement of gambling operations shall not be delayed unless the deficiency prevents substantial compliance with laws or regulations and materially threatens public safety or the integrity of the gambling operation, and the deficiency cannot be corrected or mitigated within a reasonable time. Failure to correct or otherwise mitigate the deficiency may be considered during the license renewal process and may result in disciplinary action under Chapter 10 of this division.

(e) No gambling operations may be conducted at any new location until the provisions of subsections (b) and, if applicable, (c), have been complied with.

(f) If any gambling operations are conducted in violation of subsection (e), the owner-licensee and each endorsed owner shall be subject to disciplinary action under Chapter 10 of this division. For the purposes of this subsection, each day or portion thereof, whether consecutive or not, during which any gambling operations are conducted in violation of subsection (e) shall constitute a separate violation.

(g) Failure to timely provide notice to the Bureau as required by subsection (b) shall constitute a ground for disciplinary action under Chapter 10 of this division.

Note: Authority cited: Section 19811, 19823, 19824, 19840, 19841, 19853(a)(3), 19860, 19862 and 19864, Business and Professions Code. Reference: Sections 19811, 19824, 19826, 19860, 19862 and 19868, Business and Professions Code.

ARTICLE 2. EMERGENCY PREPAREDNESS, SECURITY AND SURVEILLANCE PLANS

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 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS

12380. MINIMUM INTERNAL CONTROL STANDARDS; GENERAL TERMS, CONDITIONS, DEFINITIONS

(a) "Minimum Internal Control Standards," or "MICS," are the minimum requirements to operate a gambling establishment as set forth in this chapter, and include, but are not limited to, administration controls, and controls requiring segregation of duties. A licensee must meet or exceed these requirements in controlling their gambling operation.

(b) The purposes of the MICS are to better ensure the maintenance of accurate records, the recording of all income, the safeguarding of assets and records of the gambling establishment, operational efficiency and integrity, and adherence to prescribed policies and procedures.

(c) Failure by a licensee to comply with the requirements of this article constitutes an unsuitable method of operation and is a ground for disciplinary action.

(d) For purposes of this article:

(1) "Tier I licensee," means an owner licensee authorized to operate one to five tables.
(2) "Tier II licensee," means an owner licensee authorized to operate six to ten tables.
(3) "Tier III licensee," means an owner licensee authorized to operate eleven to thirty tables.
(4) "Tier IV licensee," means an owner licensee authorized to operate thirty-one to sixty tables.
(5) "Tier V licensee," means an owner licensee authorized to operate sixty-one or more tables.
(6) Absent specific reference to a particular tier, any requirement of any regulation in this article shall be deemed to be applicable to all licensees.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19840, 19841, 19922 and 19924, Business and Professions Code.

12381. POLICIES AND PROCEDURES

(a) All licensees shall have written policies and procedures that meet or exceed the MICS contained in this article.

(b) A licensee's policies and procedures shall be communicated to employees through new employee orientations and periodic training sessions.

(c) Adherence to the policies and procedures established to comply with this article shall be required.

(d) On request, copies of a licensee's policies and procedures shall be provided, within a reasonable time specified, for the Commission and/or Bureau to review.

(e) Unless otherwise specified in this chapter, all forms, books, records, logs, lists and any and all other original source or duplicate documentation required to be maintained by a licensee pursuant to this chapter shall be:

(1) Recorded in English;
(2) Recorded in a permanent form or media; and
(3) Maintained for a minimum of three years, unless otherwise specified, in a secured area on site at the gambling establishment or at a California facility approved in advance by the Bureau.

(f) In addition to the requirements of subsection (a) through and including (e), licensees in Tiers II through and including V shall assign the overall responsibility for establishing, periodically reviewing, monitoring, and testing for compliance with their MICS policies and procedures to a specific owner licensee or key employee and shall document the assignment in the licensee's policies and procedures. Tests for compliance with MICS policies and procedures shall be performed at least annually, and may be performed by a licensee's staff, other than the person or persons who normally perform the duties being tested, or by agents or outside consultants (e.g., a certified public accountant) for the licensee. The results of the tests, and a detailed record of the efforts to correct any noncompliance found as a result of the tests, shall be documented and the documentation retained by the licensee.

(g) Licensees shall establish and implement policies and procedures in accordance with the applicable provisions of this section no later than April 1, 2010.

Note: Authority cited: Sections 19827, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

12384. DROP AND DROP COLLECTION

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the drop and collection of the drop for non-electronic gambling tables:

(1) Drop collection fees shall be deposited into a secure container, known as a "drop box," that shall be securely attached to the gambling table. A drop box shall be constructed and controlled in a manner to provide for the security of its contents.
(2) If a jackpot or any other player-funded gaming activity is offered, jackpot collections shall be deposited into a separate drop box, or otherwise segregated, and accounted for separately.
(3) Drop boxes shall have all of the following:
    (A) A lock securing the contents.
    (B) A separate lock securing the drop box to the gambling table. This lock shall be keyed differently from the lock securing the contents of the drop box.
    (C) An individual identifier that corresponds to the gambling table to which the drop box is attached and the shift, if applicable, for which it is used, and that can be documented when the box is removed from the table. Visible drop box identifiers shall be imprinted or

impressed on the box and capable of being seen and read in video surveillance recordings, either while attached to the table or when removed from the table and immediately displayed to a surveillance camera. If a bar code or an equivalent system is used, in addition to the imprinted or impressed identifiers, it shall have the capability to identify each drop box by shift and table, the person or persons performing the collection, and the date and time of the collection.

(D) An opening through which chips collected for fees shall be inserted.

(4) An emergency, interim, or temporary drop box may be maintained without a number or marking, if the applicable designation is permanently imprinted or impressed thereon and, when put into use, it is temporarily marked as provided in subparagraph (C) of paragraph (3) above.

(5) A drop box, when removed from a gambling table, whether in use or not, shall be afforded security sufficient to protect the drop box and its contents and shall be stored in a secure area while awaiting the count.

(6) A drop box, when not in use during a shift, may be stored on a gambling table.

(7) The licensee shall establish and schedule the time(s) for the collection of drop boxes and shall ensure that the entire drop collection process is recorded by video surveillance. Except as otherwise provided in subsection (c), the drop box collection may be performed more frequently or less frequently than the time(s) scheduled by the licensee when circumstances warrant a reasonable deviation from the established schedule.

(8) The drop collection shall be performed by at least one licensed or permitted individual.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for drop collection:

(1) All drop boxes, whether in use or not, shall be removed from the gambling table as provided in subsection (a) by at least one employee of the gambling establishment who holds a valid license or work permit, accompanied by at least one member of the security department or its equivalent. The employee of the gambling establishment shall not be a member of the security department or its equivalent.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, or any other provision of this article related to the designation of employees to perform the drop collection, a Tier III licensee that does not directly employ security personnel may have the drop collection performed by at least two employees of the gambling establishment who hold a valid license or work permit and who are each assigned to a different department.

(3) The names of the individuals performing the drop collection shall be documented either by software or in writing and, when documented in

writing, those individuals who performed the collection shall legibly print their names and sign the documentation.

(4) A drop box, when not in use during a shift, may be stored on a gambling table if the entire area is covered by recorded video surveillance during that period of time.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include standards for drop collection that provide for the designation of at least one employee of the gambling establishment who holds a valid license or work permit to video monitor the drop box collection process and that the entire drop collection process be continuously recorded by video surveillance.

(d) Licensees shall establish and implement the applicable standards for drop collection specified in subsections (a) through and including (c) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12385. COUNT; COUNT ROOM FUNCTIONS .

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for count room functions:

(1) The licensee shall ensure that the contents of drop boxes are counted and recorded in a manner and in a location within the licensed gambling establishment that ensures the appropriate security and proper accounting of all gambling chips.

(2) The licensee shall designate an individual or individuals, each holding a valid gambling license or work permit, who shall be responsible for performing the drop count. The opening, counting and recording of the contents of a drop box shall be performed in the presence of and by the designated individual(s).

(3) (A) Drop box counts shall be permanently recorded, in ink or another form approved by the owner licensee, on a daily count sheet or the equivalent, which documents all of the following information, as applicable:

1. The name of the gambling establishment;
2. The date and time of the count;
3. The shift, individual box number and table number of each box counted;
4. The amount in each individual box;
5. The total number of boxes counted; and
6. The printed or recorded name(s) of the individual(s) conducting the count and, if a hard copy record, the signature(s) of the individual(s).

(B) Corrections to the information initially recorded for the drop count prior to the completion and signing of a hard copy daily count sheet shall be permitted. Corrections shall be made by drawing a single

line through the error and writing the correct figures above the original figures or by another method approved by the Bureau. The designated individual making the correction shall write his or her initials and the date, in ink, immediately next to the correct figures. The correction, in a hard copy of a daily count sheet, of errors discovered subsequent to the completion and signing by the designated individual(s) shall require the completion of a revised or amended count sheet, which shall be maintained with the original count sheet.

(4) The entire count process, beginning with the opening of the first drop box and continuing through completion of the count sheet, shall be continuously recorded by video surveillance.

(5) The contents of a drop box shall not be mixed or commingled with the contents of any other drop box prior to the counting and recording of its contents.

(6) A drop box shall be emptied in a manner that will identify and record the box identification, as specified in Section 12384, subsection (a), paragraph (3), subparagraph (C), and paragraph (4), and so that video surveillance recording will document that all contents are removed from the drop box for the count.

(b) (1) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall include standards for count room functions that require the use and maintenance of a secured area known as the count room for the counting of gambling chips, which shall:

(A) Be designed and constructed to provide appropriate security for the materials housed therein and for the activities conducted therein;

(B) Not be used as a storage facility for items or materials not directly associated with the count process or cage functions, nor have any removable containers other than drop boxes that could be used to conceal chips or cash.

(2) If the count room is used to store chips, cash, drop boxes or any other items or materials that are directly associated with the count, the interior of the room and all of its contents shall be under constant recorded video surveillance.

(c) In addition to the requirements of subsection (a) and (b), the policies and procedures for Tiers III through and including V shall include the following standards for count room functions:

(1) The number of individuals designated by the licensee, pursuant to paragraph (2) of subsection (a), to perform the drop count shall not be less than two individuals, or one individual using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(2) The designated individuals performing the count shall be attired so as to reduce their ability to conceal chips on their person; for example, by

wearing, over their regular clothing, smocks or other clothing with no pockets.

(3) At the conclusion of the count, a cage or vault cashier or at least the equivalent shall count the chips received and verify the accuracy of the count and count sheets.

(4) Count sheets verified pursuant to paragraph (3) above shall, immediately following verification, be remitted to the accounting department or its equivalent, or deposited in a locked box, located in a secure area of the gambling establishment, the contents of which are accessible only by the accounting department or its equivalent. Count sheets shall be maintained and controlled by the accounting department or its equivalent.

(d) In addition to the requirements of subsections (a) through and including (c), the policies and procedures for Tiers IV and V shall include the following standards for count room functions:

(1) The count room shall be a fully enclosed room that is separate and apart from all other rooms in the gambling establishment and is equipped with an alarm system or device connected to all entrances to the count room which causes a signaling to the surveillance unit or its equivalent, whenever any door to the count room is opened.

(2) Immediately prior to the commencement of the count, one of the designated individuals shall notify the surveillance unit, or its equivalent, that the count is about to begin. At least one employee of the gambling establishment who holds a valid license or work permit shall be designated to video monitor the count process and the entire count process shall be continuously recorded by video surveillance.

(3) Immediately prior to the opening of a drop box, the door to the count room shall be secured. Except as otherwise authorized by the licensee's policies and procedures, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

(e) In addition to the requirements of subsections (a) through and including (d), the policies and procedures for Tier V shall include standards for count room functions that require the drop count to be performed by not less than three individuals designated by the licensee pursuant to paragraph (2) of subsection (a), or two individuals using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(f) Licensees shall establish and implement the applicable standards for count and count room functions specified in subsections (a) through and including (e) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12386. CAGE OPERATION AND FUNCTIONS

(a) The policies and procedures for all tiers shall meet or exceed the following standards for cages:

(1) The licensee shall maintain within the gambling establishment at least one separate and secure area at a fixed location that is designated as a cage. A cage shall be located, designed, constructed and operated to provide convenience for patron transactions while maintaining appropriate security and accountability for all monetary transactions occurring at the cage and all cage contents.

(2) The licensee shall assign at least one gambling enterprise employee to process monetary transactions at a cage. The titles, classifications, or positions of all employees assigned to process monetary transactions at a cage shall be listed on the gambling enterprise's organizational chart. The assigned employees' duties may include any or all of the following:

(A) Custody of the cage inventory or individual cashiers' banks, which is comprised of currency, coin, patron checks, gambling chips, forms, documents and records consistent with the operation of a cage or an individual cashier's bank.

(B) Receipt and distribution of gambling chips through internal operations.

(C) Sale and redemption of chips through patron transactions.

(D) Deposits to and withdrawals from players' banks and dealers' banks, if applicable.

(E) Check cashing and extensions of credit for patrons, as permitted by the licensee's policies and procedures.

(F) Preparation of cage accountability reconciliations and records necessary to document compliance with the requirements of this chapter.

(G) Recording patron information that is necessary for compliance with the requirements of sections 5313 and 5314 of Title 31 of the United States Code, applicable regulations in Chapter X (effective as of July 1, 2011) of Title 31 of the Code of Federal Regulations and any successor provisions, and subsection (a) of Section 12315.

(H) The proper accounting and safeguarding of any cage bank or cashier's bank, and gambling equipment or confidential documents when kept in a cage.

(3) Routine access and entry into a cage, or an area designated as a cage pursuant to paragraph (1) of this subsection, shall be limited to on-duty cage personnel assigned pursuant to paragraph (2) of this subsection. Other employees of the gambling enterprise who hold a valid gambling license, key employee license, or work permit may be granted access to a cage or cage area for the purpose of performing their duties.

(4) A log shall be maintained, either in writing or electronically, to document entry into a cage by any person not authorized access pursuant to paragraphs (2) and (3) of this subsection. The log must contain the person's name, title, date of entry, and time entering and exiting; or

provide substantially equivalent information through an automated access control system. Any automated access control system must provide a secure, tamperproof means of recording and maintaining entry and exit information.

(5) (A) Cage and cashiers' banks shall be reconciled after each shift by the incoming and outgoing assigned cage employees. If an imprest is used, each outgoing cage employee responsible for an imprest shall balance his or her imprest to the imprest amount. The recordable cage transactions and reconciliations shall be posted and reconciled to the general ledger at least monthly.

(B) The reconciliation of each cage and cashiers' bank shall be documented on a cage accountability form that shall include, at a minimum, all of the following, as applicable:

1. The date of the reconciliation;
2. The designation of the shift being reconciled;
3. An accounting of the contents of the cage bank, cashiers' banks, and, if applicable, players' banks in use during the subject shift, including:
   i. The beginning shift balances, unless an imprest is used;
   ii. All transactions recordable to the general ledger;
   iii. The ending balances of cash and chips;
   iv. An identification of any overage or shortage with an explanation, if known.
4. The amount assigned or issued from the cage to dealers' banks and floor banks in use during the subject shift.
5. The printed name and signature of each assigned cage employee performing the reconciliation, as applicable.

(6) The purchase or redemption of gambling chips by a patron may only occur at a cage or from an authorized gambling enterprise employee on the gambling floor. Licensees shall not permit proposition player services providers to purchase or redeem gambling chips for cash or cash equivalents from a patron or to sell gambling chips to a patron. For the purposes of this article, the sale, purchase or redemption of gambling chips shall not include the exchange of a chip or chips of one total value for a chip or chips of an equal total value.

(7) If a licensee operates more than one cage at any time during any shift, all cages, irrespective of their designations (e.g., main cage, satellite cage, auxiliary cage, supplementary cage, secondary cage, back up cage, support cage, etc.), shall be subject to and comply with all provisions of this article applicable to the operation and functions of cages for the licensee's tier.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall require that the cage and cashiers' banks reconciliations specified in paragraph (5) of subsection (a) be posted and reconciled to the general ledger by someone other than an assigned cage employee or cage supervisor.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include the following standards for a cage:

(1) A cage shall be a secure enclosed structure with at least one cashier window through which items such as gambling chips, cash, checks, and documents may be passed to serve patrons and gambling enterprise employees. The design and construction of a cage shall include:
   (A) Secure cashier windows designed to prevent entry by a patron or another individual, and to prevent theft from the cage;
   (B) A manually triggered silent alarm system connected directly to the surveillance unit, or its equivalent, or an alarm monitoring agency; and
   (C) Access through a secured door or doors, which shall be under constant recorded video surveillance in accordance with the applicable provisions of Section 12396.

(2) In addition to the information specified in paragraph (5) of subsection (a), the cage accountability form referenced therein shall include an itemization of the following:
   (A) Cash and coin by denomination;
   (B) Gambling chips by denomination;
   (C) All other items of monetary value (e.g., markers, patron checks, players' banks, etc.), specifying the amount of each;
   (D) The amount assigned to each dealer's bank and floor bank.

(3) The licensee shall maintain a record, either in writing or electronically, of the names or classifications of all persons assigned pursuant to paragraph (2) of subsection (a) as being authorized to access or enter a cage, which record shall specify those persons who possess the combination or the keys or who control the mechanism to open the devices securing the entrance to a cage, and those who possess the ability to operate the alarm system. The record shall be updated each time an assignment is added or deleted.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier V shall include standards for a cage that require monitored and recorded video surveillance of the interior of the cage and all of its contents, and the exterior of all access doors in accordance with the applicable provisions of Section 12396.

(e) Licensees shall establish and implement the applicable standards for cage functions specified in subsections (a) through and including (d) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12387. SECURITY AND USE OF FLOOR BANKS; SECURITY OF GAMBLING EQUIPMENT AND CONFIDENTIAL DOCUMENTS

(a) The policies and procedures for all tiers shall meet or exceed the following standards for the security of floor banks:

(1) When kept, held, or stored in any public area of the gambling establishment, a floor bank shall be secured in a receptacle, drawer, or compartment with a locking mechanism securing the contents. The receptacle, drawer, or compartment shall remain locked at all times, except when being accessed by assigned gambling enterprise employees in the performance of their duties. If a keyed lock or locking mechanism is used, the key shall not be left in the lock when the drawer or compartment is not being accessed. All keys, combinations, and access codes shall be subject to the applicable key security and control provisions of Section 12395.

(2) The lock or locking mechanism of each receptacle containing a floor bank, shall be keyed differently from the lock or locking mechanism of any other receptacle, drawer, or compartment of any furnishing, fixture, cabinet, appurtenance, or device (hereafter cabinet) in the gambling establishment, except in the following circumstances:

(A) When a single assigned gambling enterprise employee requires access to multiple receptacles in the performance of his or her duties; that access is limited solely to that employee during his or her assigned shift; and each of the receptacles contains a floor bank, those receptacles may have a key, combination, or access code in common with each other.

(B) Managers and supervisors whose duties include the supervision or oversight of employees who utilize and have access to floor banks in the performance of their assigned duties, may have a master or duplicate key that will open some or all of the locking mechanisms for the receptacles containing a floor bank to which any of their subordinate employees have access.

(3) Any cabinet having a drawer, compartment, or receptacle containing or intended to contain a floor bank shall be located so that it is clearly visible for security and surveillance purposes. The cabinet shall be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396. The camera coverage shall be adequate to enable monitoring and recording of the contents of any drawer when open, to the extent reasonably possible, and of all activities involving the floor bank. If a mobile cabinet is used, it shall be kept at a fixed secure location under continuous recorded video surveillance when not being actively used on the gambling floor.

(4) No gambling equipment, documents, supplies, or other materials that are not directly related to a floor bank shall be commingled with or kept in the same receptacle with a floor bank. Neither the cabinet nor any other drawer, compartment, or receptacle therein, shall be used to hold, store, keep, or safeguard any personal property or possession of any gambling enterprise employee, patron, or any other person, nor any equipment, documents, supplies, or other materials that are not directly related to the conduct of gambling operations.

(5) Each floor bank shall be individually balanced not less than daily and the imprest amount verified. Any shortages or overages shall be documented in an exception report and included in the appropriate cage bank reconciliation.
(6) The licensee shall establish a maximum imprest amount that may be assigned to each floor bank based on a reasonable estimate of the amount necessary for the activities associated with the bank during any shift. The maximum imprest amount that may be assigned to a floor bank in a mobile cabinet shall not exceed $30,000 at any time.
(7) The licensee's policies and procedures shall include specific provisions governing the sale or distribution of gambling chips and the disbursement of cash to patrons from a floor bank by the assigned gambling enterprise employee. The redemption of chips by a patron from a floor bank shall not exceed a total of $500, except when that floor bank is being temporarily operated as a cage and all applicable provisions of Section 12386 are complied with. No chip redemptions may be transacted at any time from a floor bank in a mobile cabinet.

(b) The policies and procedures for all tiers shall meet or exceed the following standards for-the security of gambling equipment and confidential documents:
(1) (A) When kept, held, or stored in any public area of the gambling establishment, gambling equipment not actively being used shall be secured in a receptacle, drawer, or compartment, with a locking mechanism securing the contents. The locking mechanism shall remain locked at all times, except when being accessed by an authorized gambling enterprise employee in the performance of his or her duties. If a keyed lock or locking mechanism is used, the key shall not be left in the lock when the receptacle is not being accessed. All keys, combinations, and access codes shall be subject to the applicable key security and control provisions of Section 12395. This subparagraph shall not apply to any gambling equipment that cannot be secured in a receptacle, drawer, or compartment when not in use due to its size.
(B) When kept, held, or stored in any public area of the gambling establishment, confidential documents shall be secured in a receptacle, drawer, or compartment, as specified in subparagraph (A), except when in use or when maintained electronically. Confidential documents, when in use or maintained electronically, shall be kept out of public view, to the extent reasonably possible.
(2) The lock or locking mechanism of each receptacle containing any gambling equipment or confidential documents, shall be keyed differently from the lock or locking mechanism of any other receptacle, drawer, or compartment of any cabinet in the gambling establishment, except in the following circumstances:
(A) When a single assigned gambling enterprise employee requires access to multiple receptacles in the performance of his or her duties; that access is limited solely to that employee during his or

her assigned shift; and each of the receptacles contains either gambling equipment or confidential documents, those receptacles may have a key, combination, or access code in common with each other.

(B) Managers and supervisors whose duties include the supervision or oversight of employees who utilize and have access to gambling equipment or confidential documents in the performance of their assigned duties, may have a master or duplicate key that will open some or all of the locking mechanisms for the receptacles to which any of their subordinate employees have access.

(3) Any cabinet having a drawer, compartment, or receptacle containing gambling equipment or confidential documents shall be located so that it is clearly visible for security and surveillance purposes. The cabinet shall be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396.

(4) No gambling equipment or confidential documents shall be commingled with or kept in the same drawer or compartment with a floor bank, or commingled with or kept in the same drawer or compartment with any personal property or possession of any gambling enterprise employee, patron, or any other person.

(5) The licensee's policies and procedures shall include specific provisions governing the storage, distribution, and tracking of gambling equipment kept, held, or stored on or near the gaming floor or in any other public area of the gambling establishment.

(c) If a licensee provides to any third-party provider of proposition player services (TPPPS) company or its employees access to or the use of any cabinet, or any receptacle, drawer, or compartment in any cabinet described in subsection (a) or (b), that access or use shall be exclusive to that TPPPS company and its employees, and that cabinet shall not be used by the licensee for any purpose.

(d) Licensees shall establish and implement the standards specified in this section no later than April 1, 2015.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12388. EXTENSION OF CREDIT, CHECK CASHING, AND AUTOMATIC TELLER MACHINES (ATMS)

(a) A licensee may extend credit to a patron if, prior to extending credit to the patron, the licensee determines that an extension of credit is not prohibited by any statute, law, regulation, or local ordinance. A licensee shall not extend credit to an owner, supervisor, player or other employee of a gambling business (as defined in Title 4 CCR Section 12220) that is occupying a player-dealer position in any game at any gambling establishment owned by the licensee. A licensee shall not extend credit to an owner, supervisor, player or other employee of a third-party provider of proposition player services (as defined in Title 4 CCR Section 12200) that is a party to a contract with the licensee to provide third party proposition player services in a game with a player-dealer position in any gambling establishment

owned by the licensee. A licensee may not extend credit to an employee of the licensee to act as a “house prop player” or “public relations player” in any controlled game. In addition to complying with all laws regarding the issuance of credit, a licensee that extends credit to a patron shall address, in written policies and procedures and credit application form(s), the following requirements for the extension and collection of credit:

(1) Establish a method for determining the maximum amount which will be advanced to a patron, changes in the credit amount, the maximum time an extension of credit will be outstanding, and repayment terms.

(2) Prior to extending credit to a patron for the first time, ensure that the person requesting the credit is identified by examining the patron’s unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver’s license or passport.

(3) Ensure that the patron is credit worthy through an assessment of one of the following:

(A) Receipt of patron information on a credit application form which includes the patron’s name and signature, current address, telephone number, social security number, bank and/or trade references, employment information and income information, which shall be verified and used to form an assessment of the patron’s financial situation, collateral circumstances and credit worthiness.

(B) Receipt of a signed and dated authorization from the patron to access their consumer credit report from a bona fide credit-reporting agency to show the patron has an established credit history consistent with approved credit policies and receipt of information from a bona fide credit-reporting agency that the patron has an established credit history consistent with approved credit policies.

(C) If any previous credit transactions exist between the patron and the gambling establishment, an examination of those records showing that the patron has paid in a timely manner all credit instruments and/or otherwise documenting that there is a reasonable basis for extending the credit amount to the patron.

(4) An owner or designated key employee other than a dealer must approve any credit application.

(5) No credit may be extended to any patron who has signed a self-exclusion form (Title 4 CCR Section 12464) or has self-restricted access to credit (Title 4 CCR Section 12463) for the time period of the exclusion or restriction.

(6) Notify the patron of the issuance or denial of credit. The notification for issuing credit shall include the date of issuance, terms of repayment, and interest charges, if applicable. If a patron is denied credit, and the denial is based, in whole or part, on any information contained in a consumer credit report, the licensee shall comply with Civil Code section 1785.20.

(7) If a patron is approved for credit pursuant to subparagraph (B) of paragraph (3), a copy of the patron's consumer credit report obtained by the licensee shall be kept on file with the cardroom for as long as that patron's credit account is open.
(8) Written or electronic records shall be maintained on each attempt to collect on delinquent credit accounts.
(9) For each patron issued credit, the licensee shall maintain a record of the patron's credit limit, payment schedule, outstanding credit balance, and the patron's signature on a credit agreement.

(b) For each patron that is issued credit for the first time, the following information shall be collected and maintained:
(1) Patron's name, current address and telephone number;
(2) A photocopy of the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport;
(3) Basis upon which credit verified, as listed in subsection (a)(3);
(4) Documentation of authorization by a person designated by management to approve credit.

(c) If payment upon an extension of credit is delinquent for more than 90 days, as determined by the original credit agreement, the person to whom credit was extended shall be prohibited from obtaining additional credit until the amount owed is paid in full.

(d) No gambling enterprise shall cash any check if cashing such a check is prohibited by any statute, regulation, or ordinance. No gambling enterprise employee shall be permitted to cash any check drawn against any federal, state, county, or other government fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments, as outlined in Business and Professions Code section 19841, subdivision (q), unless the check is for wages or payment for goods or services.

(e) A licensee who does not deposit a patron's check within three banking days after receipt shall be considered to have extended credit to that patron.

(f) (1) A licensee shall not allow a patron to replace, redeem, reclaim or repurchase a personal check with a subsequent personal check, unless that patron has been approved for an extension of credit as provided in this Article and the amount of the check or checks to be replaced is within the patron's approved credit limit.
(2) A subsequent personal check used by a patron to replace a previous personal check may not be replaced with another personal check at any time after receipt by the licensee.
(3) Paragraph (1) of this subsection shall not apply to a personal check that has not been deposited by a licensee within three banking days after a receipt, or to a dishonored check.

(g) A licensee that cashes checks for a patron shall address, in written policies and procedures, the following requirements for the cashing of checks:

(1) Prior to cashing a check for a patron, the designated employee shall determine that
   (A) The licensee's records do not contain information reflecting that the patron presenting the check has signed a self-exclusion form or self-restricted access to check cashing for the time period of the exclusion or restriction,
   (B) Cashing such check is not prohibited,
   (C) Cashing such check conforms to the licensee's approval process,
   (D) The check is for a specific amount and within the patron's established check cashing amount limit, and, in the case of a personal check, includes the current date, and,
   (E) In the case of a third party check, the check is endorsed over to the gambling establishment.
(2) If personal checks, cashier's checks, or payroll checks are cashed, the licensee or designated employee shall examine and, if the patron is not approved for credit or check cashing, record an unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport. If the patron's identification information is already on file with the licensee, then retrieval and examination of this identification file by the licensee or designated employee shall satisfy the provisions of this paragraph.
(3) Records of all returned checks shall be maintained by the gambling establishment and shall include, at a minimum, the following:
   (A) Date on the check.
   (B) Name of the customer presenting the check.
   (C) Amount of the check.
   (D) Date(s) the check was dishonored.
   (E) Date(s) and amount(s) of any collection received on the check after being returned by a bank.
(4) If a check is dishonored, the person who proffered the check shall be prohibited from cashing additional checks until the amount owed is paid in full, but may replace a dishonored check in accordance with the policies of the licensed gambling establishment.
(5) The licensee shall include written procedures for the collection of checks dishonored for non-sufficient funds (NSF), including a point in time that the NSF check will be written off as a bad debt.

(h) If a licensee that cashes checks for a patron charges a check-cashing fee, the licensee shall obtain and maintain an unexpired California Department of Justice Check Cashing Permit pursuant to Civil Code section 1789.37.

(i) Checks accepted or credit instruments completed in accordance with this Article are valid and enforceable instruments.

(j) A licensed gambling establishment shall not have an ATM (automatic teller machine or cash- or voucher-dispensing machine) accessible by an individual while physically seated at a gaming table, unless otherwise required under the Americans with Disabilities Act.

(k) ATMs shall be configured to reject Electronic Benefit Transfer cards (EBTs) issued by the State of California or by any city, county, or city and county therein.

Note: Authority cited: Sections 19811, 19823, 19840, 19841(g), 19841(o), 19841(q), 19901, 19905 and 19920, Business and Professions Code. Reference: Sections 19801, 19841(g), 19841(o), 19841(q), 19901, 19905 and 19920, Business and Professions Code.

12391. GAMBLING FLOOR OPERATION

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

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

(2) No licensee or employee of a gambling enterprise shall, as a consequence of an employee's refusal to play a controlled game, coerce that employee, or take or threaten to take any action adversely affecting the terms and conditions of employment for that employee. Notwithstanding the foregoing, where an employee's duties or scope of employment includes the play of controlled games, a licensee or employee may take action adversely affecting the terms and conditions of employment against that employee for his or her refusal to play a controlled game. This paragraph does not create any new civil liability.

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

(4) The sale or redemption of chips shall be transacted only by those designated gambling enterprise employees who have received the training required by section 1021.210 (revised as of July 1, 2011) of Chapter X of Title 31 of the Code of Federal Regulations. A licensee shall have policies and procedures in place to ensure compliance with Section 12315.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include standards for gambling floor operations that provide for, Title 11, CCR, Section 2050 notwithstanding, at least one licensee or key employee to be on the premises at all times that the gambling establishment is open to the public to supervise the gambling operation and ensure immediate compliance with the Act and these regulations.

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

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

12392. HOUSE RULES

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

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

(1) Allow for the operation of only those games that are permitted by local ordinance and state and federal laws and regulations;
(2) Include provisions that are designed to deter collusion; and,
(3) Where applicable during the play of any controlled game or gaming activity, shall address the following:
(A) Player conduct,
(B) Table policies,
(C) Betting and Raising,
(D) "Misdeals,"
(E) Irregularities,
(F) "The Buy-In,"
(G) "Tied Hands,"
(H) "The Showdown,"
(I) "House Way,"
(J) Player Seating and Seat Holding, and
(K) Patron Disputes.

(b) A licensee's house rules shall be in addition to, and shall not conflict with, the game rules approved by the Bureau for any controlled game or gaming activity.

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

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

Note: Authority cited: Sections 19801(l), 19811, 19840, 19841 and 19920, Business and Professions Code. Reference: Sections 19801(g), 19801(h), 19823, 19841 and 19920, Business and Professions Code

12395. SECURITY

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for security:

(1) Access to restricted areas of the gambling establishment, including but not limited to cages, count rooms, vaults, security offices and surveillance rooms, shall be limited to authorized personnel in the performance of their duties and shall be closely controlled.
(2) For the purpose of video surveillance recordings, gambling establishments shall provide adequate lighting of all public areas,

entrances and exits, and for all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(3) Licensees shall file an incident report with the Bureau's Criminal Intelligence Unit within five business days of either of the following:

(A) Any owner or key employee contacting a local law enforcement agency, pursuant to the provisions of the licensee's security plan, regarding any reasonably suspected violation of the Act, this division, Division 3 of Title 11 of the California Code of Regulations, any statute set forth in sections 330 through 337z of the Penal Code that pertains to gambling, section 1916-3(b) of the Civil Code (loan-sharking), chapter 1 (commencing with section 11000) of division 10 of the Health and Safety Code (illegal possession or distribution of controlled substances), section 4022 of the Business & Professions Code (illegal possession or distribution of dangerous drugs), or any violation of the following Penal Code sections: 186.10 (money laundering), 211 (robbery), 245 (assault with deadly weapon), 266h (pimping), 266i (pandering), 459 (burglary), 470 (forgery), 476 (fraud), 487 (grand theft), 488 (petty theft), 503 (embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency), 653.22 (loiter for prostitution), 653.23 (pimping), or 647(b) (prostitution).

(B) Any owner or key employee obtaining knowledge or notice of any reasonably suspected violation listed in subparagraph (A).

(4) An incident report shall include, when available and applicable, the following information:

(A) The date and time of the incident or event.

(B) The identity of each perpetrator or suspect, including the following:

1. Full name.
2. Address.
3. Date of birth.
4. Driver license or identification card number.

(C) Law enforcement report number.

(D) Detailed description of the event or suspected incident, including an identification of any witnesses and a description of any evidence.

(5) Licensees shall maintain a list of all mechanical keys or electronic card keys to the locking devices used to secure the gambling establishment, restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment used in the gambling operation, the names of all gambling establishment employees who have been issued, possess or have access to any of those keys, and the location where un-issued keys are stored. If any coded mechanical or electronic locking devices are used, the list shall include all access codes and combinations, as applicable, and the names of all gambling establishment employees who possess any code or combination, or who control the mechanism to open any of the locks. The licensee may maintain a master list or separate departmental lists. Each list shall be:

(A) Continuously maintained while current, at a minimum, in a permanent, written form and dated as of the date created or updated;
(B) Updated as changes in the information contained in the list changes;
(C) Kept in a secure, locked receptacle, such as a key control box, safe, locking file drawer or similar container; and
(D) Retained for a minimum of one year after the list has been updated.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall meet or exceed the following standards for security:

(1) Except as otherwise provided, licensees shall install and maintain a minimum of at least one secure key control box for the storage and safeguarding of all un-issued gambling-related keys and access code cards associated with the gambling establishment; e.g., keys to the gambling establishment, cage, count room or other restricted areas of the gambling establishment, and any fixtures, appurtenances and equipment used in the gambling operation, including but not limited to gambling tables and drop boxes. This paragraph does not apply to an individual licensee, who does not employ, except in unforeseeable exigencies, more than one person or any person except members of his or her immediate family. For the purposes of this paragraph, "immediate family member" means spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.
(2) All key control boxes shall meet or exceed the following requirements:
(A) The key control box shall have a minimum of one keyed locking mechanism. A coded key lock or a mechanical or electronic combination lock is acceptable.
(B) The key control box shall be securely attached to a permanent structure within the gambling establishment. The hardware used to attach the box shall not be visible or accessible externally.
(C) All keys, stored within a key control box shall be easily identifiable and individually labeled.
(D) Access to a key control box shall be limited to the licensed gambling establishment owners, key employees, or other employees designated by the owner of the gambling establishment.
(3) Licensees shall maintain a key control log for each key control box maintained pursuant to paragraph (1). The key control log shall document the issuance and return of all gambling-related keys used to control access by gambling establishment employees to restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment, associated with the department or operation.
(4) During any period of time, between one-half hour before or after sunset and one-half hour before or after sunrise, in which the gambling establishment is open for business or patrons are present on the

premises, licensees shall have at least one uniformed security officer on duty, who shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons. Any security officer, whether an employee, agent or contractor of the licensee, who is a gambling enterprise employee as defined in subdivision (m) of section 19805 of the Business and Professions Code, shall be required to hold a work permit pursuant to paragraph (1) of subdivision (a) of section 19912 of the Business and Professions Code, and Chapter 2 of this division. Any contract security officer whose scope of employment is limited to performance of his or her duties exclusively outside the licensee's gambling establishment shall not be required to hold a work permit under these regulations.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall meet or exceed the following standards for security:

(1) Licensees shall install and maintain a backup generator that is sufficient, during power outages, to provide for the operation of lighting systems, information systems, and surveillance and recording systems for a time necessary to protect the safety and security of patrons and employees, patrons' property, and the licensee's assets and property while gambling operations are terminated and patrons exit the premises.

(2) Any gambling establishment that elects to continue gambling operations during a power outage shall install and maintain a backup generator that is sufficient to provide for the full and continued operation of all lighting systems, all information systems, and all surveillance and recording systems.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall continuously patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(f) Licensees shall establish and implement the applicable standards for security specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19801(g), 19826(b), 19840, 19841, 19856(c), 19857 and 19924, Business and Professions Code. Reference: Sections 19841, 19856(c), 19857, 19912, 19922 and 19924, Business and Professions Code

12396. SURVEILLANCE

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for surveillance:

(1) Licensees shall install and maintain, on site in their gambling establishment, a surveillance system, with video recording and closed circuit television (CCTV) monitoring capabilities, to record critical activities related to the licensees' gambling operations. The surveillance system shall record with reasonable coverage and clarity, at a minimum, the gambling operation, the payment of player drop fees, the collection of drop boxes, the drop count processes, cage and cashier activities, gambling equipment storage areas, except for furniture storage areas, and the interior of gambling establishment entrances and exits. The video recording equipment shall include date and time generators which shall display the current date and time of recorded events on videotape or digital recordings. The displayed date and time shall not significantly obstruct the view of recorded images. The surveillance system may have remote, off-site access capabilities, but only ancillary to any on-site systems required by this section.

(2) All surveillance recordings shall be made in real time mode, or at a speed sufficient to capture and record with reasonable completeness the actions of all individuals being observed, except that any recordings of the gambling establishment parking areas, and the gambling establishment entrances and exits may be recorded in time-lapse mode, at a minimum speed of 15 frames per second.

(3) All video surveillance cameras shall be installed in a manner that prevents them from being intentionally obstructed, tampered with or disabled by patrons or employees, to the extent reasonably possible. All recording and monitoring equipment shall be located in secure rooms or areas of the gambling establishment so that access is controlled.

(4) The surveillance system operation shall be checked daily to ensure that all surveillance equipment is functioning properly and reasonable efforts shall be made to repair malfunctioning surveillance equipment within 72 hours of the discovery of the malfunctions.

(5) If a digital video recording (DVR) system is utilized, the system shall meet the following standards:

(A) The DVR system shall have a failure notification system that, at a minimum, provides a visual notification of any failure in the surveillance system or the DVR media storage system.

(B) The DVR system shall have a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system.

(C) The DVR system shall have the capability to reproduce or copy all or any portion of the stored data from the media storage system to a digital video disk (DVD).

(D) A single DVR system shall not have more than 8 cameras required by the standards of this section, unless the DVR system has an appropriate backup system to ensure that there is no loss of data in the event of a failure of the primary DVR system or any single component of that system.

(6) Videotapes or other recording media shall be marked or coded to denote the activity recorded.

(7) (A) Unless otherwise requested by the Bureau, all recordings shall be retained for a minimum of seven complete days of operation, except that recordings that are determined by the Bureau or a law enforcement agency to be of evidentiary value shall be retained for a period specified in writing by the determining agency. Recordings of any criminal offense subject to reporting pursuant to paragraph (3) of subsection (a) of Section 12395 shall be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph (A) shall be increased to 14 days no later than June 1, 2013.

(8) For the purpose of enforcing the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations, Bureau staff, with the approval of the chief, may, at any time during the gambling establishment's actual hours of operation, demand immediate access to the surveillance room and any area of the gambling establishment where surveillance equipment is installed or maintained or where surveillance video recordings are stored, and such access shall be provided by the licensee or the licensee's authorized representative. The Bureau may, pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of section 19827 of the Business and Professions Code, take custody of and remove from the gambling establishment the original of any video recording, or a copy of any digital recording, required to be made and maintained pursuant to the Act or this division. Any surveillance video recording that is in the custody of the Bureau pursuant to this paragraph may be disclosed by the Bureau only when necessary to administer or enforce the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations or when necessary to comply with a court order. Upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings shall be made and left on the premises if copying equipment is available to enable Bureau staff to make copies. If copying equipment is not available to Bureau staff, upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings will be provided to the licensee at the licensee's expense, unless the Bureau expressly waives its costs of providing the copies.

(9) Licensees shall prominently display in a place and manner conspicuous to all patrons entering and exiting the gambling establishment, a sign containing the following statement printed in bold lettering of sufficient size to be visible and readable: "All Public Areas, Entrances and Exits of This Establishment are Subject to Surveillance and Video Recording." The lettering and background shall be of contrasting colors, and the sign shall comply in all respects with applicable signage requirements, if any, of the local jurisdiction.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall meet or exceed the following standards for surveillance:

(1) The surveillance system shall, at a minimum, record both the interior and the exterior of gambling establishment entrances and exits.

(2) The surveillance system shall have a sufficient number of cameras dedicated to gambling tables to be capable of viewing and recording, with reasonable coverage and clarity, patrons, dealers, wagers, cards, and game outcome at each table. For the purposes of this paragraph, an overhead view of patrons and dealers is acceptable. This paragraph shall not apply to demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

(3) The surveillance system shall include an audio recording of, at a minimum, any areas of the gambling establishment that are used for vault or count room functions.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers III through and including V shall include standards for surveillance that require the surveillance system to include coverage and recording of all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include a requirement that, during all hours of operation, a gambling establishment owner or key employee be on duty who has the ability to access live video from surveillance cameras and previous surveillance video recordings.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall meet or exceed the following standards for surveillance:

(1) Licensees shall establish a surveillance unit separate and apart from the security department. The head of the surveillance unit and all surveillance unit personnel shall be independent of the security department and have no other gambling-related duties.

(2) Licensees shall establish and maintain a separate surveillance room that meets or exceeds the following requirements:

(A) The surveillance room shall have controlled access through a secured door or doors, which shall be under constant recorded video surveillance.

(B) No entrance or exit door of a surveillance room shall be readily observable or accessible from the gambling operation area.

(3) Routine access and entry into the surveillance room shall be limited to on-duty employees of the surveillance unit assigned to monitor gambling operations. Owners, managers and other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the surveillance room for the purpose of performing their duties. Other persons may be granted limited access to the surveillance room for educational, investigative or maintenance purposes, if accompanied at all times by a surveillance unit employee.

(4) At least one surveillance employee shall be present in the surveillance room and actively monitoring the gambling operations, via the surveillance room equipment, during all hours of operation, except that the surveillance room may be unattended for no more than a total of one hour during any shift or eight-hour period to allow for required meal and rest breaks for staff. No controlled gambling may take place when a surveillance employee is not present and on duty in the gambling establishment, whether on a break or not.

(5) Count room surveillance shall include closed circuit television (CCTV) monitoring and video recording.

(6) Licensees shall maintain a record of all surveillance activity in the surveillance room, by surveillance period or shift, in a surveillance activity log. The surveillance activity log entries shall be made by on-duty surveillance personnel and shall include, at a minimum, the following:

(A) The date and time of commencement of the surveillance period or shift;

(B) The printed name(s) of the person(s) conducting the surveillance;

(C) The date and time of termination of the surveillance period or shift;

(D) A summary of the results of the surveillance, including a notation of the time of recording of any event, activity, occurrence, process or procedure that was monitored during the surveillance period or shift, whether the recording or monitoring was required or not;

(E) A notation of the time of the discovery or occurrence of any equipment or camera malfunctions during the surveillance period or shift;

(F) A notation of the time of the correction or repair of any equipment or camera malfunctions occurring during the surveillance period or shift, if corrected or repaired during that period or shift;

(G) A notation of the time of the correction or repair of any equipment or camera malfunctions discovered and noted in a previous surveillance period or shift, if corrected or repaired during the current period or shift;

(H) A notation of the time of occurrence of any medical emergency event or law enforcement event, including any incident number generated by the responding entity, if available;
(I) A notation of the time(s) of drop box collection occurring during the surveillance period or shift;
(J) A notation of the time of drop count procedure(s) occurring during the surveillance period or shift; and
(K) A notation of the times of patron disputes occurring during the surveillance period or shift that require the intervention of the security department, if any.

(7) Each gambling table must have a dedicated camera, meeting the requirements of paragraph (2) of subsection (a), providing clear surveillance coverage of all controlled gambling at all hours of operation. In addition, one Pan/Tilt/Zoom (PTZ) camera must be installed for every ten or fewer authorized tables present in any gambling operations area of the gambling establishment. A reasonable attempt must be made to pan the faces of patrons and dealers for identification at least once per work shift of surveillance unit employees.

(f) Licensees shall establish and implement the applicable standards for surveillance specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

ARTICLE 6. PROGRAM FOR RESPONSIBLE GAMBLING

12460. ARTICLE DEFINITIONS

For purposes of this Article:

(a) "Self-Exclusion" means a voluntary agreement to be excluded from all gambling establishments and all controlled games or gaming activities or privileges. A list of self-excluded persons shall be maintained by the Bureau and shall not be open to public inspection.

(b) "Self-Restriction" means a voluntary agreement with a single gambling enterprise that is irrevocable for a specified term to:

(1) Be completely restricted from the gambling establishment and all controlled games, gaming activities or privileges;
(2) Be restricted from the play of a particular controlled game or gaming activity, if the gambling enterprise determines that such segregation is feasible;
(3) Restrict the amount of credit or check cashing available; or,
(4) Be restricted from all direct marketing or promotional activities conducted by or on behalf of the particular gambling enterprise where any of the patron's information for direct marketing matches the information on the exclusion.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Section 19845, Business and Professions Code.

12461. POSTING REFERRAL INFORMATION

(a) Each licensee shall post or provide, at patron gambling entrances or exits, and in conspicuous places in or near gambling areas and any areas where cash or credit are available to patrons, accessible written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "1-800-GAMBLER."

(b) Any website operated by or on behalf of any gambling enterprise, TPPPS or gambling business shall contain a responsible gambling message and a link to the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "http://problemgambling.ca.gov."

(c) Advertising material produced by or on behalf of any gambling enterprise, TPPPS or gambling business shall contain a responsible gambling message and shall refer to the telephone number listed in subsection (a) above or the website listed in subsection (b) above, or both. This provision applies to any advertisement that will be distributed by television, radio, outdoor display, flyer, mail or digitally. This provision does not apply to:

(1) Any digital material with limited characters or space that provides a link to a website that complies with subsection (b).
(2) Any promotional item in which size or space limitations do not allow the responsible gambling message to be legibly displayed, such as: pens, key chains, hats, drinking glasses, coffee mugs, etc.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12462. TRAINING REQUIREMENTS

(a) Each licensee shall have procedures for providing new employee orientations and annual training concerning problem gambling for all employees who directly interact with gambling patrons in gambling areas. A licensee may develop an internal training program, may use a third-party training program, or may use a training program developed and provided by the Office of Problem Gambling.

(b) (1) New employee orientations shall be completed within 60 days of the issuance of a license or work permit, or the employee's start date, whichever is later.
(2) Annual training must be provided to each employee following the calendar year in which a new employee orientation was provided. Annual training may be completed in segments provided that the entire requirement is met during each calendar year.
(3) Each licensee shall designate a person(s) responsible for maintaining the program, coordinating training, and documenting employee completion. The program shall be reviewed at least once a year to ensure that the information provided is current. Records of employee completion documentation shall be maintained in accordance with

Section 12003, and shall include the date of the training, the topics covered, the name of the employee receiving the training and the name of the employee responsible for coordinating training. Training records may include, but need not be limited to, sign-in sheets and training certificates.

(c) At a minimum, the following employee groups shall have training, as specified:

(1) Employees, and supervisors of employees, whose duties include interacting with gambling patrons in gambling areas, but do not have duties related to the operation of the games, such as food and beverage providers, shall receive training concerning the nature and symptoms of problem gambling behavior.

(2) Employees, and supervisors of employees, whose duties include interacting with gambling patrons in gambling areas and who have duties related to the operation of a controlled game shall receive the training specified in paragraph (1) and training on how to assist patrons in obtaining information about problem gambling programs.

(3) Key employees shall receive the training specified in paragraph (2), and shall receive information on the self-restriction and self-exclusion programs, information about any treatment options and prevention programs offered by the State Department of Public Health, Office of Problem Gambling, and may receive information about any problem gambling programs or services available in and around the location of the gambling establishment.

(d) This section shall not be construed to require employees to identify problem gamblers.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12463. SELF-RESTRICTION PROGRAM

(a) Licensees shall implement a program that allows patrons to self-limit their access to the gambling establishment entirely, or to the issuance of credit, check cashing, or marketing by that licensee. That program shall contain, at a minimum, the following:

(1) The development of written materials for dissemination to patrons explaining the program;

(2) The development of written forms allowing patrons to participate in the program, which may include use of a form entitled Self-Restriction Request, form CGCC-036 (Rev. 02/15), attached in Appendix A to this chapter;

(3) Policies and procedures for maintaining and updating a list of self-restricted 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 personnel pursuant to an investigation or in assisting in a Problem Gambling program;

(4) Policies and procedures that allow a patron to be restricted from certain controlled games or gaming activities within the gambling establishment, if the licensee determines that the segregation of games is feasible, or from the gambling establishment completely during the term of restriction, with the exception of access for the sole purpose of carrying out the duties of employment, including:
   (A) Removal procedures for patrons who attempt entry after requesting to be restricted;
   (B) Maintenance of records of any incidents of removal where law enforcement is called to remove a person from the premises. The records shall be accessible by Bureau staff or law enforcement personnel pursuant to an investigation; and,
   (C) Forfeiture of any unredeemed jackpots or prizes won by a restricted person and the remittance of the combined value for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the State Department of Public Health, Office of Problem Gambling;
(5) Policies and procedures that allow a patron to restrict his or her access to check cashing or the issuance of credit during the term of restriction; and,
(6) Policies and procedures that allow a patron to restrict his or her inclusion on 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 during the term of restriction.

(b) This section does not mandate that a licensee provide the services of a notary public for persons who wish to complete the Self-Restriction Request 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.

12464. SELF-EXCLUSION PROGRAM

(a) Licensees shall implement a program that allows patrons to exclude themselves from gambling establishments using a form entitled Self-Exclusion Request, form CGCC-037 (Rev. 07/17), attached in Appendix A to this chapter. That program shall contain, at a minimum, the following:

(1) Policies and procedures for providing Self-Exclusion Request forms and for sending any completed Self-Exclusion Request 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 law enforcement personnel pursuant to an investigation or in assisting in a Problem Gambling program;
(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 removal where law enforcement is called to remove a person from the premises;

(4) Policies and procedures for verifying a patron's identity and checking the list of self-excluded persons before cashing a check, awarding a jackpot or prize, extending credit and selling or redeeming chips, tokens or any other item of a monetary value if the patron's identity would otherwise be verified;

(5) Policies and procedures for the forfeiture of any unredeemed jackpots or prizes won by an excluded person and the remittance of the combined value for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the State Department of Public Health, Office of Problem Gambling;

(6) 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 or marketing opportunities regarding gaming opportunities or promotions at the gambling establishment;

(7) Policies and procedures for removal of a patron from check-cashing, or credit services offered by the licensee; and,

(8) Policies and procedures for mailing any patron-submitted Self-Exclusion Request form to the Bureau within 10 business days.

(b) This section does not mandate that a licensee provide the services of a notary public for persons who wish to complete the Self-Exclusion Request 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.

12465. REMOVAL FROM THE LIST OF SELF-EXCLUDED PERSONS

(a) For any lifetime self-exclusion term, a request for removal from the list of self-excluded persons may be submitted to the Bureau at any time after one year from the effective date of the original self-exclusion request. A request for removal shall be submitted using the form Self-Exclusion Removal Request, CGCC-038 (Rev. 07/17), attached in Appendix A to this chapter. The Bureau shall remove the excluded person from the list of self-excluded persons on the first business day of the second whole month after the request was postmarked.

(b) For any self-exclusion term, other than lifetime, the excluded person shall be automatically removed from the list of self-excluded persons upon the conclusion of the requested term.

(c) Upon removal, the Bureau shall send a notice to the person as confirmation of the removal from the self-exclusion list.

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.

12466. RESPONSIBLE GAMBLING PROGRAM REVIEW

(a) (1) The Bureau may require that any licensee provide to the Bureau copies of the licensee's policies and procedures constituting its Program for Responsible Gambling, which shall address all of the requirements of this article. If the Bureau makes a determination that the licensee's program does not adequately address the standards as set forth in this article, then the Bureau may issue a notice identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured.

(2) Commission staff or Office of Problem Gambling staff may request that any licensee make available or submit any of the elements of its program described in this article to the requesting party for review.

(b) Failure by a licensee to establish the programs set forth in this article, or to cure a deficiency identified pursuant to paragraph (1) of subsection (a), shall constitute a ground for disciplinary action under Chapter 10 of this division.

(c) Protecting the confidentiality of self-restriction or self-exclusion lists includes:

(1) Not willfully disseminating self-excluded or self-restricted patrons' names, photos, or other personally identifying information to third parties or confirming to third parties whether or not a patron is on a self-exclusion or self-restriction list.

(2) Not posting self-excluded or self-restricted patron photos or other personally identifying information in areas where other patrons would readily notice the information.

(d) In addition to any other remedy under the Act, the Commission may assess a monetary penalty not exceeding $1,000 for each violation of this article.

(e) This article does not create any right or cause of action on behalf of an individual who participates in self-restriction or self-exclusion under this article against the state of California, the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, or any gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

APPENDIX A: FORMS

Please refer to the California Gambling Control Commission's website (www.cgcc.ca.gov) for its forms and for California Bureau of Gambling Control forms (www.oag.ca.gov/gambling/forms/)

CHAPTER 8. BINGO

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

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.

(2) "Authorized organization" means an organization authorized by the Commission pursuant to Section 12505.

(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) "Caller" means an individual who is present at a host game site and who announces the numbers or symbols from randomly drawn plastic balls.

(5) "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.

(6) "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.

(7) "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.

(8) "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.

(9) “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.

(10) “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.

(11) “Host site” means the location at which the live bingo game is conducted and the transmission of the remote caller bingo game originates.

(12) “Interim license” means a license issued by the Commission pursuant to Section 12492 or Section 12500 that allows the following:

(A) A fiduciary 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.

(13) “Managerial duties” include, but are not limited to, oversight of the conduct of the game and the supervision of the employees, members, and patrons at any remote caller bingo game site.

(14) “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.

(15) “Member” means an individual who belongs to an authorized organization and assists with the conduct of remote caller bingo games.

(16) “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.

(17) “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.

(18) “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.

(19) “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.

(20) “Point of sale system” means a financial interface software system used to track transactions involving card-minding devices and customer accounts.

(21) “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.

(22) “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.

(23) “Regular license” means a license issued by the Commission pursuant to the provisions of Section 12492, Section 12500, section 326.3(q)(1) of the Penal Code, and any specific additional licensing criteria established by the Commission in regulation.

(24) “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.

(25) “Satellite site” means the location at which the transmission of the live bingo game from a host site is received.

(26) “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.

(27) “Site” means the property owned or leased by an authorized organization, or property whose use is donated to an authorized organization and which property is used by that authorized organization for performance of the charitable purpose for which the organization was formed.

(28) “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.

(29) “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.

(30) "Technical duties" include, but are not limited to, providing expertise related to the maintenance, repair and operation of remote caller bingo equipment.
(31) "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.
(32) "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.
(33) "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 an authorized 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: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

12482. Assistance to Bingo Players with Disabilities

Pursuant to the provisions of paragraph (6) of subdivision (p) of section 326.5 of the Penal Code, the following requirements are established as means by which the operator of a bingo game shall, as required by applicable law, offer assistance to players with disabilities:

(a) For players with disabilities consistent with definitions set forth in the Americans with Disabilities Act (ADA) (42 U.S.C. § 12101 *et seq.*), when those disabilities would restrict a player's ability to mark cards:

(1) The operator of a bingo game that offers card-minding devices shall reserve at least two card-minding devices, approved by the Bureau, for use by disabled players. If there are no requests for use of the reserved card-minding devices prior to fifteen minutes before the scheduled start of a session, the reserved devices may be made available for use by any player.
(2) If the operator of a bingo game, or any other person involved in the conduct of a bingo game, charges players a fee for the use of card-minding devices, players with disabilities as described in subsection (a) shall not be required to pay that fee or to comply with a minimum purchase requirement imposed on players utilizing card-minding

devices, if any. Those players are required to comply with any minimum purchase requirement imposed on all players by an operator.

(3) The operator of a bingo game that offers card-minding devices shall allow players with disabilities as described in subsection (a) to claim prizes by presenting a printout of a winning card, or other evidence of a winning card approved by the Commission.

(b) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict a player's ability to verbally announce "BINGO," the operator of a bingo game shall allow those players to utilize a form of visual or audible signaling to notify the operator of a winning pattern or "bingo," which may include a flag, paddle, light, horn, bell or whistle, or other means approved by the Commission.

(c) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict the players' ability to mark cards, or to announce "BINGO," the operator of a bingo game shall allow another individual to assist the disabled players in the play of bingo. The assisting individual shall not be counted towards the 750-player maximum applicable to remote caller bingo as provided in subdivision (i) of section 326.3 of the Penal Code.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section 326.5, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.5, Penal Code.

ARTICLE 2. 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 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. 07/17), 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.

(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.

12493. INTERIM LICENSE DENIAL; APPLICANT DISQUALIFICATION

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.
(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6 and 19859, 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 3. REMOTE CALLER BINGO INTERIM LICENSES AND INTERIM WORK PERMITS

12500. INTERIM LICENSES; INITIAL AND RENEWAL; CONDITIONS

(a) An interim licensing 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 perform in the capacity of a fiduciary 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 or caller applying for an initial interim license shall submit the following to the Bureau:

(1) Application for Interim License for Remote Caller Bingo, BGC-620 (Rev. 10/13), which is attached in Appendix C to this chapter.
(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 after 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 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: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

12501. INTERIM LICENSE DENIAL; APPLICANT DISQUALIFICATION

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.
(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, 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:

(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.

12504. INTERIM WORK PERMIT DENIAL; APPLICANT DISQUALIFICATION

(a) An application for an interim work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12505. AUTHORIZATION OF ORGANIZATIONS CONDUCTING REMOTE CALLER BINGO GAMES

(a) No organization may conduct remote caller bingo games in this state unless it has been authorized by the Commission pursuant to this article.

(b) Any organization requesting initial authorization 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. 10/13), which is attached in Appendix C to this Chapter.

(3) Submit a non-refundable processing fee of $50.00.

(c) An organization authorized 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) A 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 subsection (b) 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 authorization to any organization that does not meet the requirements specified in subsection (b).

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

12508. REMOTE CALLER BINGO REQUIREMENTS

(a) An organization conducting remote caller bingo shall have been authorized 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. Those 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) (1) The records kept by 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 vendor's fiscal year.

(2) The records kept by organizations, 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 60 days after completion of the audit report.

(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) Within 30 days after the end of each calendar quarter, each organization authorized to conduct remote caller bingo games shall submit to the Bureau 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, the amount of which shall be

based on the gross revenues from all remote caller bingo games conducted by the organization during the calendar quarter for which the payment is submitted.

(f) An organization authorized to conduct remote caller bingo games shall provide the Bureau and local law enforcement 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 who 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 the name of the 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.
(9) A copy of the license issued to the organization pursuant to subdivision (l) of section 326.5 of the Penal Code.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Sections 326.3 and 326.4, Penal Code. Reference: Sections 326.3 and 326.4, Penal Code.

APPENDIX B AND APPENDIX C: FORMS

Please refer to the California Gambling Control Commission's website (www.cgcc.ca.gov) for its forms.

CHAPTER 9. [RESERVED]

CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS

12550. PURPOSE AND SCOPE

(a) The purpose of this chapter is to set forth disciplinary procedures and guidelines applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission. This chapter does not apply to any denial proceedings under the Act.

(b) The disciplinary guidelines in this chapter are designed to promote fairness and flexibility in dealing with a wide range of disciplinary scenarios. Variation in penalties based on circumstances and factors in aggravation or mitigation are part of this disciplinary scheme to promote compliance with applicable laws and regulations.

(c) Nothing in this chapter is intended to limit the authority of the Commission to issue orders of summary suspension pursuant to Business and Professions Code section 19913, or to limit the authority of the Bureau to issue emergency orders pursuant to Business and Professions Code section 19931.

(d) Nothing in this chapter shall be construed to prevent the Commission from:

(1) Ordering an investigation by Commission staff on a matter brought before the Commission;
(2) Instituting a civil action in any superior court to restrain a violation of the Act, pursuant to Business and Professions Code section 19824, subdivision (g);
(3) Referring a matter to the Attorney General or any district attorney or city attorney for civil, criminal or administrative action; or
(4) Requesting the Bureau to conduct an investigation pursuant to information gathered independently by the Commission or supplied to it by a third party.

(e) Nothing in this chapter precludes any person from notifying the Commission or the Bureau regarding any violations of law or reasons why the holder of any license, registration, permit, finding of suitability, or approval should be disciplined.

(f) Nothing in this chapter precludes the Bureau, in its discretion, from issuing warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or from withdrawing such upon further investigation.

Note: Authority cited: Sections 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19912, 19913, 19914, 19920, 19922, 19930, 19931 and 19984, Business and Professions Code.

12552. SETTLEMENTS

(a) At any time, the Commission and respondent may enter into a settlement of the accusation as provided in this section.

(b) Any settlement of an accusation shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to any penalty imposed, and shall be a full and final settlement of the violation including a complete waiver of all judicial or other review unless otherwise agreed to by the Commission.

(c) Any settlement of an accusation shall be submitted by the Bureau for approval by the Commission at a noticed Commission meeting. The Commission shall have final approval authority concerning any such settlement. If the Commission rejects a settlement or agreement, and no amended agreement or settlement is reached before two additional regularly noticed Commission meetings have concluded, or sixty days have elapsed, whichever is later, the Bureau shall proceed with the formal hearing process under this chapter.

Note: Authority cited: Sections 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19824, 19826, 19920 and 19930, Business and Professions Code.

12554. FORMAL HEARING PROCESS

(a) Upon the filing with the Commission of an accusation by the Bureau recommending revocation, suspension, or other discipline of a holder of a license, registration, permit, finding of suitability, or approval, the Commission shall proceed under Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Discipline shall be in accordance with the guidelines of this chapter, summarized for convenience only in CGCC-12554 (New 09/06), Summary Chart of Disciplinary Guidelines, attached as Appendix A to this chapter.

(b) In the event that the Bureau cannot present the accusation, the Commission may request outside counsel or representation by another state agency or may adequately segregate one or more Commission staff members from the Commissioners and Commission legal unit to present the accusation.

(c) The Administrative Law Judge and Commission shall base their decisions on written findings of fact, including findings concerning any relevant aggravating or mitigating factors. Findings of fact shall be based upon a preponderance of the evidence standard. The "preponderance of the evidence standard" is such evidence as when considered and compared with that opposed to it, has more convincing force, and produces a belief in the mind of the fact-finder that what is sought to be proved is more likely true than not true.

(d) Upon a finding of a violation of the Act, any regulations adopted pursuant thereto, any law related to gambling or gambling establishments, violation of a previously imposed disciplinary or license condition, or laws whose violation is materially related to suitability for a license, registration, permit, or approval, the Commission may do any one or more of the following:

(1) Revoke the license, registration, permit, finding of suitability, or approval;
(2) Suspend the license, registration, or permit;
(3) Order the licensing authority of a city, county, or city and county to revoke a work permit, pursuant to Business and Professions Code section 19914, subdivision (a),
(4) Impose any condition, limitation, order, or directive (including but not limited to a directive to divest an interest in a business entity pursuant to Business and Professions Code, section 19879);
(5) Impose any fine or monetary penalty consistent with Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b);
(6) Stay, in whole or in part, the imposition of a revocation or suspension against the holder of a license, registration, work permit, finding of suitability, or approval, or
(7) Order the holder to pay a monetary penalty in lieu of all or a portion of a suspension. Within the guidelines of Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b):
    (A) If the respondent is an owner licensee of a gambling establishment, the monetary penalty shall be equivalent of fifty percent of the

average daily gross gaming revenue, but not less than $300, for the number of days for which the suspension is stayed.

(B) [RESERVED]

(C) If the respondent is an owner of a third-party provider of proposition player services and the violation did not involve a fraudulent, expired, borrowed, or stolen badge, and did not involve a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $100 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(D) If the respondent is an owner of a third-party provider of proposition player services and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $300 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(E) If the respondent is an owner of a gambling business, the monetary penalty shall be $1500 per day for the number of days for which the suspension is stayed.

(F) If the respondent is a key employee of a gambling establishment or a supervisor of a gambling business or third-party provider of proposition player services, the monetary penalty shall be $100 per day for the number of days for which the suspension is stayed.

(G) If the respondent is a holder of a work permit, a player or other employee of a gambling business or third-party provider of proposition player services, or a person not otherwise described above, the monetary penalty shall be $50 per day for the number of days for which the suspension is stayed.

(e) If a person's state gambling license for a gambling establishment is revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the gambling establishment, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from controlled gambling.

(f) If an owner of a third-party provider of proposition player services or gambling business has his or her owner's license or registration revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the third-party provider of proposition

player services or gambling business, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from the provision of proposition player services.

(g) For decisions concerning a gambling establishment, findings shall be made regarding the number of tables in operation at the establishment and the annual gross gaming revenue of the establishment.

(h) For decisions concerning an owner of a third-party provider of proposition player services, findings shall be made regarding the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged.

(i) Any order to pay the costs of investigation or prosecution of the case shall be fixed pursuant to Business and Professions Code section 19930, subdivision (d).

(j) For multiple violations, or for suspensions imposed by other jurisdictions based on the same violations, the decision shall state whether any Commission-imposed suspensions shall run consecutively or concurrently.

(k) Where a violation arises from a practice that is repeated many times an hour or day in the conduct of controlled games, each instance of the practice shall not be charged as a separate violation; however, the frequency and duration of the practice shall be treated as aggravating or mitigating factors.

Note: Authority cited: Sections 19824, 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19879, 19930 and 19984, Business and Professions Code; Section 11045, Government Code; and Section 10335, Public Contract Code.

12556. FACTORS IN MITIGATION OR AGGRAVATION OF PENALTY

Factors in mitigation may reduce a minimum penalty of suspension listed in this chapter, either in number of days suspended and/or in the proposal to stay a suspension for a period of probation and the payment of any monetary penalty. Factors in aggravation may increase a penalty or be taken into consideration in determining whether or not to allow a suspension to be stayed upon payment of a monetary penalty. If presented by complainant or respondent, the Commission shall consider the following factors in mitigation or aggravation of the penalty imposed:

(a) Violation of any previously imposed or agreed upon condition, restriction or directive.

(b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.

(c) The extent to which respondent cooperated with the Bureau or Commission during the investigation of the violation.

(d) The extent to which respondent was honest with the Bureau or Commission during the investigation of the violation.

(e) The extent to which respondent is willing to reimburse or otherwise make whole any person who has suffered a loss due to the violation.

(f) Whether respondent has initiated remedial measures to prevent similar violations.

(g) The extent to which respondent realized an economic gain from the violation.

(h) Disciplinary history of respondent, repeated offenses of the same or similar nature, or evidence that the unlawful act was part of a pattern or practice, including the frequency or duration of any pattern or practice which violates applicable law.

(i) Any other aggravating factors, including any factors which the Commission determines to bear on the health, safety, or welfare of the public.

(j) The extent to which there was actual or potential harm to the public or to any patron.

(k) The extent to which an owner licensee or key employee of a gambling establishment, owner or supervisor of a third-party provider of proposition player services, or owner or supervisor of a gambling business exercised due diligence in management or supervision.

(l) If the violation was caused by an employee of a third-party provider of proposition player services or gambling business, the extent to which the owner licensee, licensee, or registrant knew or should have known of the employee's improper conduct; the level of authority of the employee involved and the extent to which the employee acted within the scope of his or her authority in committing the violation.

(m) If the violation was caused by a third-party provider of proposition player services or gambling business, the extent to which the owner licensee or gambling establishment knew or should have known of the improper conduct.

(n) If the violation was caused by an independent contractor of a gambling business, the extent to which the gambling business owner licensee, licensee, or registrant knew or should have known of the independent contractor's improper conduct; the level of authority of the independent contractor involved and the extent to which the independent contractor acted within the scope of his or her authority in committing the violation.

(o) If the violation was caused or committed by a third party, the extent to which the owner licensee, licensee, or registrant knew or should have known of the third party's improper conduct.

(p) Any relevant evidence offered by respondent in mitigation of the violation.

Note: Authority cited: Sections 19825, 19840 and 19930, Business and Professions Code. Reference: Sections 19825, 19920, 19930 and 19984, Business and Professions Code.

12558. DISCIPLINARY GUIDELINES FOR HOLDERS OF WORK PERMITS

Pursuant to Business and Professions Code, section 19914, the holder of a work permit shall be subject to a minimum penalty of a three-day suspension, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, up to a maximum penalty of revocation by the Commission if the Commission finds that the holder:

(a) Engaged in or committed a prohibited act specified in Business and Professions Code 19914, subdivision (a).

(b) Does not currently meet any criterion for eligibility or qualification.

(c) Violated or is in violation of any condition, limitation or directive previously imposed on the work permit.

(d) Violated or is in violation of any Commission or Bureau regulations, including those regulations regarding work permits in the California Code of Regulations, Title 4, Division 18, Chapter 2 (commencing with Section 12100).

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Section 19824, 19878, 19912, 19914, 19920 and 19930, Business and Professions Code.

12560. DISCIPLINARY GUIDELINES FOR THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES LICENSEES OR REGISTRANTS

(a) If the Commission finds that an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of proposition player services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, will be subject to a minimum discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in paragraph (7) of subsection (d) of Section 12554 of this chapter, if the Commission finds that:

(1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,

(3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,
(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,
(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for third party providers of proposition player services,
(7) The owner has provided proposition player services in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(9) or (b)(11),
(8) The owner has failed to fully disclose financial arrangements in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(14),
(9) The primary owner has failed to report cheating, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(17),
(10) The owner has purchased, leased, or controlled equipment in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(20),
(11) The owner has failed to have the proposition player contract approved, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(21), or Section 12200.9,
(12) The owner has authorized or provided payment to or receipt by the gambling establishment, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c),
(13) The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,
(14) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
(15) The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
(16) The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),
(17) The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),
(18) The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(19) The owner has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(18),
(20) The owner has violated the provisions regarding playing books listed in California Code of Regulations, Title 4, Section 12250,
(21) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n), or
(22) The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq.

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, must be subject to a minimum monetary penalty of $100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,
(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or
(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling or the provision of proposition player services which is inimical to the health, welfare, or safety of the general public.
(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,
(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,
(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,
(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,
(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section12290.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, will be subject to a minimum monetary penalty of $300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,
(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,
(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),
(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),
(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),
(8) The supervisor, player, or other employee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(18), or
(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (b), (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or
(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12204 or 12218.11.

Note: Authority cited: Sections 19825, 19840, 19841, 19930 and 19984, Business and Professions Code. Reference: Sections 19824 and 19930, Business and Professions Code.

12562. DISCIPLINARY GUIDELINES FOR GAMBLING BUSINESS LICENSEES OR REGISTRANTS

(a) IIf the Commission finds that an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of gambling business services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of $2500 and/or a discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation by the Commission if the Commission finds that:

(1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
(2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,
(3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services as a gambling business,
(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,
(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for gambling businesses,
(7) The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,
(8) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
(9) The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
(10) The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or

dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(11) The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(12) The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(13) The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq., or

(14) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsections (a), (b), (d), (e), (f), (l), or (m).

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, must be subject to a minimum monetary penalty of $100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property,

(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling which is inimical to the health, welfare, or safety of the general public.

(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,

(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,

(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,

(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or
(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12290.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum penalty of a monetary penalty of $300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,
(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,
(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),
(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),
(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),
(8) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18 subsections (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a gambling business, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or
(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12224 or 12220.11.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code.

12564. DISCIPLINARY GUIDELINES FOR MANUFACTURERS OR DISTRIBUTORS

A registration granted by the Commission for a manufacturer or distributor of gambling equipment shall be subject to suspension or revocation by the Commission if the Commission finds that the registrant has violated California Code of Regulations, Title 4, Section 12303, subsection (b).

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Section 19930, Business and Professions Code.

12566. DISCIPLINARY GUIDELINES FOR GAMBLING ESTABLISHMENTS

(a) If the Commission finds that a gambling establishment is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, or any local ordinance which directly affects the public health, safety, or welfare, which is not otherwise listed in these disciplinary guidelines, pursuant to Business and Professions Code section 19922, the penalty shall be one day of suspension, stayed upon the payment of a penalty, within the guidelines of Business and Professions Code, sections 19930, subdivision (c), and 19943, subdivision (b), as follows:

(1) If the establishment has five tables or less and has an annual gross gaming revenue up to and including $10,000, the penalty shall be between $50 and $100, based upon the factors in mitigation and aggravation.
(2) If the establishment has ten tables or less or has an annual gross gaming revenue over $10,000, up to and including $200,000, the penalty shall be between $100 and $2000, based upon the factors in mitigation and aggravation.
(3) If the establishment has annual gross gaming revenue over $200,000, the penalty shall be between $250 and $5,000, based upon the factors in mitigation and aggravation.

(b) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of suspension for 30 days of normal business operation, which may be stayed on terms and conditions and upon a monetary penalty of twenty-five percent of the average daily gross gaming revenue, not more than $10,000, but not less than $300, if the Commission finds that the establishment has violated any of the following but has not been disciplined by the Commission for such a violation previously:

(1) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,
(2) Failed to maintain adequate financing for chips in use or for player banks,
(3) [RESERVED]
(4) [RESERVED]

(5) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration),
(6) Violated Business and Professions Code, section 19912 (failure to have valid work permit),
(7) [RESERVED]
(8) Violated Business and Professions Code, section 19924 (failure to maintain security controls),
(9) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,
(10) Provided false or incomplete financial data, in violation of Sections 12312, 12313, 12315, and 12316, regarding accounting and financial reporting,
(11) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to Sections 12312, 12313, 12315, and 12316, regarding accounting and financial reporting,
(12) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),
(13) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), or
(14) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities).

(c) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the establishment has:
(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege,
(3) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
(4) Failed to maintain adequate financing for chips in use or for player banks, and has been disciplined by the Commission for such a violation previously,
(5) Failed to report the operation of unregistered gambling businesses when the owners or management of the establishment knew or should have known that these gambling businesses were operating in the

establishment, and has been disciplined by the Commission for such a violation previously,

(6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901,

(7) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration), and has been disciplined by the Commission for such a violation previously,

(8) Violated Business and Professions Code, section 19912 (failure to have valid work permit), and has been disciplined by the Commission for such a violation previously,

(9) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas), and has been disciplined by the Commission for such a violation previously, or violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed), unless the licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the licensee shows that the licensee has reasonably relied on picture identification which appears to be government issued, including determining that the identification looks real, there are no obvious alterations, the photograph and description reasonably match the person, and the person reasonably looks age 21 or over.

(10) Violated Business and Professions Code, section 19924 (failure to maintain security controls), and has been disciplined by the Commission for such a violation previously,

(11) Violated Business and Professions Code, section 19942 (willful failure to report or pay license fee),

(12) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982, and has been disciplined by the Commission for such a violation previously,

(13) Provided false or intentionally incomplete financial data, in violation of Sections 12312, 12313, 12315 and 12316, regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(14) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to Sections 12312, 12313, 12315, and 12316, regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(15) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on

premises), and has been disciplined by the Commission for such a violation previously,

(16) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), and has been disciplined by the Commission for such a violation previously, or

(17) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities), and has been disciplined by the Commission for such a violation previously.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19850, 19851, 19853, 19854, 19855, 19875, 19878, 19883, 19901, 19912, 19920, 19921, 19922, 19923, 19924, 19930, 19941, 19942 and 19982, Business and Professions Code; and Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Board (2004), 118 Cal. App. 4th 1429, 1444-1445.

12568. DISCIPLINARY GUIDELINES FOR HOLDERS OF LICENSES, FINDINGS OF SUITABILITY, OR APPROVALS

(a) A license for an individual or any finding of suitability or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(3) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was a monetary fine,

(4) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(5) Committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(6) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling that is inimical to the health, welfare, or safety of the general public.

(b) A license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of

suspension for five days of normal scheduled work and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
(2) Intentionally provided untruthful responses during an investigation by the Bureau, pursuant to Business and Professions Code, section 19827,
(3) Willfully interfered with the performance of Commission or Bureau duties, pursuant to Business and Professions Code, section 19944,
(4) Committed an act 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, including but not limited to operation of a banked or percentage game (Penal Code, section 330), possession or sale of a slot machine (Penal Code, section 330b) or agreement for slot machine payout (Penal Code, section 330.1), bookmaking (Penal Code, section 337), and cheating (Penal Code, section 337x),
(5) Committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),
(6) Committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),
(7) Conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),
(8) As an owner licensee, not taken reasonable steps to prevent the crimes listed in subsection (b), paragraphs (5) through and including (7), from occurring at the gambling establishment, when the owner licensee knew or should have known that these crimes were being committed,
(9) Committed bribery (as that term is used in Penal Code section 67 or 67.5),
(10) Committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),
(11) Been convicted of a crime involving fiscal dishonesty, including but not limited to tax evasion (26 U.S.C. § 7201),
(12) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was more than a monetary fine, or
(13) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege.

(c) A state gambling license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any

violations committed by the gambling establishment shall be subject to revocation by the Commission on any of the following grounds:

(1) If the Commission finds the holder to have been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure,
(2) If the Commission finds the holder to have engaged in or committed a prohibited act specified in Business and Professions Code section 19863 (no more than one gambling establishment at racetrack),
(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set forth in Business and Professions code sections 19857, 19858, or 19880, as applicable, or
(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19827, 19857, 19858, 19859, 19860, 19863, 19878, 19880, 19922, 19923, 19924, 19930, 19942 and 19944, Business and Professions Code.

12572. PRECEDENTIAL DECISIONS

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any adopted final decision reached by administrative adjudication as a precedential decision.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Note: Authority cited Section 19840, Business and Professions Code. Reference: Section 19930, Business and Professions Code; and Section 11425.60, Government Code.

APPENDIX A: SUMMARY CHART OF DISCIPLINARY GUIDELINES

See following pages.

State of California
California Gambling Control Commission
CGCC – 12554 (New 09-08)

Summary Chart of Disciplinary Guidelines

This is a summary – please refer to the regulatory text for a full explanation. In case of any conflicts, the regulatory text will prevail. Minimum and Maximum penalties may be affected by factors in mitigation or aggravation, pursuant to regulation 12556. If not otherwise listed, penalties may be stayed on the imposition of terms, conditions, or fines at the Commission's discretion, pursuant to regulation 12554, subsection (d).

Legend:
GGR = Average Daily Gross Gaming Revenue
TPPPPS = Third-Party Providers of Proposition Player Services

Type Of Offense	Type Of License	Minimum Penalty	Maximum Penalty	Regulation Reference (4 CCR)
Adequate Financing				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(2), stay 12566(b); 12566(c)(4)
Badge Violations				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(5)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(5)
Bribery				
	TPPPPS - Owner	5 days	Revocation	12560(b)(17)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(11)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(6)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(9)
Campaign Finance violation				
	TPPPPS – Owner	5 days	Revocation	12560(b)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(5)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(9), stay 12566(b); 12566(c)(12)

Cheating				
	TPPPPS – Owner	5 days	Revocation	12560(b)(9), (13)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(7)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(2)
Conviction – law related to gambling				
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day or 5 days	Revocation	12568(a)(2), (3); 12568(b)(12),(13)
Conviction - Moral Turpitude Crimes				
	TPPPPS – Owner or Employee	Revocation	Revocation	12560(e)(1)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1)
Dishonest controlled gaming activities				
	TPPPPS - Owner	5 days	Revocation	12560(b)(4)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(4)
Extortion				
	TPPPPS - Owner	5 days	Revocation	12560(b)(14)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(3)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(8)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(5)
Failure to Pay Fees				
	TPPPPS – Owner (Annual Fees)	5 days	Revocation	12560(b)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(6)
	Gambling Establishment	5 days	Revocation	12566(c)(11)
Fighting				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(6)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(6)

Loan-sharking				
	TPPPPS - Owner	5 days	Revocation	12560(b)(15)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(4)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(9)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(6)
Misrepresenting material fact on application				
	TPPPPS - Owner	5 days	Revocation	12560(b)(3)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(3)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(1)
Money Laundering				
	TPPPPS - Owner	5 days	Revocation	12560(b)(18)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(7)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(12)
	Gambling Business - Employee	5 days	Revocation	
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(10)
Narcotics				
	TPPPPS - Owner	5 days	Revocation	12560(b)(16)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(10)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(5)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(7)

Non-Qualification				
	Work Permitee	3 days	Revocation	12558(b)
	TPPPPS - Owner	Revocation	Revocation	12560(e)(1),(2)
	TPPPPS - Employee	Revocation	Revocation	12560(e)(1),(2)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1), (2)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1), (2)
	Gambling License, Finding of Suitability, Approval (not work permit)	Revocation	Revocation	12568(c)(1), (3), (4)
Property Damage				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(7)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(7)
Tips				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(8)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(8)
Unauthorized Practice				
	TPPPPS – Owner (12200)	5 Days	Revocation	12560(b)(22)
	Gambling Business– Owner (12220)	$2500 and/or 5 days	Revocation	12562(b)(13)
	Gambling Establishment	5 days	Revocation	12566(c)(5)
Unsuitable Gaming Activities				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(14), stay 12566(b); 12566(c)(17)
Violation of Gambling Control Act				
	Work Permitee - 19914	3 days	Revocation	12558(a)
	Gambling Establishment – 19850, 19851, 19853, 19854, 19855, 19883, 19901 (ownership/key)	5 days	Revocation	12566(c)(6)
	Gambling Establishment – 19878	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(5), stay 12566(b); 12566(c)(7)
	Gambling Establishment – 19912 (work permit)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(6), stay 12566(b); 12566(c)(8)

	Gambling Establishment – 19921 (failure to exclude)	5 days	Revocation	12566(c)(9)
	Gambling Establishment – 19924 (security controls)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(8), stay 12566(b); 12566(c)(10)
	Gambling Establishment – 19941 (under 21)	5 days	Revocation	12566(c)(9)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19817 (untruthful)	5 days	Revocation	12568(b)(2)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19944 (interference)	5 days	Revocation	12568(b)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19863 (racetrack)	Revocation	Revocation	12568(c)(2)
Violation of Chapter 9 and 10 of Penal Code				
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(4)
Violation of any gambling law				
	TPPPPS – Owner	5 days	Revocation	12560(b)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(2)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(1), stay 12566(b); 12566(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day; 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Violation of law – nexus				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(3)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – crime of fiscal dishonesty	1 day; 5 days	Revocation	12568(b)(11)

Violation of Regulations				
	Work Permitee	3 days	Revocation	12558(d)
	TPPPPS – Owner (12200.7(b)(9), (11), (15), (18), (19), (21), (22), or (c), or 12200.9)	5 days	Revocation	12560(b)(7)-(12), (19)
	TPPPPS – Owner (12200.13, or 12200.18 (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n))	5 days	Revocation	12560(b)(20), (21)
	TPPPPS - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12560(c)(8), (9)
	TPPPPS – Employee (12200.7, 12200.18(b), (c), (d), (f), (g), (h), (i), (j), or (k))	$300 and/or 5 days	Revocation	12560(d)(8), (9)
	Gambling Business - Owner (12220.18 a, b, d, e, f, l, m)	$2500 and/or 5 days	Revocation	12562(b)(14)
	Gambling Business - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12562(c)(9), (10)
	Gambling Business - Employee (12220.18 c, d, f, g, h, i, j, k)	$300 and/or 5 days	Revocation	12562(d)(8)
	Manufacturers or Distributors (12303(b))	Suspension	Revocation	12564
	Gambling Establishment (Accounting Regs)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(10), (11), stay 12566(b); 12566(c)(13), (14)
	Gambling Establishment – 11 CCR 2050 (Key on premises)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(12); stay 12566(b); 12566(c)(15)
	Gambling Establishment – 11 CCR 2052 (Failure to furnish information)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(13); stay 12566(b); 12566(c)(16)
	Gambling Establishment – 11 CCR 2070 (unsuitable gaming activities)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(14); stay 12566(b); 12566(c)(17)

Violation of Act, Regulations or Ordinances, or mandatory duties not listed				
	TPPPPS – Owner	1 day, stay	1 day	12560(a)
	Gambling Business - Owner	1 day, stay	1 day	12562(a)
	Gambling Establishment	1 day, stayed on monetary penalty	1 day	12566(a)
Violation of Conditions				
	Work Permitee	3 days	Revocation	12558(c)
	TPPPPS – Owner	5 days	Revocation	12560(b)(1)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(1)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(1)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 days	Revocation	12568(a)(1)
Conduct inimical				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(6)
	Gambling License – Owner Licensee (not taking reasonable steps to prevent crimes)	5 days	Revocation	12568(b)(8)

CHAPTER 11. CONFLICTS OF INTEREST

12590. CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearings, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the California Gambling Control Commission (Commission).

Individuals holding designated positions shall file their statements of economic interests with the FPPC filing officer in the Commission who will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) With respect to the Commissioners and the Executive Director of the California Gambling Control Commission, the Commission shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

Note: Authority cited: Section 87300, Government Code. Reference: Sections 87300 and 87302, Government Code.

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.
(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.

APPENDIX A: LIST OF DESIGNATED POSITIONS AND ASSIGNED DISCLOSURE CATEGORIES

See following pages.

APPENDIX A

CALIFORNIA GAMBLING CONTROL COMMISSION
CONFLICT OF INTEREST CODE

List of Designated Positions	Assigned Disclosure Categories
COMMISSIONERS	
Commissioners	1
EXECUTIVE ADMINISTRATION	
Executive Director	1
Deputy Executive Director	1
Staff Services Manager, all levels	1
Research Program Specialist II	2, 3, 4
Senior Information System Analyst (Specialist)	2, 3
Staff Information System Analyst	2, 3
Administrative Assistant I/II	2
Executive Assistant	2
LEGAL DIVISION	
Chief Counsel	1
Staff Counsel , all levels	1
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
LEGISLATIVE & PUBLIC AFFAIRS OFFICE	
Deputy Director	1
Information Officer II	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
SUPPORT SERVICES	
Deputy Director	1
Staff Services Manager, all levels	1
System Software Specialist II	1
Senior Programmer Analyst	2, 3
Associate Programmer Analyst	2, 3
Systems Software Specialist I	2, 3
Staff Programmer Analyst	2, 3

Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
Senior Accounting Officer	2, 4
Associate Budget Analyst	4
Associate Information System Analyst	2, 3
Senior Personnel Specialist	2, 4
Accountant I	2, 4
Associate Personnel Analyst	4
Health and Safety Officer	4
LICENSING DIVISION	
Deputy Director	1
Staff Services Manager, all levels	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
COMPLIANCE DIVISION	
Deputy Director	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Associate Management Auditor	2
Staff Services Management Auditor	2
Management Service Technician	2
Associate Information System Analyst (Specialist)	2, 3
TRIBAL AUDITS PROGRAM	
Supervising Management Auditor	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Associate Management Auditor	2
Staff Services Management Auditor	2
Management Service Technician	2
Consultant	
TECHNICAL SERVICES PROGRAM	
Systems Software Specialist III (Supervisory)	1

Systems Software Specialist II	2, 3
Systems Software Specialist I	2, 3
Staff Services Manager, all levels	1
Associate Information Systems Analyst (Specialist)	2, 3
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
QUALITY ASSURANCE PROGRAM	
Staff Services Manager, all levels	1
Associate Management Auditor	2
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
CONSULTANTS	
Consultant	

DISCLOSURE CATEGORY 1 – Full disclosure is required. Any officer, employee, or consultant in this category shall disclose all interest in real property in the State of California, as well as investments, business positions, and sources or income, including gifts, loans and travel payments.

DISCLOSURE CATEGORY 2 – Any officer, employee, or consultant in this category shall disclose investments, business positions, and sources of income including gifts, loans and travel payments, from any manufacturer or distributor of gambling equipment; manufacturer or distributor of card-minding devices; manufacturer or distributor of remote caller bingo equipment or supplies; holder of a finding of suitability issued pursuant to a tribal-state compact; Indian tribe; holder of a state gambling license, holder of a key employee license; holder of a work permit; holder of a third-party provider of proposition player services license; holder of a third-party provider of proposition player services registration; holder of a gambling business license; holder of a gambling business registration; applicant for a state gambling license; applicant for a key employee license; applicant for a work permit; applicant for licensure as a third- party provider of proposition player services; applicant for registration as a third-party provider of proposition player services; applicant for licensure as a gambling business; applicant for registration as a gambling business; applicant for registration as a manufacturer or distributor of gambling equipment; applicant for licensure as manufacturer or distributor of card-minding devices; applicant for licensure as manufacturer or distributor of remote caller bingo equipment or supplies; applicant for a finding of suitability under a tribal-state compact; or applicant for any other license, permit or approval

provided for in the Gambling Control Act or the Remote Caller Bingo Act, any regulation adopted pursuant the Gambling Control Act or Remote Caller Bingo Act, or any tribal-state compact. Any person in this category shall also disclose any interest in real property in the State of California.

DISCLOSURE CATEGORY 3 – A designated employee in this category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provide information technology systems including: hardware, software, equipment, or consulting services, of the type utilized at the Commission.

DISCLOSURE CATEGORY 4 – A designated employee in the category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provides or provided within the previous two years services, supplies, equipment, vehicles, machinery, leased facilities, including training or consulting services, of the type utilized by the Commission.

***CONSULTANT DISCLOSURE CATEGORY** – Consultants shall be placed in disclosure category 1, subject to the following limitation: the Executive Director may determine in writing that a particular consultant although a "designated position," has been hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this Code. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Director's determination is a public record and shall be retained for public inspection in the same manner and locations as this Conflict of Interest Code.

CALIFORNIA CODE OF REGULATIONS, TITLE 11, DIVISION 3, GAMBLING CONTROL

CHAPTER 1. THE BUREAU OF GAMBLING CONTROL

ARTICLE 1. BUREAU OF GAMBLING CONTROL POWERS AND JURISDICTION

2000. JURISDICTION

The following regulations are adopted by the Chief of the Bureau of Gambling Control (Bureau) pursuant to the Gambling Control Act ("Act") commencing with Business and Professions Code section 19800.

Note: Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code. Reference: Sections 19826 and 19827, Business and Professions Code.

2001. EXEMPTIONS AND EXTENSIONS FOR COMPLIANCE

Upon a showing of good cause, the Chief, in his or her sole discretion, may grant a temporary exemption or extension of time only for any of the requirements or deadlines provided for in these regulations. Such exemption or extension shall be in writing and designate a specific time period for the exemption or extension.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Section 19826, Business and Professions Code.

ARTICLE 2. DEFINITIONS

2010. DEFINITIONS

For purposes of these regulations, the following terms have the following meanings:

(a) "Act" means the California Gambling Control Act, Chapter 5, (commencing with Section 19800), of Division 8, of the Business and Professions Code.

(b) "Approval" means authorization by the Bureau for certain acts, transactions, events and/or processes as provided in the Act.

(c) "Chip" means a tangible representative of value issued by a licensee to a patron.

(d) "Day" means calendar day unless otherwise specified.

(e) "Designated Agent" means a person(s) appointed by the owner(s) of a gambling establishment or the primary owner of a third-party provider of proposition player services or gambling business to serve as their representative.

(f) "Gaming Activity" means any activity or event including, but not limited to, jackpots, bonuses, promotions, cashpots, tournaments, etc., that is appended to, or relies upon any controlled game.

(g) "Wager" means a sum of money or thing of value risked or bet on the outcome of a controlled game.

Note: Authority cited: Sections 19800, 19801, 19803, 19810, 19850 and 19910, Business and Professions Code. Reference: Sections 19805(f), 19851, 19854, 19867, 19880 and 19890, Business and Professions Code; and Sections 15001, 15001.1 and 15001.2, Government Code.

ARTICLE 3. ADMINISTRATION

2020. SERVICE OF NOTICES, ORDERS AND COMMUNICATIONS

(a) Except as otherwise provided by law or these regulations, notices and other written communications shall be sent to an applicant, licensee, or designated agent by first-class mail, at the address of the establishment, unless a different address is otherwise designated by the applicant, licensee, or designated agent.

(b) The time specified in any such notice or communication shall commence to run from the date such mailing is postmarked.

(c) Any change of address shall be reported to the Bureau, in writing within 10 days of such change, and shall specifically request that all notices and written communications be sent to the changed address.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Section 19827, Business and Professions Code.

2021. SEPARATION FROM EMPLOYMENT: DESIGNATION OF BUREAU EMPLOYEES

(a) Pursuant to Business and Professions Code section 19981, subdivision (a), specified Bureau employees shall not, for a period of 3 years following separation from employment, act in certain capacities involving administrative

action or the issuance, amendment, awarding, or revocation of a license, permit, or approval. Bureau employees subject to the provisions of Business and Professions Code section 19981, subdivision (a) include:

1. Chief
2. Assistant Bureau Chief
3. Special Agent in Charge
4. Special Agent Supervisor
5. Special Agent or Special Agent Trainee
6. Field Representative
7. Auditor
8. Department of Justice Administrator I, Department of Justice Administrator II, or Department of Justice Administrator III
9. Staff Services Analyst working in a permitting, licensing or approval capacity
10. Associate Governmental Program Analyst working in a permitting licensing or approval capacity or,
11. Any employee whose class is not listed and whose job description involves actions related to the issuance, amendment, awarding, or revocation of a permit, license, or approval.

(b) Pursuant to Business and Professions Code, section 19981, subdivision (c), a Bureau employee shall not, for a period of two years after leaving office or terminating employment with the Bureau, hold a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of, a gambling establishment, gambling enterprise, registrant, or licensee.

Note: Authority cited: Sections 19826, Business and Professions Code. Reference: Sections 19981, Business and Professions Code.

ARTICLE 4. LICENSURE QUALIFICATIONS AND REQUIREMENTS.

2030. DESIGNATED AGENT

(a) An applicant or a licensee may designate a person(s) to serve as their agent(s), on a form Appointment of Designated Agent, BGC-APP. 008 (Rev.07-17), incorporated by reference into Title 4, CCR, section 12342. The Bureau retains the right to exercise its discretion to disapprove, in whole or in part, such designation.

(b) In the discretion of the Bureau, an applicant or licensee may be required to appoint a designated agent(s) if the Bureau determines the need for such an agent(s) exists.

Note: Authority cited: Sections 19826 and 19827 of the Business and Professions Code; and Stats. 1997, c. 867 (S.B.8), Section 66.5. Reference: Sections 19826.

2037. SCHEDULE OF INVESTIGATION AND PROCESSING COSTS

(a) Each applicant shall submit a deposit in accordance with Business and Professions Code sections 19826, 19867 and 19984, and Title 4, CCR, Chapters 2.1 (commencing with section 12200) and 2.2 (commencing with section 12220), in addition to the application fee required under Business and Professions Code section 19951(a), before the Bureau initiates any background investigation or

review related to a license, a finding of suitability, or an approval. The 1999 Tribal-State Gaming Compact and comparable provisions of the new and amended compacts (collectively referred to as "Compacts") also require applicants for a finding of suitability to submit an application and any deposits required to complete an investigation. During the investigation or review, the Chief may require an applicant to deposit any additional sums as are required to pay all costs and charges of the investigation or review. Additional deposits are due to the Bureau within fifteen (15) days from the date of the request for the required deposit. All costs and charges of the investigation or review must be paid before the Bureau may approve a contract, game, or gaming activity, or submit its report, or make a recommendation to the California Gambling Control Commission. The investigation or review concludes upon the California Gambling Control Commission's approval or denial of the application or the granting of a request to withdraw the application. For contracts, games, or gaming activities, the review concludes upon the Bureau's approval or denial of the application, or upon a request to withdraw the application. At the conclusion of the investigation or review, the Bureau shall provide the applicant with an itemized accounting of the costs incurred and shall cause a refund to be made of any unused portion of the deposit.

(1) The Bureau's schedule of deposits for investigation and processing costs under Business and Professions Code sections 19826 and 19867 shall be as follows:
    (A) Each applicant, other than a trust, for an initial State Gambling License, shall submit a deposit in the amount of $6,600;
    (B) Each applicant for an initial State Gambling License that is a trust shall submit a deposit in the amount of $1,100;
    (C) Each applicant for an initial State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $1,500;
    (D) Each applicant for an initial Key Employee License shall submit a deposit in the amount of $2,400;
    (E) The Gambling Enterprise shall submit a deposit in the amount of $1,600 for renewal of a State Gambling License;
    (F) An applicant other than a Trust, for a Renewal of a State Gambling License, shall submit a deposit in the amount of $725, if notified by the Bureau that an investigation is needed;
    (G) An applicant for a Renewal of a State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $200, if notified by the Bureau that an investigation is needed;
    (H) An applicant for a Renewal of a Key Employee License shall submit a deposit in the amount of $200, if notified by the Bureau that an investigation is needed;
    (I) An applicant for a Renewal of a State Gambling License for a Trust shall submit a deposit in the amount of $200, if notified by the Bureau that an investigation is needed;

(J) An owner licensee requesting approval for a change in location of a Gambling Establishment shall submit a deposit in the amount of $600;
(K) An application for a Game or Gaming Activity review shall be accompanied by a deposit in the amount of $550,
(L) An application to request an amendment or changes to an approved Game or Gaming Activity shall be accompanied by a deposit in the amount of $450;
(M) An application to operate additional tables on a temporary basis shall be accompanied by a deposit in the amount of $400; and,
(N) An application for additional permanent tables shall be accompanied by a deposit in the amount of $400.

(2) The Bureau's schedule of deposits for investigation and processing costs under Business and Professions Code sections 19867 and 19984, and Title 4, CCR, Chapters 2.1 and 2.2, shall be as follows:
(A) An application for Proposition Player Contract approval, expedited contract approval, or contract continuation approval, shall be accompanied by a deposit in the amount of $750;
(B) An application for Proposition Player Contract Amendment approval shall be accompanied by a deposit in the amount of $525;
(C) A supplemental information package (Title 4, CCR, §§ 12200 and 12220) to convert a registration to a license for an owner that is an individual or sole proprietorship shall be accompanied by a deposit in the amount of $6,000;
(D) A supplemental information package (Title 4, CCR, §§ 12200 and 12220) to convert a registration to a license for an owner that is a corporation, partnership, limited partnership, limited liability company, joint venture, or any other business organization, except a sole proprietorship or trust, shall be accompanied by a deposit in the amount of $11,500;
(E) A supplemental information package (Title 4, CCR, §§ 12200 and 12220) to convert a registration to a license for an owner that is a trust, shall be accompanied by a deposit in the amount of $2,500;
(F) A supplemental information package (Title 4, CCR, §§ 12200 and 12220) to convert a registration to a license for a Supervisor, shall be accompanied by a deposit in the amount of $2,500;
(G) If after a review of the supplemental information package (Title 4, CCR, §§ 12200 and 12220) to convert a registration to a license for a Player or Other Employee it is determined that further investigation is needed, a deposit in the amount of $315 shall be required;
(H) An application for renewal of a license for an owner that is a corporation, partnership, limited partnership, limited liability company, joint venture, sole proprietorship or any other business organization, except a trust, shall be accompanied by a deposit in the amount of $2,000;

(I) An applicant for renewal of a license for an owner that is an individual or a trust shall submit a deposit in the amount of $800, if notified by the Bureau that an investigation is needed; and,

(J) An applicant for renewal of a license for a supervisor shall submit a deposit in the amount of $450, if notified by the Bureau that an investigation is needed.

(3) The Bureau's schedule of deposits for investigation and processing costs under Business and Professions Code section 19826 and section 6.5.6 of the Compacts shall be as follows:

(A) An application for the primary owner or business entity for an initial Finding of Suitability as a Gaming Resource Supplier, Financial Source Management Contractor conducting business with a Tribal Gaming Operation or Gaming Facility shall be accompanied by a deposit in the amount of $20,000;

(B) An application (other than the primary owner or business entity) for an initial Finding of Suitability as a Gaming Resource Supplier, Financial Source or Management Contractor conducting business with a Tribal Gaming Operation or Gaming Facility shall be accompanied by a deposit in the amount of $6,600;

(C) An application for the primary owner or business entity for a renewal of a Finding of Suitability as a Gaming Resource Supplier, Financial Source or Management Contractor shall be accompanied by a deposit in the amount of $2,000; and

(D) An applicant (other than the primary owner or business entity) for a Renewal of a Finding of Suitability as a Gaming Resource Supplier, Financial Source or Management Contractor shall submit a deposit in the amount of $725, if notified by the Bureau that an investigation is needed.

(b) Upon a determination that a background investigation is of such complexity that the engagement of external specialized resources is warranted, an applicant may be subject to additional deposit requirements. The specific amount of the deposit shall be determined by the Bureau upon initial review of the completed supplemental information package, and will be based upon the estimated scope and nature of the investigative function that must be performed by the Bureau and the required external resources. The additional deposit shall be between $20,000 and $200,000. If further investigation is needed after the additional deposit is expended, an applicant may be required to submit subsequent deposits in amounts necessary to complete the investigation, upon notification by the Bureau.

Note: Authority cited: Sections 19824, 19826, 19867 and 19984, Business and Professions Code. Reference: Sections 19805(b), 19805(i), 19805(j), 19827, 19830, 19853(b), 19867, 19950(b), 19951 and 19984, Business and Professions.

2038. REQUIRED FORMS

In accordance with Title 11, CCR, section 2071, an applicant shall request approval from the Bureau prior to offering for play any game or gaming activity.

The following application forms and instructions for making such requests are hereby incorporated by reference:

(a) BGC-APP.026 (Rev. 09/17) Application for Game Review

(b) BGC-APP.027 (Rev. 09/17) Application for Gaming Activity Review

Note: Authority cited: Sections 19826(f) and (g), Business and Professions Code. Reference: Sections 19826(f) and (g) and 19866, Business and Professions Code.

ARTICLE 5. OPERATION OF GAMBLING ESTABLISHMENTS

2050. OWNER OR KEY EMPLOYEE ON PREMISES

(a) A gambling establishment shall have on the premises, at all times that the establishment is open to the public, an owner licensee or a key employee who shall have the responsibility and authority to ensure immediate compliance with the Act and these regulations.

(b) Subdivision (a) notwithstanding, gambling establishments with a reported gross revenue of less than $200,000 for the preceding fiscal year, upon written request by the owner licensee, the Bureau, in its discretion, may approve a written plan whereby the owner licensee or a designated employee, who shall have the responsibility and authority to ensure compliance with the Act and these regulations, shall be promptly available by telephone. The plan shall identify each such individual by name, title, and telephone contact number, as well as identifying the days and hours available as the designated contact.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Sections 19920 and 19924, Business and Professions Code.

2051. GAMBLING CHIPS

Each gambling establishment shall maintain a set of chips for use at gambling tables. These chips shall be designed, manufactured, and constructed so as to prevent the counterfeiting of such chips, and licensees may be required to submit their chips to the Bureau for approval.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Section 19924, Business and Professions Code.

2052. INFORMATION TO BE FURNISHED BY LICENSEES

(a) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Bureau a written report which identifies every person who at any time during the prior six months, received, or had a right to receive, payments which were calculated or based upon the earnings, profits or receipts generated from controlled gambling at the gambling establishment.

(b) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Bureau a written report which identifies every person to whom, at any time during the prior six months, any interest in the assets, earnings, profits or receipts of the gambling establishment have been pledged or hypothecated.

(c) Within five days of any owner licensee or key employee obtaining knowledge or notice of any possible violation of the Act or these regulations, a written report shall be submitted to the Bureau, which details the nature of the violation, the identities of those persons involved in the violation, and describes what actions have been taken to address the violation.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Section 19924, Business and Professions Code.

2053. ADEQUATE FINANCING

(a) The Bureau may require a gambling establishment to present satisfactory evidence that there is adequate financing available to protect the public's health, safety and welfare.

(b) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total value of the chips in use by the gambling establishment. The funds from that account may only be used to redeem the chips of that gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Bureau may allow the gambling establishment to provide some other form of security acceptable to the Bureau, in lieu of maintaining the required account.

(c) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total amount of the monies that patrons of that gambling establishment have on deposit with the gambling establishment. The funds from that account may only be used to return to the patrons the balance of monies on deposit with the gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Bureau may allow the gambling establishment to provide some other form of security acceptable to the Bureau, in lieu of maintaining the required account.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Sections 19920 and 19924, Business and Professions Code.

ARTICLE 6. GENERAL REPORTING

2060. EMPLOYEE REPORTS

(a) Upon request of the Bureau, a licensee shall promptly supply a list of all employees and each employee's job classification and job description.

(b) Within 10 days after making any changes in the organizational structure, an owner licensee shall submit to the Bureau an updated chart identifying such changes.

(c) On or before January 15 and July 15 of each year, each owner licensee shall submit a report identifying key employees, on a form provided by the Bureau, Key Employee Report, form BGC-LIC. 101 (Rev. 07-17), incorporated by reference into Title 4, CCR, section 12342.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5. Reference: Sections 19805(q) and 19826, Business and Professions Code.

ARTICLE 7. GAMES

2070. UNSUITABLE GAMING ACTIVITIES

It shall be an unsuitable method of operation for a gambling establishment to:

(a) Offer for play any game that is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law;

(b) Offer for play any gaming activity which is not authorized by the Bureau pursuant to the Act and these regulations for play at that gambling establishment;

(c) Fail to display at every table where a game is offered, the specific name of the game, or the variation thereof, that is then available for play at the table;

(d) Fail to give ample notice of the fee collection rates applicable to each table to the patrons of the gambling establishment;

(e) Fail to determine and collect applicable fees from all players at the table prior to the start of play of any hand or round; and,

(f) Fail to place in a conspicuous place, or make readily available to the patrons, a printed list of the rules of play for each gaming activity offered at the gambling establishment.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19801, 19826, 19866 and 19920, Business and Professions Code.

2071. GAMING ACTIVITY AUTHORIZATION

(a) As part of the application for initial licensure, every applicant shall submit to the Bureau a report identifying all gaming activities proposed to be offered at the gambling establishment. The report shall include, but not be limited to, the following:

(1) The name of each gaming activity;
(2) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;
(3) A glossary of distinctive terms or phrases used in each gaming activity;
(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,
(5) Such other information the Bureau, in its discretion, requests. Unless a reported gaming activity is specifically disapproved by the Bureau, all gaming activities identified in the required report shall be deemed authorized upon issuance of the initial license. It shall be an unsuitable method of operation to offer for play any gaming activity that was not specifically identified in the required report, without first obtaining authorization from the Bureau to do so.

(b) At any time after initial licensure, a gambling establishment may request the Bureau to authorize a gaming activity which has not been previously authorized by the Bureau, for use at that establishment. Within 30 days of a request for authorization of a gaming activity, the Bureau shall review the request for completeness and notify the licensee of any deficiencies in the request, or that the request is complete. Within 90 days from the date a licensee is notified that the request is complete, the Bureau shall act on the request. The request shall include, but not be limited to, the following:

(1) The name of each requested gaming activity;
(2) The rules for each requested gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;
(3) A glossary of distinctive terms or phrases used in each gaming activity;
(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,
(5) Such other information the Bureau, in its discretion, requests. It shall be an unsuitable method of operation to offer for play any requested gaming activity without first obtaining authorization from the Bureau to do so.

(c) The Bureau, in its sole discretion, may temporarily authorize the play of a gaming activity during the pendency of the Bureau's review. The Bureau, in its sole discretion, may withdraw this temporary authorization at any time. Such temporary authorization does not create any presumption as to the suitability or lawfulness of the gaming activity, nor does it create any right, of any nature whatsoever, to the continuing play of the temporarily authorized gaming activity at the establishment.

(d) If upon subsequent review it is determined by the Bureau that a gaming activity is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law, then the authorization for that gaming activity shall be withdrawn.

(e) Within 10 days of service of notice from the Bureau either disapproving of, or withdrawing authorization for, a gaming activity as provided in subdivisions (a), (b) and (d) above, an objection thereto may be filed with the Chief. The Chief, in his or her discretion, may then grant or deny the objection. Judicial review of the Chief's decision is subject to the limitation of Business and Professions Code Section 19804.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19801, 19826, 19865, 19866, 19920, 19924 and 19932, Business and Professions Code.

2072. REPORT OF GAMING ACTIVITIES

On or before January 1 and July 1 of each year, each licensed gambling establishment shall submit a report to the Bureau identifying all gaming activities

offered at the gambling establishment at any time during the prior six months. The report shall include, but not be limited to, the following:

(a) The name of each gaming activity;

(b) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;

(c) A glossary of distinctive terms or phrases used in each gaming activity;

(d) The dates on which each gaming activity was offered;

(e) Copies or transcripts of all advertisements used to promote the gaming activity; and,

(f) Such other information the Division, in its discretion, requests.

Note: Authority cited: Sections 19826 and 19827, Business and Professions Code. Reference: Sections 19826 and 19866, Business and Professions Code.

ARTICLE 8. MAJOR LEAGUE SPORTS RAFFLE PROGRAM

2080. TITLE AND SCOPE

This article shall be known as the "Department of Justice's Major League Sports Raffle Program" or the "Major League Sports Raffle Program." The sections of this article implement, interpret and make specific the establishment of a registration and reporting program for specified nonprofit organizations, as required by Penal Code section 320.6. The sections of this article apply to every eligible organization, as defined in subdivision (c) of Penal Code section 320.6, that conducts a raffle as defined in subdivision (b) of Penal Code section 320.6. Contingent upon the appropriation of sufficient funds, the Department of Justice and the Bureau of Gambling Control will carry out the registration, auditing, oversight, and enforcement functions prescribed herein.

Note: Authority Cited: Section 320.6, Penal Code. Reference: Section 320.6, Penal Code.

2081. DEFINITIONS

The following definitions shall apply when used in this article:

(a) "Affiliated person" means a natural person, who is at least 18 years of age, and is authorized by an eligible organization to perform any duties related to a registered event, including as:

(1) A fiduciary;
(2) A supervisor or manager;
(3) A manual draw supervisor;
(4) A member of the count and reconciliation team;
(5) A direct seller of raffle tickets;
(6) A member of the electronic raffle system management team; or
(7) An unpaid volunteer.

(b) "Affiliated sports team" means a team from the Major League Baseball, the National Hockey League, the National Basketball Association, the National

Football League, the Women's National Basketball Association, or the Major League Soccer, or their minor league affiliate teams.

(c) "Affiliated association" means the Professional Golfers' Association of America, the Ladies Professional Golf Association, the National Association of Stock Car Auto Racing, or their affiliate associations.

(d) "Annual" or "annually" means every calendar year.

(e) "Approval" means authorization by the Bureau for certain acts by persons registered under this article.

(f) "Bureau" means the Bureau of Gambling Control in the California Department of Justice, acting as "the Department" as provided in section 320.6 of the Penal Code.

(g) "Calendar year" means the one-year period that begins on January 1 and ends on December 31.

(h) "Counterfoil" means a printed electronic record or paper ticket stub, also known as a barrel ticket, which by chance may be selected during a manual draw to determine the winner of a raffle prize and contains a draw number matching the draw number on a raffle ticket purchased by a raffle player.

(i) "Count and reconciliation team" means a group of affiliated persons designated by the eligible organization as responsible for conducting counterfoil and cash reconciliations during a registered event.

(j) "Department of Justice's Major League Sports Raffle Program" or the "Major League Sports Raffle Program" means all information, documents and other material filed with or maintained by the Bureau or the California Department of Justice, including registration applications and electronic databases, reports and any processes, procedures or other means of effectuating the requirements of Penal Code section 320.6, including these regulations.

(k) "Direct seller" means a natural person who sells raffle tickets.

(l) "Draw number" means a unique number that is recorded on every raffle ticket and matching counterfoil.

(m) "Electronic raffle system" means an apparatus that connects and consists of, but is not limited to, servers, associated network equipment, computer software, mobile devices, raffle sales unit, printers, and related equipment used by an eligible organization to sell raffle tickets or account for the sale of raffle tickets.

(n) "Eligible organization" means a private non-profit organization as defined in Penal Code section 320.6, subdivision (c) that holds a valid registration issued pursuant to section 2086 of these regulations and maintains a "current" registration status with the California Attorney General's Registry of Charitable Trusts throughout the registration period.

(o) "Eligible recipient organization" means a private, nonprofit organization that: i) receives funds generated from the sale of raffle tickets from an eligible

organization as provided in Penal Code section 320.6, subdivision (d)(4)(A); ii) is itself an “eligible organization” as defined in subdivision (c) of Penal Code section 320.5; and iii) maintains a “current” registration status with the California Attorney General’s Registry of Charitable Trusts from the time the registered event is registered with the Bureau through the date on which it receives funds generated from the sale of raffle tickets from the eligible organization.

(p) “Fee” means any fee established by the Bureau as authorized by Penal Code section 320.6.

(q) “Fiduciary” means a natural person designated by an eligible organization to fulfill the duties provided in section 2088 of this article.

(r) “Home game,” for an affiliated sports team, means a live sports event held in California that is designated as a home game in an official schedule distributed by the league of which the Affiliated Sports Team is a member, including the game commonly known as the “All-Star Game,” if held at a venue where an affiliated sports team plays the majority of its scheduled games; for an affiliated association, “home game” means a live sports event of the association held in California.

(s) “Independent gaming test laboratory” means a gaming test laboratory that is either:

(1) Licensed or registered to test, approve, and certify gambling equipment, systems, and software in any United States jurisdiction, and accredited by a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement or other equivalent laboratory accreditation agreement; or
(2) Operated by a gaming regulatory agency of a state of the United States of America that is qualified to make the certifications set forth herein.

(t) “Manual draw” means the method used for the selection of a raffle draw number to determine the raffle prize winner that does not utilize a random number generator, requires a person to hand-pick the winning counterfoil from a container that contains every counterfoil generated during the registered event, provides an equal chance for every counterfoil generated during the registered event to be selected during the draw, and complies with section 2097, subdivision (b) of this article.

(u) “Manual draw supervisor” means a natural person as defined in Penal Code section 320.6, subdivision (d)(3).

(v) “Person” unless otherwise indicated, means a natural person, non-profit organization, corporation, partnership, limited partnership, trust, joint venture, association, or any other business organization.

(w) “Prize” means the money paid to the raffle winner and is comprised of one-half or 50 percent of the gross receipts generated from the sale of raffle tickets at a registered event.

(x) “Raffle” means a scheme for the distribution of a prize at a registered event that meets the requirements provided in this article and Penal Code section 320.6.

(y) “Raffle draw number” means a unique number recorded on a raffle ticket and the counterfoil that by chance may be selected as the winning number during the manual draw at a registered event.

(z) “Raffle player” means an individual who purchases a raffle ticket or tickets.

(aa) “Raffle-related products and services” means those products and services supplied by a person to an eligible organization to conduct a raffle.

(ab) “Raffle sales unit” or “electronic raffle ticket sales device” means a portable device, remote hard-wired connected device, or a stand alone kiosk operated by an affiliated person to sell raffle tickets.

(ac) “Raffle ticket” means a record of entry into the raffle provided to a raffle player.

(ad) “Registered event” means a single raffle event authorized by the Bureau pursuant to these regulations.

(ae) “Registrant” means any person that has filed an application to be registered in the Major League Sports Raffle Program.

(af) “Registration application” or “registration form” means any application or form required by the Major League Sports Raffle Program.

(ag) “Unpaid volunteer” means a natural person who performs hours of service in furtherance of a registered event on behalf of an eligible organization or eligible recipient organization for civic, charitable, or humanitarian reasons, without promise, expectation or receipt of compensation for services rendered.

(ah) “Venue” means the area where raffle tickets are authorized to be sold by this article, restricted areas where only affiliated persons assigned duties related to the registered event are permitted, and areas where equipment or records related to the registered event are used or stored

Note: Authority Cited: Section 320.6, subdivisions (c), (d), (e), (h), (j), (l), (m), and (o), Penal Code. Reference: Section 320.6, Penal Code.

2082. DELEGATION OF AUTHORITY

Any power or authority granted to the Department of Justice and described in Penal Code section 320.6 may be exercised by the Bureau of Gambling Control.

Note: Authority Cited: Section 320.6, Penal Code. Reference: Section 320.6, Penal Code.

2083. ELIGIBLE ORGANIZATIONS

This article does not apply to a private, nonprofit organization established by, or affiliated with, a team or association that is not a member of one of the sporting organizations provided in Penal Code section 320.6, subdivision (c).

Note: Authority Cited: Section 320.6, Penal Code. Reference: Section 320.6, Penal Code.

2084. FORMS

The following forms are hereby incorporated by reference:

(a) Major League Sports Raffle Eligible Organization Annual Registration Form (BGC 200; Rev. 10/2018)

(b) Major League Sports Raffle Manufacturer and Distributor of Products or Services Annual Registration Form (BGC 201; Rev. 10/2018)

(c) Major League Sports Raffle Manual Draw Supervisor Annual Registration Form (BGC 202; Rev. 10/2018)

(d) Major League Sports Raffle Eligible Organization Raffle Report (BGC 203; Rev. 10/2018)

(e) Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 204; Rev. 10/2018)

(f) Major League Sports Raffle Eligible Organization – Equipment Registration Form (BGC 205; Rev. 10/2017)

(g) Major League Sports Raffle Electronic Raffle System and Equipment Checklist and Test Draw (BGC 206; Rev. 10/2017).

Note: Authority Cited: Section 320.6, subdivisions (c) and (o), Penal Code. Reference: Section 320.6, Penal Code.

2085. RETENTION OF PROGRAM RECORDS

The Bureau shall maintain copies of all registration applications accepted for filing and copies of all reports filed pursuant to section 2107 of this article and Penal Code section 320.6.

Note: Authority Cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6 Penal Code.

2086. ELIGIBLE ORGANIZATION REGISTRATION

(a) The Bureau may issue a Major League Sports Raffle registration to an eligible organization.

(b) Every eligible organization shall, prior to conducting any raffle in California, annually register with the Bureau in the Major League Sports Raffle Program.

(c) To apply for annual registration, an eligible organization must:

(1) Submit to the Bureau a completed application Major League Sports Raffle Eligible Organization Annual Registration Form (BGC 200; Rev. 10/2018); and

(2) Remit a non-refundable registration fee of $14,400.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2087. REGISTRANT DISCLOSURE, REQUESTS BY BUREAU, AND BUREAU ACCESS TO VENUE

(a) Every registrant shall make true and complete disclosures of all information, documents and other records requested by the Bureau, including, but not limited to, information provided pursuant to subdivision (*o*) of Penal Code section 320.6 to enable the Bureau and other law enforcement agencies to ascertain compliance with Penal Code section 320.6 and regulations adopted to establish and maintain the Major League Sports Raffle Program.

(b) Every registrant shall furnish all information, documents and other records requested by the Bureau related to the registrant's participation in the Major League Sports Raffle Program.

(c) Bureau personnel shall have access to the venue before, during, and after a registered event.

(d) Bureau personnel shall have access to all registered event records and equipment.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2088. FIDUCIARY OF ELIGIBLE ORGANIZATION – DUTIES

Every fiduciary designated on the Major League Sports Raffle Eligible Organization Registration Form (BGC 200; Rev. 10/2018) shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all raffle assets including, but not limited to:

(1) All raffle-related products and supplies;
(2) All funds derived from the registered event; and
(3) The distribution of all funds derived from the registered event;

(b) Ensuring that the registered event is conducted in accordance with raffle rules established for the conduct of the raffle, this article, Penal Code section 320.6, and any other applicable federal or state laws;

(c) Ensuring that all records related to the registered event are current and accurate;

(d) Reviewing all reports and correspondence from and to the Bureau;

(e) Signing, and ensuring that, the financial statements from the registered event are maintained by the eligible organization and submitted to the Bureau, if requested;

(f) Responding in writing to violation notices;

(g) Ensuring that all affiliated persons are trained to fully carry out the duties assigned to them and can proficiently operate any equipment necessary for the conduct of their duties; and, are fully informed of all pertinent statutes and regulations associated with the Major League Sports Raffle Program;

(h) Ensuring that the electronic raffle system and all other equipment used to conduct a registered event is properly maintained and functions properly during a registered event, and complies in all other respects with the requirements of this article;

(i) Ensuring that the manual draw is conducted in compliance with the requirements of this article;

(j) Designating himself or herself, or another affiliated person, as a manual draw supervisor;

(k) Ensuring that prior to the manual draw, the gross receipts are tallied and the prize amount is announced; and

(l) Ensuring that a registered event is conducted by the eligible organization in the best interests of the public's health, safety, and general welfare.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2089. RAFFLE REGISTRATION; REGISTERED EVENT

(a) In conjunction with its annual registration, an eligible organization must apply for registration of each and every registered event it plans to conduct.

(b) The Bureau may issue a registration for a single registered event or for multiple registered events, so long as each of the registered events will take place on a definite schedule during the calendar year of the eligible organization's registration.

(c) No more than one raffle drawing shall be conducted during a registered event.

(d) To register the raffle as a registered event, a eligible organization must:

(1) Submit a completed Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 204; Rev. 10/2018), to the Bureau; and

(2) Remit the required non-refundable fee of $200 per registered event.

(e) Every eligible organization must also submit a map of the event location, identifying any family section; the locations where direct sellers will be conducting sales at the registered event; the locations of affiliated person-attended kiosks; the location where count and reconciliation functions will be performed; the location where raffle system management functions will be performed; and the location where the manual draw will be conducted.

(f) The Bureau shall not register a raffle scheduled to encompass more than one calendar day.

(g) An eligible organization shall submit any amendment(s) to form BGC 204 changing the name of the eligible recipient organization required to be designated as provided by Penal Code section 320.6, subdivision (*l*) no later than fourteen calendar days before the registered event.

Note: Authority cited: Section 320.6, subdivisions (l) and (o), Penal Code. Reference: Section 320.6, Penal Code.

2090. RAFFLE REGISTRATION; REGISTERED EVENT; POST-SEASON PLAY

Every eligible organization must register every raffle it plans to conduct for post-season home games at least 24 hours prior to holding the raffle. To register a raffle to be conducted during post-season home games, an eligible organization must:

(a) Submit a completed Major League Sports Raffle Eligible Organization Registered Event Registration Form (BGC 204; Rev. 10/2018) to the Bureau; and

(b) Remit the required non-refundable fee of $200 per registered event.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2091. EQUIPMENT REGISTRATION

(a) Every eligible organization must annually register with the Bureau any equipment to be used in the sale and distribution of raffle tickets by submitting a completed Major League Sports Raffle Eligible Organization – Equipment Registration Form (BGC 205; Rev. 10/2017).

(b) Every eligible organization must attach a certificate of testing issued, within the last twelve months, by an independent gaming test laboratory to the form required by subdivision (a) of this section.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2092. MANUAL DRAW SUPERVISOR REGISTRATION

(a) Every manual draw supervisor must register annually with the Bureau. To apply for this registration an applicant must:

(1) Be at least 18 years of age;
(2) Be an affiliated person;
(3) Submit a completed Major League Sports Raffle Manual Draw Supervisor Annual Registration Form (BGC 202; Rev. 10/2018) ; and
(4) Remit the required non-refundable fee of $20.

(b) Nothing in this section precludes an eligible organization from having other eligibility requirements in place for a manual draw supervisor.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2093. AFFILIATED PERSON TRAINING

(a) Every affiliated person shall be trained to effectively operate the equipment he or she will be assigned to operate during the conduct of a registered event. Every eligible organization shall maintain a record of training provided to every affiliated person for three years.

(b) Every affiliated person shall receive a copy of these regulations and be familiar with their content prior to serving his or her first registered event.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2094. AFFILIATED PERSON IDENTIFICATION

Every affiliated person working at the venue shall display on their person an identification card provided by the eligible organization confirming their employment by, or unpaid volunteer status for, the eligible organization. Every eligible organization must obtain annually from an affiliated person a copy of an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, and maintain the copy of the identification obtained in the affiliated person's file for three years.

Note: Authority cited: Section 320.6 subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2095. MANUFACTURERS AND DISTRIBUTORS OF RAFFLE-RELATED PRODUCTS OR SERVICES; REGISTRATION

(a) No person may sell, rent, or distribute raffle-related products or services to an eligible organization for a registered event without having first been registered by the Bureau for the calendar year in which the registered event is conducted.

(b) To apply for an annual registration, a manufacturer or distributor of raffle-related products must:

(1) Submit to the Bureau a completed Major League Sports Raffle Manufacturer and Distributor of Products or Services Annual Registration Form (BGC 201; Rev. 10/2018); and

(2) Remit a non-refundable registration fee of $432,000.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2096. REGISTERED EVENT; TICKET SALES

(a) No more than one raffle drawing shall be conducted during a registered event.

(b) Raffle ticket sales may take place only during a home game.

(c) Raffle tickets shall not be sold in any seating area designated as a family section.

(d) Raffle tickets shall be sold only in areas where an event ticket is required for admission to view the game or sporting event.

(e) Raffle tickets produced by an electronic raffle system must be printed only when sold to a raffle player. Preprinting electronic tickets is prohibited.

(f) Raffle tickets may not be sold in advance of the registered event.

(g) An eligible organization shall not change raffle ticket prices once sales of raffle tickets in a registered event have commenced. An eligible organization may, at its discretion, sell raffle tickets with price points allowing for the purchase of multiple raffle tickets at a discounted rate. An accounting must be documented for each price point at the point of sale for purposes of reporting.

(h) All raffle ticket draw numbers must be unique and cannot be duplicated in the registered event.

(i) Each raffle ticket number purchased shall represent one entry in the drawing for a winner. The equipment used to conduct raffles and the method of play shall ensure that each and every raffle ticket sold shall have an equal opportunity to be drawn as a winner.

(j) All counterfoils generated at a registered event shall be placed in the pool of counterfoils from which only one counterfoil must be drawn to determine the winner of the raffle prize.

(k) The sale of raffle tickets at a registered event, whether an admission-style or electronically generated ticket or the use of a manned kiosk, must be conducted by an affiliated person.

(l) A raffle player may purchase one or more raffle tickets at a registered event.

(m) United States currency or a valid credit or debit card may be accepted by an eligible organization as payment for any raffle ticket. An electronic benefit card or funds issued by the federal government, or any state or local government, for the delivery of public assistance to a person shall not be used or accepted for the purchase of any raffle ticket.

(n) A raffle ticket is not transferrable or assignable from its purchaser to any other person.

(o) All sales of raffle tickets are final; no refunds shall be made under any circumstance.

(p) No person employed by or affiliated with the eligible organization, affiliated sports team or affiliated association holding the registered event, or the eligible recipient organization benefitting from the registered event, or the registered manufacturer and distributor of raffle-related products or services whose products or services are used during the registered event, may participate in any registered event as a raffle player or receive a raffle prize.

(q) Every registered event shall commence no earlier than when ticket holders for the live event are permitted entrance to a home game and shall conclude with the announcement of the winning draw number prior to completion of the home game registered event where the corresponding raffle tickets are. If for some unforeseen reason (e.g., weather delay, power outage, emergency, or other reasonably unforeseen event) the registered event is not completed on the calendar day the registered event's raffles tickets are sold, the selection of the winning raffle ticket from that registered event must be completed the first business day when normal operations resume, and notice of the winning draw number must be posted to the eligible organization's webpage.

(r) An eligible organization must have the fiduciary of the organization as listed on its registration application to the Bureau on site or designate one affiliated person within its organization to oversee a registered event.

(s) An eligible organization must have on site prior to, throughout, and to the conclusion of a registered event, a sufficient number of trained affiliated persons to competently fulfill the functions of raffle ticket sales, count and reconciliation, and raffle system management. The number of supervisory or management staff must be sufficient to support the direct raffle ticket sellers and they must have a level of expertise and requisite training to operate the raffle sales unit and electronic raffle system.

(t) Reconciliation of monetary transactions and reconciliation of raffle ticket transactions must be conducted in a secure location.

(u) No revenues generated from the sale of raffle tickets may be used to defray costs incurred by the eligible organization for the conduct of the raffle.

(v) The total prize amount of a raffle shall be one-half or 50 percent of the gross proceeds collected from the sale of the raffle tickets.

(w) All proceeds collected from the sale of raffle tickets that are not distributed as a prize shall be used to benefit the organization named on the Major League Sports Raffle Eligible Organization Registered Event Registration Form submitted to the Bureau.

(x) Every eligible organization's raffle rules must state when the manual draw will take place.

(y) Every eligible organization's raffle rules, and each individual raffle ticket, must provide the name and phone number of the individual in charge of the registered event. Each raffle ticket must provide a raffle player a method for verifying whether he or she is entitled to the prize.

(z) Every eligible organization must establish and publish the duration of time during which raffle tickets will be sold for each registered event, and provide its affiliated persons sufficient time to ensure that all sales reconciliation, eligible counterfoil verification, and winning counterfoil and raffle ticket verification procedures can be conducted following the manual draw.

(aa) Every eligible organization shall ensure that direct sellers do not carry more than $1000 in cash from the sale of raffle tickets in areas where raffle tickets are authorized to be sold by this article.

(ab) Prior to the sale of any raffle tickets at a registered event, the eligible organization shall ensure that there are security measures in place to protect the health, safety, and welfare of all raffle players and affiliated persons. An eligible organization shall ensure security of the following areas: (1) where raffle ticket sales are conducted; (2) routes to and from the raffle ticket sales area to the raffle ticket reconciliation room and the room where raffle ticket sales moneys are accumulated; (3) where electronic raffle system management functions and distribution of raffle sales units to direct sellers occurs; and (4) the location where counterfoil tickets are printed and deposited into the container for the manual draw.

(ac) Prior to the sale of any raffle ticket at a registered event, the eligible organization is responsible for ensuring that every affiliated person participating in

the registered event possesses the training, knowledge, and experience necessary to carry out their assigned duties for the registered event.

(ad) An eligible organization, an affiliated person, and any other person or entity required to be registered by this article must notify the Bureau immediately about any conduct, activity, or incident that may be contrary to Penal Code section 320.6, or this article, or that may affect the integrity of any registered event. Reports required by this subdivision can be made by e-mail to the Bureau of Gambling Control Criminal Intelligence Unit at BGCCIU@doj.ca.gov or by phone at (916) 830-1700.

Note: Authority cited: Section 320.6, subdivisions (d), (e), (f), (j), (k), and (l), Penal Code. Reference: Section 320.6, Penal Code.

2097. WINNER DETERMINATION

(a) Once verified, a registered event shall have only one winning raffle ticket.

(b) Raffle winners need not be present to claim the prize.

(c) Prior to conducting the manual draw, the gross receipts from the registered event must be tallied, and the prize amount of the raffle must be determined and publicly announced.

(d) Every eligible organization shall use a manual draw procedure that ensures that every counterfoil generated after the sale of a raffle ticket has an equal chance of being selected during the manual draw.

(e) An eligible organization must not conduct a manual draw unless the fiduciary or manual draw supervisor is present. Every manual draw must occur at an authorized public or private site and the entire draw process must be video recorded. All draw numbers in the container must be intermixed before drawing a winning number. A copy of the video recording described in this subdivision must be maintained as part of the records required for the registered event.

(f) The counterfoil selected as the winner during the manual draw must be validated as sold during the registered event for which the manual draw is conducted.

(g) Voided raffle tickets shall not qualify toward a prize.

(h) The raffle player shall present the purported winning raffle ticket to the fiduciary or manual draw supervisor overseeing the registered event for validation as containing the prize winning draw number.

(i) Every eligible organization is responsible for collecting appropriate identification information and for providing the winner of raffle prize at a registered event with the appropriate tax reporting documentation.

(j) Every eligible organization must comply with any tax withholding requirements established by the Department of the Treasury, the Internal Revenue Service or the State of California, Franchise Tax Board, and any reporting requirements on monetary transactions imposed by state or federal laws.

(k) Each eligible organization shall post the winning raffle draw number for each registered event on the affiliated sports team's website or on the eligible organization's website within 48 hours after the manual draw for the registered event is held.

(l) The winner of a raffle prize must present the actual, purchased raffle ticket from the registered event, displaying the winning raffle draw number within 30 days of the event in order to be eligible to redeem the prize.

(m) Any raffle prize unclaimed by a winner within the 30-day redemption period may be used as provided in Penal Code section 320.6, subdivision (d)(4)(A) by the eligible organization provided the time for redemption of the prize has expired.

Note: Authority cited: Section 320.6, subdivisions (d) and (n), Penal Code. Reference: Section 320.6, Penal Code.

2098. MINIMUM AGE OF RAFFLE PLAYERS

(a) Raffle tickets shall be sold only to persons 18 years of age or older.

(b) It is the responsibility of the eligible organization to ensure that raffle ticket sellers at registered events ask for and are provided a valid government-issued identification by ticket purchasers to ensure that raffle tickets are sold only to persons 18 years of age or older.

Note: Authority cited: Section 320.6, Penal Code. Reference: Section 320.6, Penal Code.

2099. ELECTRONIC RAFFLE SYSTEM

(a) With the exception of the manual draw, an electronic raffle system may be used to sell raffle tickets and conduct a raffle as provided for in sections 2096 and 2097 of this article.

(b) Any electronic raffle system used during a registered event must be in compliance with section 2101 of this article.

(c) Raffle tickets generated by an electronic raffle system may only be sold to a raffle player at a registered event only by an affiliated person.

(d) An eligible organization may use a portable or wireless raffle sales unit to sell raffle tickets.

(e) Electronic raffle systems for the sale of raffle tickets must be operated by an affiliated person.

Note: Authority cited: Section 320.6, subdivisions (d) and (g), Penal Code. Reference: Section 320.6, Penal Code.

2100. RAFFLE TICKETS – LIMITATIONS; REQUIREMENTS; INFORMATION ON RAFFLE TICKETS

(a) A person shall not be required to pay for anything more than the raffle ticket price to enter the raffle at a registered event.

(b) Each sale of a raffle ticket must be recorded by a receipt issued to the raffle player containing the information required in this section, and a

corresponding counterfoil must be printed or detached, and deposited into a container with all other counterfoils generated during the registered event.

(c) An eligible organization may not print any word or phrase on promotional material or advertising that implies or expresses that a purchase of a raffle ticket is a charitable donation.

(d) All raffle tickets for a registered event shall be sold at the same price or pursuant to a uniform discounted pricing structure as described in section 2096, subdivision (g), of this article. The eligible organization may not change raffle ticket prices or the pricing structure once sales of raffle tickets at a registered event have commenced.

(e) All of the following shall be printed on every raffle ticket:

(1) The name of the eligible organization conducting the raffle;
(2) The Bureau-issued registration identification number for the registered event;
(3) The location, date and time, or point in the registered event, of the corresponding raffle and manual draw;
(4) The unique number of the raffle ticket that must not be generated by a random number generator;
(5) If different than the eligible organization conducting the raffle, the name of the eligible recipient organization;
(6) The statement: “Ticket holders need not be present to win,” and the contact information, including the name, phone number, and electronic mail address, of the eligible organization conducting the raffle;
(7) The toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently “1-800-GAMBLER”; and
(8) The time limit for the player to claim the prize, as provided in Penal Code section 320.6.

(f) An eligible organization may use a non-electronic raffle system that is a two-part, admission style raffle ticket based system, to conduct a raffle, provided that all of the following conditions are met:

(1) Two tickets, a raffle ticket and counterfoil, must be printed side by side on a roll with a consecutive number. Both tickets must contain the same draw number.

(2) The information required to be printed on the raffle ticket as provided in subdivision (e) of this section is included on the raffle ticket provided to the raffle player.

(3) The registered event is conducted in accordance with raffle rules established for the conduct of the raffle, this article, Penal Code section 320.6, and any other applicable federal or state laws.

(4) Non-electronic raffle tickets may only be sold to a raffle player at a registered event by an affiliated person.

Note: Authority cited: Section 320.6, subdivisions (l) and (m), Penal Code. Reference: Section 320.6, Penal Code.

2101. ELECTRONIC RAFFLE EQUIPMENT STANDARDS

The electronic raffle system used for the sale of raffle tickets by an eligible organization at a registered event must be certified by an independent gaming test laboratory and must meet standards no less stringent than GLI-31, hereby incorporated by reference, and as amended from time to time.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2102. ACCOUNTING AND REPORTING

(a) The Bureau may audit the eligible organization's raffle records at any time.

(b) The eligible organization shall follow the electronic raffle system reporting requirements no less stringent than the current version of GLI-31.

(c) Within five calendar days of a registered event, the eligible organization shall generate a report containing all of the following information:

(1) The date and time of the registered event;
(2) Sales totals for the registered event, including the total number of raffle tickets sold, and the total money generated;
(3) Direct seller information, including the total number of direct sellers who conducted the sales;
(4) The time raffle ticket sales began and ended;
(5) Raffle draw numbers-in-play (series of sequential numbers in the sale of raffle tickets for that registered event);
(6) Prize winning raffle draw number;
(7) Total prize amount;
(8) Status of prize claim;
(9) Identification of the prize winner;
(10) A sample raffle ticket for the registered event;
(11) The number of voided raffle tickets; and,
(12) The number of times remote access to the electronic raffle system was granted during the registered event.

(d) The eligible organization shall maintain a copy of the report required in (c) as part of the record of the registered event.

(e) At the Bureau's request, within 72 hours, every eligible organization shall provide the following reports for a registered event:

(1) Exception Report – a report that includes system exception information, including but not limited to, changes to system parameters, corrections, voids, and/or overrides;
(2) Raffle Bearer Ticket Report – a report that includes a list of all electronic raffle tickets sold, including all associated raffle draw numbers, the selling price and raffle sales unit identifiers, and a detailed description of all raffle tickets sold at each price point, if applicable;

(3) Sales by Raffle Sales Unit – a report that includes a breakdown of each raffle sales unit's total ticket sales (including the raffle draw numbers) and any voided or misprinted tickets;
(4) Voided Draw Number Report – a report that includes a list of all draw numbers that have been voided, including their corresponding electronic raffle system generated validation numbers;
(5) Raffle Sales Unit Event Log – a report listing all events or disruptions recorded for each raffle sales unit, including the date, time and brief description of the event and/or identifying code;
(6) Raffle Sales Unit Corruption Log – a report that lists all raffle sales units unable to be reconciled to the system, including the raffle sales unit identifier, raffle sales unit operator, and the money collected;
(7) Raffle Seller Report – a report that lists the total raffle tickets sold, the amount of money collected, any overages or shortages in money collected, and the actions takes to correct overages/shortages; and
(8) Any other report listed in the Electronic Accounting and Reporting Section of the GLI-31 but not listed above.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2103. ELIGIBLE ORGANIZATION'S RAFFLE RULES

(a) Raffle rules must be posted at kiosk locations and, where available, on the eligible organization's website.

(b) Every eligible organization shall establish and adhere to its raffle rules for the conduct of the raffle. At a minimum, the raffle rules shall contain all of the following information:

(1) The eligible organization's name;
(2) The registration number issued by the Bureau for the eligible organization;
(3) The price of the raffle ticket, including, if applicable, the price points for the purchase of tickets at a discounted rate;
(4) The method by which the prize winner will be determined;
(5) The manner for how a prize may be claimed;
(6) The contingency plan in the event that any aspects of the registered event is unable to be conducted (weather delay, power outage, emergency, or other reasonably unforeseeable event);
(7) The winner of a raffle prize must present the actual, purchased raffle ticket from the registered event, displaying the winning raffle draw number, within 30 days of the registered event in order to be eligible to redeem the prize;
(8) The alternate prize distribution if the winning ticket holder fails to claim the prize from the registered event;
(9) Eligibility information for raffle players;
(10) Eligibility information for the recipient of a raffle prize;
(11) Prize restriction;

(12) Identification of locations where raffle tickets may be purchased at the registered event;
(13) Any disclaimers;
(14) Publicity release;
(15) Choice of law and jurisdiction; and
(16) The effective date of the raffle rules.

(c) Every eligible organization must: (i) post its raffle rules on its website and in a conspicuous place at the registered event; and (ii) print the raffle rules in a sufficient number for distribution to all interested persons who are eligible to purchase a raffle ticket at the registered event.

Note: Authority cited: Section 320.6, subdivision (h), Penal Code. Reference: Section 320.6, Penal Code.

2104. RETENTION OF RAFFLE RECORDS AND REPORTS

(a) Every eligible organization must retain registered event counterfoil tickets for one month after awarding the prize or until alternative distribution has been made if no raffle player claims the prize pursuant to Penal Code section 320.6, subdivisions (m) or (n), as applicable.

(b) Every eligible organization must retain following the end of the registered event, server data, any electronic reports or records, and any records stored externally from the server on durable electronic media for five years.

(c) Records pertaining to every registered event shall be completed and maintained in a current and accurate manner in accordance with these regulations for a period of five years.

(d) Reports and all documents supporting entries made in any reports required by this article for a registered event shall be available to the Bureau on site at the venue.

Note: Authority cited: Section 320.6, subdivisions (m), (n), and (o), Penal Code. Reference: Section 320.6, Penal Code.

2105. ACCOUNTABILITY; LAWFUL USE OF PROCEEDS

(a) Every eligible organization shall be accountable for all cash, raffle-related products for a registered event, financial statements, bank-validated deposit slips for all proceeds from the registered event, and bank statements from all financial accounts where proceeds from the registered event were deposited or transferred.

(b) In accordance with Penal Code section 320.6, all proceeds generated by any registered event shall be devoted exclusively to the lawful purposes.

(c) To ensure that all proceeds are used for the lawful purposes of the eligible organization or the eligible recipient organization, all financial accounts into which proceeds from the registered event are deposited or transferred shall be open for review and inspection by the Bureau.

(d) All cash moneys derived from the conduct of the registered event shall be deposited into the eligible organization's financial account within one business day of the registered event.

(e) Prize payments and distributions for the lawful purposes of the eligible organization or eligible recipient organization are the only allowable expenditures from the proceeds of the registered event.

Note: Authority cited: Section 320.6, subdivisions (b) and (o), Penal Code. Reference: Section 320.6, Penal Code.

2106. ADVERTISING

(a) Any advertising in printed media, television, radio, or internet for a registered event shall include all of the following information:

(1) The name of the eligible organization conducting the raffle;
(2) The Bureau-issued registration identification number for the eligible organization;
(3) The location, date and time, or point in the registered event, of the corresponding manual draw for the raffle;
(4) The price of the raffle ticket;
(5) If different than the eligible organization conducting the raffle, the name of the eligible recipient organization;
(6) The statement: "Ticket holders need not be present to win," and the contact information, including the name, phone number, and electronic mail address, of the eligible organization conducting the raffle; and
(7) The toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "1-800-GAMBLER."

(b) Any advertisement on the Internet must comply with Penal Code section 320.6, subdivision (h)(2).

Note: Authority cited: Section 320.6, subdivisions (h), (l) and (m), Penal Code. Reference: Section 320.6, Penal Code.

2107. ELIGIBLE ORGANIZATION – ANNUAL FINANCIAL REPORT

Once registered, every eligible organization shall file, each season or year, thereafter with the Bureau a completed Major League Sports Raffle Eligible Organization Raffle Report (BGC 203; Rev. 10/2018) documenting the information required by Penal Code section 320.6, subdivision (o)(13)(A). The reports required by this section shall be available to the public on the Bureau's Internet Web site. Every eligible organization shall file with the Bureau and post on either its Internet web site or the affiliated sport team's Internet Web site a completed BGC 203 no later than 60 days after the end of the affiliated team's season or year.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2108. ELECTRONIC RAFFLE SYSTEM, VENUE REQUIREMENTS

(a) If the electronic raffle system relies on computer networks and/or wireless (Wi-Fi) services provided at the venue, the network equipment must be housed in a permanent, secure location, and the network must be stable.

(b) The fiduciary or an affiliated person designated by the fiduciary person who is qualified to address technical problems must be available before, during, and after the manual draw to provide technical support for the networks.

(c) Computer network or Wi-Fi equipment utilized at an outdoor event must be located in a non-public, supervised area during the conduct of the registered event.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2109. PROPER FUNCTIONING OF RAFFLE EQUIPMENT

(a) Prior to each registered event, the fiduciary or an affiliated person designated by the fiduciary, shall ensure that any electronic raffle system used to conduct a raffle is configured correctly, functioning properly, and fully operational.

(b) The fiduciary or an affiliated person designated by the fiduciary must verify and document that the electronic raffle system is configured correctly, functioning properly, and fully operational by completing a Major League Sports Raffle Electronic Raffle System and Equipment Checklist and Test Draw (BGC-206 Rev. 10/2017) prior to each registered event. Every eligible organization shall maintain the form required to be completed by this subdivision for a period of three years.

(c) Affiliated persons are not permitted to restart a raffle sales unit or otherwise adjust any associated network equipment for any reason without the oversight of the fiduciary or the oversight of an affiliated person designated by the fiduciary.

(d) If for any reason any parts of the electronic raffle system, such as the raffle sales unit, printers, or associated network, fail to function properly prior to, or during, the sale of any raffle ticket, the eligible organization must notify the Bureau immediately.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2120. REGISTRATION APPLICATIONS; TIME FOR PROCESSING

(a) Within 30 calendar days after the date of receipt of a BGC 200 or BGC 201 registration application, the Bureau shall either inform the registrant, in writing, that the application is complete and accepted for filing, or shall return the application as deficient and specify how the application is deficient and what additional information is required. If an application is returned because it is deficient, any fee submitted shall also be returned.

(b) Within 30 calendar days after the date of receipt of a completed BGC 200 or BGC 201 registration application, including the required fee, the Bureau shall reach a decision whether to issue or deny the registration, unless the time is waived by the registrant, and shall inform the registrant in writing of the decision.

Note: Authority cited: Section 320.6, subdivision (o), Penal Code. Reference: Section 320.6, Penal Code.

2130. VIOLATIONS

(a) All authorizations granted to eligible organizations by the Bureau pursuant to this article are granted on condition that the eligible organization will operate the registered event in a manner suitable to protect the public health, safety, and general welfare of the residents of the state. The responsibility for the employment and maintenance of suitable methods of operation rests with the eligible organization, and willful or persistent use or toleration of methods of operation deemed unsuitable by the Bureau shall constitute grounds for registration revocation or other disciplinary action.

(b) No registrant shall conduct a raffle in violation of any provision of Penal Code section 320.6, or this article.

(c) No registered manufacturer or distributor of raffle-related products or services shall provide equipment or services for the conduct of a raffle in violation of Penal Code section 320.6 or this article.

(d) No registrant shall fail to meet the disclosure and reporting requirements set forth in this article.

(e) Each eligible organization shall maintain security controls over the venue to protect the public health, safety, and general welfare of the raffle players, and to protect the operations related to the conduct of the registered event.

(f) Every registrant shall cooperate fully with any inquiry or investigation that may be undertaken by the Bureau or the California Attorney General to enforce the provisions of Penal Code section 320.6 and these regulations.

Note: Authority cited: Section 320.6, subdivisions (o) and (p), Penal Code. Reference: Section 320.6, Penal Code.

2131. DISCIPLINE

(a) Administrative actions commenced by the Bureau, pursuant to subdivisions (p) and (q), of Penal Code section 320.6 shall proceed under chapter 5 (commencing with section 11500) of part 1 of division 3 of title 2 of the Government Code.

(b) The Bureau, in its discretion, may issue to a registrant warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or withdraw any notice or letter upon further investigation.

(c) The registrant may reapply when it has remedied the matters which caused the denial of the application for registration.

Note: Authority cited: Section 320.6, subdivisions (p) and (q), Penal Code. Reference: Section 320.6, Penal Code.

2132. PENALTIES

For any administrative actions based on a violation of Penal Code section 320.6, this article, previously imposed disciplinary or registration condition, or laws materially related to suitability for registration, the Bureau may seek one or more of the following remedies:

(a) Revoke the registration or approval;

(b) Suspend the registration or approval;

(c) Impose any condition, limitation, order, or directive on the registration or approval;

(d) Impose any fine or monetary penalty on a registrant;

(e) Stay, in whole or in part, the imposition of a revocation or suspension against the holder of a registration or approval;

(f) Order the registration or approval holder to pay a monetary penalty in lieu of all or a portion of a revocation or suspension; or

(g) Impose recovery of costs incurred in investigating or prosecuting an action against a registrant or applicant.

Note: Authority cited: Section 320.6, subdivisions (p) and (q), Penal Code. Reference: Section 320.6, Penal Code.

2133. PENALTIES FOR FALSE REGISTRATION OR MISREPRESENTATION

A registrant that submits false or misleading information in the registration application or registration form, or fails to provide material information required in any form or report required to be submitted to the Bureau, or maintained by the registrant pursuant to these regulations, shall be subject to denial, revocation or suspension of its registration. Each instance of a misrepresentation, submission of false information, or failure to submit required information during the registration or reporting process shall constitute a separate violation.

Note: Authority cited: Section 320.6, subdivision (p), Penal Code. Reference: Section 320.6, Penal Code.

ARTICLE 13. TRANSITIONAL PROVISIONS

2140. DEFINITIONS

For purposes of this Article, the following terms have the following meanings:

(a) “Annual registration” means a registration issued under the former Gaming Registration Act (former Business and Professions Code Section 19800 et seq.).

(b) “Conditional registration” means a registration issued pursuant to former Business and Professions Code Section 19807(c).

(c) “Provisional license” means a license that is either granted by operation of law pursuant to Statutes of 1997, Chapter 867, Section 62, or is issued by the Chief pursuant to that section.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62.

2141. PROVISIONAL LICENSES

(a) A provisional license is held subject to the same conditions, restrictions, and limitations on the authorization granted by the predecessor annual or conditional registration.

(b) A provisional license is held subject to all terms and conditions under which a state gambling license is held pursuant to the Act.

(c) A provisional license creates no vested right to the issuance of a state gambling license.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62(a) and (b)(1).

2142. PRESUMPTION OF SUITABILITY

(a) Every natural person who holds a provisional license as a result of holding a valid and unexpired annual registration on December 31, 1997, shall be rebuttably presumed to be suitable for licensure pursuant to the Act.

(b) The rebuttable presumption described in Stats. 1997, ch. 867, section 62(g) subdivision (a) shall not apply to any other holder of a provisional license.

Note: Authority cited: Sections 19826(f) and 19827, Business and Professions Code. Reference: Stats. 1997, c. 867 (S.B.8), Section 62(c) and (g).

TRIBAL GAMING REGULATIONS

CGCC-1. LETTER-OF-CREDIT-BACKED BONDS

(a) A holder of any bond issued by a Compacted Tribe or tribal entity of the Compacted Tribe is not a Financial Source requiring licensing under section 6.4.6 of a Tribal-State Compact (Compact) or a determination of suitability under Compact section 6.5.6, so long as the criteria set forth in both paragraphs (1) and (2) are met:

(1) The bond, and any payments required thereby, are solely secured by and payable from amounts available under a letter of credit issued by a federal or state chartered bank, savings association, savings bank, credit union, or other financial institution with deposits insured by an agency or instrumentality of the United States Government, or issued by a bank not domiciled in the United States that has United States banking operations that are supervised by a federal or state banking authority.

(2) Neither the holder of the bond nor any person acting on behalf of the holder has any right to enforce any payment obligation relating to the bond as against any revenues, property, or rights of the Compacted Tribe or a tribal entity of the Compacted Tribe.

(b) Nothing in this regulation shall be construed to preclude a Tribal Gaming Agency from requiring licensure of bondholders otherwise exempted by this regulation.

(c) Nothing in this regulation shall be construed to supersede or limit the authority otherwise of a Tribal Gaming Agency to make discretionary exclusions from the licensing requirements of Compact section 6.4.6, where expressly permitted by those provisions.

(d) As used in this regulation:

(1) "Bond" means any security within the meaning of the Securities Act of 1933 (15 U.S.C. 77a et. seq.) that constitutes an evidence of indebtedness issued pursuant to a trust indenture between the issuer of the security and a trustee who has a right to enforce the terms of the bonds on behalf of all holders of the bonds.

(2) "Compacted Tribe" means any federally recognized Indian tribe that has entered into a Compact with the State, including any tribe operating fewer than 350 Gaming Devices.

(3) "Holder" means the record or beneficial owner of a bond.

(4) "Tribal entity" means a Compacted Tribe and any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe.

CGCC-2. REGISTRATION OF QUALIFIED BONDHOLDERS

(a) This regulation authorizes any entity described in subsection (f) of this regulation (and only such an entity) that is an actual or prospective holder of any bond issued by or on behalf of a Compacted Tribe to register as a Financial Source with the California Gambling Control Commission. Registration and renewal of registration under this regulation shall constitute a determination of suitability under section 6.5.6 of the Tribal-State Gaming Compacts (Compact). If an entity is properly registered under this regulation, no other person with respect to such entity that is identified in section 6.4.7 of the Tribal-State Gaming Compact shall be required to be separately licensed or registered. However, nothing in this regulation requires a Tribal Gaming Agency to use the procedures set forth in this regulation in lieu of a specific determination of suitability under section 6.5.6.

(b) For purposes of sections 6.4.1, 6.4.3, and 6.4.8 of the Compact, a Tribal Gaming Agency shall be deemed to satisfy suitability standards of the Compact and the requirements for a background investigation for any Financial Source to be registered under this regulation if the Tribal Gaming Agency reasonably determines that the applicant Financial Source meets the requirements for registration under this regulation. For purposes of section 6.4.7 of the Compact, an entity described in subsection (f) of this regulation shall be required to submit as its application for licensure as a Financial Source only that information which is required to be submitted to the California Gambling Control Commission, together with any other information or documentation that the Tribal Gaming Agency may require.

(c) To obtain registration under this regulation, a Tribal Gaming Agency shall submit to the California Gambling Control Commission the license application submitted by the Financial Source to the Tribal Gaming Agency, together with a completed application for registration setting forth the name of the applicant, the

address of the applicant's principal place of business, evidence that the applicant is eligible for registration as a Financial Source under this regulation, a statement signed by an authorized officer or other designee of the applicant committing the applicant to notify the Tribal Gaming Agency and the California Gambling Control Commission promptly of any termination of the applicant's eligibility under this regulation, and any other matters deemed appropriate by the Tribal Gaming Agency. The application shall be in substantially the form as set forth in subsection (n) of this regulation.

(d) As a condition of using the registration procedure set forth in this regulation, a Tribal Gaming Agency shall provide prior written notice to the California Gambling Control Commission identifying the specific issue of bonds as to which it intends to provide for licensing and registration under this regulation. If the bond indenture includes or is to include the provisions specified in subsection (g) of this regulation, a copy of the bond indenture or proposed bond indenture in substantially final form containing such language shall be submitted with the written notice. Provided the notice is received by the Commission at least 15 days prior to the filing of an application for registration under this regulation (or such shorter period as the Commission may in its discretion allow), the Commission shall register an applicant under this regulation within five working days following receipt of notice of licensure from the Tribal Gaming Agency, unless the Commission, or an officer or employee designated by the Commission, provides notice to the Tribal Gaming Agency licensing the applicant that there is insufficient evidence of, or factual questions concerning, the applicant's eligibility for registration.

(e) Registration of an eligible Financial Source under this regulation shall be automatically renewed every two years, so long as licensure of the Financial Source by the Tribal Gaming Agency remains effective, provided, however, that registration shall terminate and shall not be renewed upon a determination by the California Gambling Control Commission that the registered Financial Source fails to meet or has ceased to meet the eligibility criteria of subsection (f) of this regulation. Prior to any non-renewal of registration under this subsection (e), the California Gambling Control Commission shall notify the Tribal Gaming Agency of each affected Tribe and afford each such Tribe an opportunity to be heard on the matter.

(f) Any of the following entities (including all wholly-owned subsidiaries), acting for its own account or the accounts of other entities specified in this subsection (f), 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 shall be deemed to qualify for registration under subsection (d) of this regulation:

(1) Any federal-regulated or state-regulated bank or savings association or other federal- or state-regulated lending institution.
(2) 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.

(3) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(4) 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.

(5) 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.).

(6) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(7) Any entity, all of the equity owners of which individually meet the criteria of this subsection (f).

(g) If any bond issued by or on behalf of a Compacted Tribe (or beneficial ownership therein) is transferred, subsequent to its sale to the initial holder, to a transferee holder that is not licensed or that is not exempt from licensing pursuant to Compact section 6.4.6, then neither that transferee holder nor any person acting on behalf of that transferee holder shall have any right to enforce any payment obligation relating to the bond as against any revenues, property, or rights of the Compacted Tribe or any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority or wholly-owned corporation or business of the Compacted Tribe until such time as the transferee holder is licensed by the Tribal Gaming Agency of the Compacted Tribe; provided, however, that any obligation of payment to a holder that has been determined to be unsuitable, pursuant to Compact section 6.5.6 shall be governed by Compact section 6.4.6. If the terms of the bond indenture for the bond (1) include the foregoing limitation of this subsection and (2) prohibit the trustee for the bond and the Compacted Tribe (or any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe) from making any payment of principal or interest on the bond (i) as a result of any enforcement action commenced by or on behalf of the trustee or any holder or (ii) after payment of the bond has been accelerated because of a default under the bond indenture, except to a holder that is licensed or exempt from licensure pursuant to Compact section 6.4.6, then the holding of the bond by a transferee holder without licensing as provided in Compact section 6.4.6 shall not cause a breach of the Compact and shall not affect the validity, enforceability or payment obligations of any other bond.

(h) Notwithstanding any other provision of this regulation, the following persons and entities shall not be deemed to be Financial Sources subject to licensing under Compact section 6.4.6 or a determination of suitability under Compact section 6.5.6, including registration under this regulation, solely by reason of meeting the criteria set forth in paragraph (1) or (2), as follows:

(1) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.) acting in one or

more transactions to purchase from any person and resell bonds issued by or on behalf of a Compacted Tribe, if, no later than thirty (30) days after the securities dealer acquires the bonds, fully offsetting sales of such bonds are made to one or more entities specified in subsection (f) of this regulation or to other persons or entities that are either (i) licensed pursuant to Compact section 6.4.6 and found suitable pursuant to Compact section 6.5.6, including registration under this regulation, or (ii) exempt from licensing pursuant to Compact section 6.4.6.

(2) Any person acting solely as a "clearing corporation," as defined in California Uniform Commercial Code section 8102, paragraph (5), with respect to any bonds issued by or on behalf of a Compacted Tribe that are issued in so-called "book-entry" form.

(i) For purposes of this regulation, bonds shall be deemed to be issued by or on behalf of a Compacted Tribe if issued by the Compacted Tribe or by any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Compacted Tribe.

(j) Nothing in this regulation shall be construed to supersede or limit the authority otherwise of a Tribal Gaming Agency to make discretionary exclusions from the licensing requirements of Compact section 6.4.6, where expressly permitted by those provisions.

(k) As used in this regulation:

(1) "Bond" means any security within the meaning of the Securities Act of 1933 (15 U.S.C. 77a et. seq.) that constitutes an evidence of indebtedness issued pursuant to a trust indenture between the issuer of the security and a trustee who has a right to enforce the terms of the bonds on behalf of all holders of the bonds.

(2) "Compacted Tribe" means any federally recognized Indian tribe that has entered into a Compact with the State of California, including any tribe operating fewer than 350 Gaming Devices.

(3) "Initial holder" means with respect to any issue of bonds, any holder of record of a registered bond of the issue and any beneficial owner of a book-entry bond of the issue who, in either case, acquired its interest in the bond in connection with the initial sale thereof from the issuer or from a placement agent, underwriter or similar intermediary for the initial sale, directly or indirectly.

(4) "Holder" means the record or beneficial owner of a bond.

(5) "Transferee holder" means a holder acquiring record or beneficial ownership of a bond from the initial holder or any subsequent holder.

(l) The California Gambling Control Commission agrees that it will not limit or alter the rights vested by this regulation in any holder and that each such holder will be deemed to have relied on this subsection.

(m) Nothing in this regulation shall modify or otherwise affect the rights and obligations of the State or any Compacted Tribe under Compact sections 9.0 through 9.4.

(n) An application for registration under this regulation shall be in substantially the following form:

STATE OF CALIFORNIA
CALIFORNIA GAMBLING CONTROL COMMISSION (04/02)

APPLICATION FOR REGISTRATION AS A FINANCIAL SOURCE

The applicant described below hereby applies to the California Gambling Control Commission (Commission) for registration as a Financial Source under Regulation CGCC-2 of the Commission.

Part I - Applicant Information

Applicant Name:	Date of Application
Applicant's Form of Incorporation or Organization	
Applicant's Place of Incorporation or Organization	
Applicant's Principal Place of Business Address (street, city, state, ZIP)	
Authorized Contact Person	
Title	Telephone Number ( )
Name of the Tribe to which financing being provided	

Part II - Eligibility Requirements

- Attached as Exhibit A to this application is the application for licensing submitted by the Applicant to the Tribal Gaming Agency of the Tribe named in Part I pursuant to Section 6.4.6 of the Tribal-State Gaming Compact between such Tribe and the State of California
- Attached as Exhibit B to this application
  - Evidence that the applicant (including all wholly-owned subsidiaries), acting for its own account or the accounts of other entities specified in clause (b) below, owns in the aggregate at least $100,000,000 of securities of issuers that are not affiliated with the applicant; and
  - Evidence that the applicant is on of the following types of entities (as indicated by applicant):
    - ☐ A federal-regulated or state-regulated bank or savings association or other federal- or state-regulated lending institution;
    - ☐ A company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance of 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;
    - ☐ An investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
    - ☐ A retirement plan established and maintained by the United States of America, 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;
    - ☐ An employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.);
    - ☐ A securities dealer registered pursuant to the federal Security Exchange Act of 1934 (15 U.S.C. Section 78a et seq.); or
    - ☐ An entity, all of the equity owners of which individually meet the criteria of this clause (b).

Part III - Representation and Agreement Regarding Eligibility

The undersigned hereby represents on behalf of the applicant that the applicant is eligible to register as a Financial Source under Regulation CGCC-2. In addition, the undersigned hereby agrees on behalf of the applicant to notify the Tribal Gaming Agency of the Tribe named in Part I of this application and the California Gambling Control Commission promptly in writing of any termination of the applicant's eligibility for registration under Regulation CGCC-2.

The undersigned hereby declares that s/he is an authorized officer or designee of the applicant with full authority to execute and submit on behalf of the applicant to be registered as a Financial Source within the meaning of Regulation CGCC-2.

Signature	Title
Name of individual (please type or print)	Name of Company (please type or print)

CGCC-7. EMERGENCY EVACUATION AND PREPAREDNESS PLANS

(a) For the purpose of ensuring the physical safety of the gaming operation patrons and employees, and any other person while in the gaming facility pursuant to Compact section 8.1.2, the Tribal Gaming Agency shall require prompt development and implementation of an Emergency Evacuation and Preparedness Plan ("Plan") appropriate for the tribal gaming facility to include but not be limited to the following emergencies:

(1) Fires
(2) Earthquakes, Floods and Other Natural Disasters
(3) Bomb Threats
(4) Hazardous Spills or Toxic Exposure
(5) Other critical incidents, as determined by the Tribal Gaming Agency
(6) Provisions for First Aid and for Obtaining Emergency Medical Assistance for patrons, employees, and other persons while in the Gaming Facility.

(b) Each Plan shall include the following:

(1) Clear, written policies listing the job titles of the personnel who are responsible for making decisions, monitoring emergency response actions, and securing or protecting the gaming operation's cash or equivalent assets and records.
(2) Procedures addressing each of the items in subsection (a)(1) to (6), inclusive.
(3) Facility evacuation procedures including a designated meeting site or sites outside the facility.
(4) A process to account for employees after an evacuation and a process to ensure that all patrons have been evacuated.
(5) Training as deemed necessary by the Tribal Gaming Agency.
(6) Floor plans which meet with federal, state, or local standards for identification and which identify the locations of the following:
    (A) Portable fire extinguishers,
    (B) Manual fire alarm pull stations, if any,
    (C) Exits,
    (D) Primary and secondary evacuation routes for each room, and
    (E) Exterior assembly areas.

(c) Each plan shall include fire and life safety standards that ensure efficient and effective coordination with and between tribal and, as the Tribal Gaming Agency deems appropriate, federal or state or local emergency response personnel.

(d) The Tribal Gaming Agency shall provide certification of the Plan annually to the Sacramento Office of the Division of Gambling Control in the California Department of Justice, and make the Plan available for review upon request by either the Division or the Commission.

(e) The Tribal Gaming Agency shall require that the gaming operation management:

(1) At least annually, review with all employees the requirements of the Plan applicable to the employee, to ensure that each employee has been informed of the provisions of the Plan applicable to his or her position and his or her specific duties under the Plan and the appropriate exit or exits to be used, where applicable.
(2) Review the requirements of the Plan with each new employee, at the time the new employee begins work, to ensure that each new employee has been informed of the provisions of the Plan applicable to his or her specific duties under the Plan and the appropriate exit or exits to be used, where applicable.

CGCC-8. UNIFORM TRIBAL GAMING REGULATION

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(a) BACKGROUND AND PURPOSE.

(1) The 1999 Tribal-State Gaming Compact and comparable provisions of the New or Amended Compacts (collectively the “Compacts”) provide under section 6.1 that each Tribe will conduct its Gaming Activities in compliance with a Gaming Ordinance adopted by the Tribe and with rules, regulations, procedures, specifications and standards adopted by the Tribal Gaming Agency (“TGA”). Section 7.1 of the Compacts places on the TGA the responsibility for the conduct of “on-site gaming regulation and control in order to enforce the terms” of the Compacts. To that end, the TGA is required to adopt and enforce regulations, procedures and practices which ensure that the Gaming Operation “meets the highest standards of regulation and internal controls.” Section 8.1 of the Compacts charges the TGA with responsibility to promulgate rules, regulations and specifications and to ensure their

enforcement. Certain subsections of section 8.1 of the Compacts outline matters which, at a minimum, these rules, regulations, and specifications must address (collectively, "Internal Control Standards" or "Tribal MICS"). Subject to the conditions stated therein, Sections 7.4 through 7.4.4 of the Compacts provide the State Gaming Agency ("SGA") with rights to inspect the Gaming Facility to ensure compliance with the Compacts.

(2) The purpose of this regulation is to provide a uniform and effective system for the SGA to verify that the Tribal MICS have been adopted and enforced by the TGA in accordance with the Compacts.

(3) For purposes of this regulation, the California Gambling Control Commission ("CGCC") is designated as the SGA. Only the CGCC shall be permitted to conduct compliance inspections under this regulation until the State designates a different SGA by providing written notice to the Tribes pursuant to section 13.0 of the Compacts. At no time shall more than one State agency serve as the SGA under this regulation.

(4) Nothing in this regulation shall modify or otherwise affect the rights and obligations of the SGA under the Compacts, including but not limited to the ability of the CGCC and the Department of Justice, Bureau of Gambling Control, to share documents disclosed pursuant to this regulation, subject to the Compacts' confidentiality provisions.

(5) Unless otherwise defined in this regulation, terms used in this regulation shall have the same meanings and definitions as set forth in the Compacts. Nothing in this regulation shall modify or amend the Compacts. To the extent there is any conflict between the provisions of this regulation and the Compacts, the provisions of the Compacts shall control.

(b) INTERNAL CONTROL STANDARDS.

(1) General Requirements. Pursuant to the Compacts, each Tribe shall promulgate rules, regulations, and specifications referred to above as "Tribal MICS" regarding the operation of Class III gaming.

(2) Standard of Compliance. The Minimum Internal Control Standards ("MICS") promulgated by the National Indian Gaming Commission ("NIGC") and set forth at 25 CFR Part 542 (as in effect on October 19, 2006 or as it may be amended), if adopted by a Tribe as its Tribal MICS, satisfy the requirements set forth in section (b)(1) above.

(3) Material Compliance.

(A) Tribal MICS that Meet or Exceed MICS. Notwithstanding the fact that a Tribe has not adopted the MICS pursuant to section (b)(2), a Tribe's Tribal MICS that meet or exceed the standards set forth in the MICS will satisfy the requirements of section (b)(1).

(B) Alternative Tribal MICS. A Tribe that has not satisfied the standards set forth in sections (b)(2) or (b)(3)(A) shall promulgate rules, regulations and specifications as its Tribal MICS that comply with the Compacts' requirements addressed within this regulation.

(c) INTERNAL CONTROL SYSTEM. Each Tribe shall ensure that its Gaming Operation implements and maintains internal control systems that, at a minimum, ensure compliance with the Tribal MICS that apply to its Gaming Operation.

(d) VERIFICATION OF TRIBAL MICS. The SGA may verify a Tribe's compliance with sections (b)(2) or (b)(3). SGA verification may be accomplished by on or off-site inspection of a document that sets forth the Tribal MICS.

(e) NET WIN. The Compacts' definition of "net win" shall apply to matters covered by this regulation, rather than the definition of "net win" provided at 25 CFR 542.19(d).

(f) CGCC REVIEW OF AGREED-UPON-PROCEDURES REPORT. A Tribe may elect to provide the SGA any Agreed-Upon-Procedures report prepared in accordance with 25 CFR 542.3(f), and where applicable, all information supplied by the Tribe and the TGA, for the purpose of allowing the SGA to perform a risk assessment to determine priorities in its compliance inspections under this regulation.

(g) COMPLIANCE INSPECTION PROTOCOLS.

(1) Preface. Except where section (m) "NIGC ALTERNATIVE COMPLIANCE" or section (n) "ALTERNATIVE COMPLIANCE THROUGH TGA CERTIFICATION AND INDEPENDENT AUDIT" applies, the SGA shall follow the protocols in this section (g) with respect to compliance inspections conducted by the SGA pursuant to this regulation. In conducting such inspections, the Tribe and the SGA acknowledge that the Tribe's role under the Compacts is to serve as the primary regulator of its Gaming Operation and the SGA's role is to assure that the Tribe's regulatory obligations are being satisfied based on sections (b)(2), (b)(3)(A) or (b)(3)(B) above.

(2) General Approach. The compliance inspection process shall be accomplished by verifying that the Tribe has adopted Tribal MICS as set forth in section (b) above and verifying that the TGA is ensuring the enforcement of the Tribal MICS.

(3) Initiation of State Compliance Process. The SGA shall notify the Tribal Chairperson and the TGA in writing at least 30 days in advance of any scheduled compliance inspection. This letter shall include a request for documents to be made available to the SGA during the on-site compliance inspection and may include a request for a dedicated work area. At the start of the compliance inspection, an entrance conference shall be held to discuss with Tribal and TGA representatives the scope of the compliance inspection, timelines and schedule.

(4) On-Site Inspection Process. The SGA shall consult with the TGA regarding the methods and means by which the Tribe determines that its regulatory efforts are being properly enforced. The SGA may conduct an on-site compliance inspection at the Tribe's gaming facility that the SGA reasonably determines is necessary to ensure compliance with the Compacts. The compliance inspection may encompass, and shall be limited to, the subject areas listed in the Tribal MICS. The

SGA will exercise utmost care in the preservation of the confidentiality of any and all information and documents received from the Tribe and TGA and will apply the highest standards of confidentiality expected under state law to preserve such information and documents from disclosure. At the conclusion of the on-site compliance inspection, an exit conference will be held to provide the Tribal and TGA representatives an oral summary of SGA findings from the compliance inspection.

(h) COMPLIANCE INSPECTION REPORTS.

(1) No later than 60 days following the SGA's completion of a section (g) on-site compliance inspection, or such other time period as is mutually agreeable, the SGA shall deliver a draft compliance inspection report ("Draft Report") to the Tribe and to the TGA, including specific compliance exceptions, if any.

(2) Following receipt of the Draft Report, the Tribe shall have 60 days, or such other time period as is mutually agreeable, to respond to the Draft Report. If the Tribe accepts the Draft Report, the SGA shall finalize the Draft Report and, within 30 days of acceptance, deliver a final Compliance Inspection Report ("Final Report") to the Tribe and the TGA. If no response to the Draft Report is received from the Tribe by the 60th day, or such other time period as is mutually agreeable, the SGA shall consider the Draft Report final. Within 20 days of the date on which the Draft Report is considered final, the SGA shall submit the Final Report to the Tribe and the TGA.

(3) Within 30 days of receipt of the Tribe' response to the Draft Report, or such other time period as is mutually agreeable, the SGA and the Tribe shall make good faith efforts to resolve any differences concerning the content of the Draft Report.

(4) If differences remain after the SGA and the Tribe have made good faith efforts to resolve them, at the option of the Tribe, the Tribe's objections to the Draft Report may be referred to the appointed/elected officials of the SGA for further consideration as provided in section (l)(2) below.

(5) The SGA shall not issue a Final Report until:

(A) The Tribe accepts the Draft Report;

(B) A dispute remains and the Tribe elects not to refer any objections to the appointed/elected officials of the SGA for further consideration; or

(C) The parties resolve, or are unable to resolve, their differences with respect to the Draft Report through referral to the appointed/elected officials of the SGA for further consideration.

(6) Any written response from the Tribe with respect to the Draft Report shall be included in and made part of the Final Report.

(i) TRIBAL ACTION PLAN.

(1) If the Final Report requests further action on the part of the Tribe, the Tribe may provide a written tribal action plan addressing any specific compliance exceptions ("Tribal Action Plan") within 45 days of receipt of the Final Report or such other time period as is mutually agreeable. Recognizing that the Tribe is the primary regulator of its gaming operation, the Tribe will, within a three-month period after submitting the Tribal Action Plan, develop and implement remedial procedures identified in the Tribal Action Plan. If the SGA does not agree with the Tribal Action Plan, the Tribe and SGA will make good faith efforts to address and resolve the specific compliance exceptions identified.
(2) In the event that the SGA has requested further action in the Final Report and the Tribe has not submitted a Tribal Action Plan, the SGA and the Tribe shall, within 60 days of the Tribe's receipt of the Final Report or such other time period as is mutually agreeable, make good faith efforts to address and resolve the specific compliance exceptions contained in the Final Report.
(3) If differences remain after the SGA and the Tribe have made good faith efforts to resolve them under sections (1) and (2) above, at the option of the Tribe, the matter may be referred to the appointed/elected officials of the SGA for further consideration as provided in section (l)(2) below.

(j) CONFIDENTIALITY. Pursuant to section 7.4.3(b) of the Compacts, the SGA shall exercise utmost care in the preservation of the confidentiality of any and all documents and information received from the Tribe in compliance with this regulation and shall apply the highest standards of confidentiality expected under state law to preserve such documents and information from disclosure.

(k) PERIODIC REVIEW REGARDING THIS REGULATION.
(1) Nothing in this regulation shall be construed to preclude individual Tribes and the SGA from meeting, from time-to-time, to discuss Tribal MICS and compliance matters.
(2) The Association, as defined in section 2.2 of the Compacts and commonly known as the Tribal-State Regulatory Association, shall meet from time-to-time upon the request of any delegate to discuss possible modifications of this regulation.

(l) DISPUTES.
(1) If a dispute arises between the SGA and a Tribe involving the application or interpretation of this regulation, the parties shall make good faith efforts to resolve their differences.
(2) If these good faith discussions do not resolve the matter, at the option of the Tribe, the matter may be referred to the appointed/elected officials of the SGA for further consideration. Provided that the CGCC is serving as the SGA, the Tribe may further request that the matter be set for closed session consideration pursuant to Government Code section 11126.4 at which time the Tribe may offer any evidence to support its position and/or offer a compromise reconciliation. All information presented to the appointed/elected officials of the SGA for

consideration shall be subject to the confidentiality provisions of the Compacts.

(3) If, after further consideration by the appointed/elected officials of the SGA, a dispute remains, it may be referred for resolution pursuant to the dispute resolution process outlined in Compact section 9.0. If the Tribe does not opt for further consideration by the appointed/elected officials of the SGA, the dispute may be referred for resolution pursuant to the dispute resolution process outlined in Compact section 9.0.

(m) NIGC ALTERNATIVE COMPLIANCE.

(1) Sections (c), (d), (f), (g), (h) and (i) shall not apply to any Tribe's Gaming Operation while the Tribe has a gaming ordinance in effect that provides for NIGC monitoring and enforcement of the MICS set forth at 25 CFR Part 542 (as in effect on October 19, 2006, or as it may be amended). In addition, upon the written request of the SGA, the following shall occur:

(A) The TGA or Tribe shall provide a copy of the following documents to the SGA within 30 days of their receipt from or submission to the NIGC:

(i) Each final written report or document issued to the Tribe by the NIGC resulting from a MICS compliance site inspection/visit, or compliance review/audit ("NIGC Report");

(ii) The NIGC's supporting reports or documents (the "Supporting Papers"), if any, pertaining to the MICS review and preparation of the NIGC Report which the Tribe or the TGA shall request from the NIGC following the conclusion of the NIGC review and reporting process, provided however that the Supporting Papers shall not include documentation related to any financial review/audit of gaming revenue; and

(iii) Any documents the Tribe, TGA or Gaming Operation has delivered to the NIGC in response to any such NIGC Report.

(B) The TGA makes itself available upon at least 30 days written notice from the SGA, to address questions the SGA may have regarding any NIGC Report, which may include the SGA's access to papers, books, records, equipment, or places of the gaming operation that are reasonably necessary to address such questions and, where possible, such documents are identified in the written notice from the SGA;

(C) The TGA provides the SGA with a copy of the independent CPA agreed-upon procedures report conducted pursuant to 25 CFR Part 542.3(f) pertaining to Class III gaming within 30 days of its receipt and, where applicable, all information supplied by the Tribe, the TGA, or Gaming Operation to the NIGC in response thereto within 30 days of when it was supplied; and

(D) Any documents received from the Tribe or TGA shall be confidential pursuant to section (j).

(2) This NIGC alternative compliance section shall no longer apply to a Tribe's gaming operation in the event that any of the following occur:
   (A) The Tribal gaming ordinance that provides for NIGC monitoring and enforcement of the MICS is amended to eliminate such monitoring and enforcement;
   (B) The SGA does not receive from the TGA or Tribe the NIGC Report within the required time period;
   (C) The NIGC does not commence, for any three (3) year period following the effective date of this regulation, a MICS compliance site inspection/visit, or on-site compliance review/audit designed by the NIGC, after a regulatory review of relevant information, to effectively monitor and ensure MICS compliance, memorialized by an NIGC Report.
(3) Should a Tribe desire to re-establish applicability of this NIGC alternative compliance section, following the occurrence of a disqualifying event listed in Section (m)(2) above, the Tribe may provide written notice to the SGA of such desire and this NIGC alternative compliance section shall apply beginning one (1) year after such notice, or such other date as is mutually agreeable in writing, so long as the Tribe meets the requirements of Section (m)(1).
(4) Nothing in this section (m) is intended to amend, supersede, or negate any provision of the Compacts. However, satisfaction of this section (m) shall demonstrate compliance with Tribal MICS as provided for in section (b)(2) and/or (b)(3)(A) for purposes of this regulation and for purposes of the Compacts.

(n) ALTERNATIVE COMPLIANCE THROUGH TGA CERTIFICATION AND INDEPENDENT AUDIT.

(1) Sections (f), (g), (h) and (i) of this regulation shall not apply to any Tribe's Gaming Operation while the Tribe has a gaming ordinance in effect that provides for TGA monitoring and enforcement of Tribal MICS and the following occurs on an annual basis:
   (A) The TGA certifies that the Tribal MICS meet or exceed the standards set forth in 25 CFR Part 542 (as in effect on October 19, 2006, or as it may be amended).
   (B) The TGA certifies that the Gaming Operation's written system of internal controls comply with the Tribal MICS.
   (C) The TGA causes internal audits to be conducted in conformance with the Tribal MICS to test the Gaming Operation's compliance with the written system of internal controls and requires that an Internal Audit Report be prepared, consistent with applicable provisions of the Tribal MICS.
   (D) The TGA investigates any exceptions identified in the Internal Audit Report and requires the Gaming Operation to correct any substantiated exceptions in accordance with Section 7.2 of the Compact.

(E) The TGA or the Tribe engages an independent certified public accountant to conduct agreed-upon procedures consistent with applicable provisions of the Tribal MICS and prepare a report documenting the results of those procedures ("Agreed-Upon Procedures Report"). The independent certified public accountant shall be licensed in the state of California to practice as an independent certified accountant or hold a California Practice Privilege, as provided in the California Accountancy Act.

(F) The TGA sends a report to the SGA which describes the status of compliance of the gaming operation with the Tribal MICS. The TGA's annual report to the SGA, shall certify if material compliance with the Tribal MICS has been achieved and shall enclose: (i) the TGA Internal Audit Report; (ii) the Agreed-Upon Procedures Report; and, (iii) any written communications of the independent certified public accountant including management letters regarding weaknesses or deficiencies in internal controls issued in connection with the Agreed-Upon Procedures Report, provided however that the written communications shall not include documentation related to any financial review/audit of gaming revenue, or areas outside of the Tribal MICS.

(G) Contracts with independent certified public accountants for the Agreed-Upon Procedures Report shall provide that working papers supporting the Agreed-Upon Procedures Report shall be made available for review by the SGA upon request. The SGA shall notify the Tribe and the TGA of any such request within sixty (60) days of receipt of the documents provided in subsection (F). Upon receipt of the SGA's request to review the working papers, the TGA shall forward the SGA's request to the independent certified public accountant, provide the SGA with contact information for the independent certified public accountant and facilitate the review of the CPA's working papers by the SGA in the State of California within sixty (60) days of the receipt of the SGA's request. The TGA may participate in the review of working papers by the SGA.

(2) If, upon review and within sixty (60) days of the receipt of the documents specified in (1)(F) or within sixty (60) days following the review of the CPA's working papers as specified in (1)(G), whichever is later, the SGA reasonably determines that there is substantial evidence of material noncompliance with the requirements of the Tribal MICS which bear upon the integrity of the Gaming Operation, the SGA may request a meeting to consult with the TGA regarding the method and means by which the Tribe determines that the Tribal MICS are properly being enforced. The TGA and SGA shall meet within thirty (30) days of a written meeting request from the SGA. The SGA meeting request shall identify its basis for a determination that there is a substantial evidence of material noncompliance with the requirements of the Tribal MICS which bear upon the integrity of the Gaming Operation. During

this meeting the SGA and TGA shall make good faith efforts to address the issues identified in the SGA meeting request. The SGA may take actions specified in subsections (g), (h) and (i) of this regulation after this meeting and consultation between the SGA and TGA has taken place for the purpose of resolving outstanding issues which have not been corrected.

(3) Nothing in this section (n) is intended to amend, supersede, or negate any provision of the Compacts. However, satisfaction of this section (n) shall demonstrate compliance with Tribal MICS as provided for in section (b)(2) and/or (b)(3)(A) for purposes of this regulation and for purposes of the Compacts.

(4) A Tribe or TGA that wishes to follow this section shall notify the SGA in writing within (i) 60 days of the effective date of this section (n); (ii) 60 days of the end of a Gaming Operation's fiscal year; or, (iii) other mutually agreeable time period. The notice shall include an estimated date that the report required in subsection (F) will be submitted to the SGA.

(o) SEVERABILITY. If any provision of this regulation or its application is held invalid, the validity of the remaining provisions shall be determined pursuant to applicable rules of statutory and regulatory construction.

GAMBLING DEVICES TRANSPORTATION ACT – TITLE 15 UNITED STATES CODE

1171. DEFINITIONS

As used in this chapter--

(a) The term "gambling device" means--

(1) any so-called "slot machine" or any other machine or mechanical device an essential part of which is a drum or reel with insignia thereon, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(2) any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(3) any subassembly or essential part intended to be used in connection with any such machine or mechanical device, but which is not attached to any such machine or mechanical device as a constituent part.

(b) The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

(c) The term "possession of the United States" means any possession of the United States which is not named in subsection (b) of this section.

(d) The term "interstate or foreign commerce" means commerce (1) between any State or possession of the United States and any place outside of such State or possession, or (2) between points in the same State or possession of the United States but through any place outside thereof.

(e) The term "intrastate commerce" means commerce wholly within one State or possession of the United States.

(f) The term "boundaries" has the same meaning given that term in section 1301 of Title 43.

1172. TRANSPORTATION OF GAMBLING DEVICES AS UNLAWFUL; EXCEPTIONS; AUTHORITY OF FEDERAL TRADE COMMISSION

(a) General rule – It shall be unlawful knowingly to transport any gambling device to any place in a State or a possession of the United States from any place outside of such State or possession: Provided, That this section shall not apply to transportation of any gambling device to a place in any State which has enacted a law providing for the exemption of such State from the provisions of this section, or to a place in any subdivision of a State if the State in which such subdivision is located has enacted a law providing for the exemption of such subdivision from the provisions of this section, nor shall this section apply to any gambling device used or designed for use at and transported to licensed gambling establishments where betting is legal under applicable State laws: Provided, further, That it shall not be unlawful to transport in interstate or foreign commerce any gambling device into any State in which the transported gambling device is specifically enumerated as lawful in a statute of that State.

(b) Authority of Federal Trade Commission – Nothing in this chapter shall be construed to interfere with or reduce the authority, or the existing interpretation of the authority, of the Federal Trade Commission under the Federal Trade Commission Act [15 U.S.C. 41 et. seq.].

(c) Exception – This section does not prohibit the transport of a gambling device to a place in a State or a possession of the United States on a vessel on a voyage, if—

(1) use of the gambling device on a portion of that voyage is, by reason of subsection (b) of section 1175 of this title, not a violation of that section; and
(2) the gambling device remains on board that vessel while in that State.

1173. REGISTRATION OF MANUFACTURERS AND DEALERS

(a) Activities requiring registration; contents of registration statement

(1) It shall be unlawful for any person engaged in the business of manufacturing gambling devices, if the activities of such business in any way affect interstate or foreign commerce, to manufacture any gambling device during any calendar year, unless, after November 30 of the preceding calendar year, and before the date on which such device is

manufactured, such person has registered with the Attorney General under this subsection, regardless of whether such device ever enters interstate or foreign commerce.

(2) It shall be unlawful for any person during any calendar year to engage in the business of repairing, reconditioning, buying, selling, leasing, using, or making available for use by others any gambling device, if in such business he sells, ships, or delivers any such device knowing that it will be introduced into interstate or foreign commerce after the effective date of the Gambling Devices Act of 1962, unless, after November 30 of the preceding calendar year, and before the date such sale, shipment, or delivery occurs, such person has registered with the Attorney General under this subsection.

(3) It shall be unlawful for any person during any calendar year to engage in the business of repairing, reconditioning, buying, selling, leasing, using, or making available for use by others any gambling device, if in such business he buys or receives any such device knowing that it has been transported in interstate or foreign commerce after the effective date of the Gambling Devices Act of 1962, unless, after November 30, of the preceding calendar year and before the date on which he buys or receives such device, such person has registered with the Attorney General under this subsection.

(4) Each person who registers with the Attorney General pursuant to this subsection shall set forth in such registration

(A) his name and each trade name under which he does business,

(B) the address of each of his places of business in any State or possession of the United States,

(C) the address of a place, in a State or possession of the United States in which such a place of business is located, where he will keep all records required to be kept by him by subsection (c) of this section, and

(D) each activity described in paragraph (1), (2), or (3) of this subsection which he intends to engage in during the calendar year with respect to which such registration is made.

(b) Numbering of devices

(1) Every manufacturer of a gambling device defined in paragraph (a)(1) or (a)(2) of section 1171 of this title shall number seriatim each such gambling device manufactured by him and permanently affix on each such device, so as to be clearly visible, such number, his name, and, if different, any trade name under which he does business, and the date of manufacture of such device.

(2) Every manufacturer of a gambling device defined in paragraph (a)(3) of section 1171 of this title shall, if the size of such device permits it, number seriatim each such gambling device manufactured by him and permanently affix on each such device, so as to be clearly visible, such number, his name, and, if different, any trade name under which he does business, and the date of manufacture of such device.

(c) Records; required information

(1) Every person required to register under subsection (a) of this section for any calendar year shall, on and after the date of such registration or the first day of such year (whichever last occurs), maintain a record by calendar month for all periods thereafter in such year of--

(A) each gambling device manufactured, purchased, or otherwise acquired by him,

(B) each gambling device owned or possessed by him or in his custody, and

(C) each gambling device sold, delivered, or shipped by him in intrastate, interstate, or foreign commerce.

(2) Such record shall show--

(A) in the case of each such gambling device defined in paragraph (a)(1) or (a)(2) of section 1171 of this title, the information which is required to be affixed on such gambling device by subsection (b)(1) of this section; and

(B) in the case of each such gambling device defined in paragraph (a)(3) of section 1171 of this title, the information required to be affixed on such gambling device by subsection (b)(2) of this section, or, if such gambling device does not have affixed on it any such information, its catalog listing, description, and, in the case of each such device owned or possessed by him or in his custody, its location. Such record shall also show (i) in the case of any such gambling device described in paragraph (1)(A) of this subsection, the name and address of the person from whom such device was purchased or acquired and the name and address of the carrier; and (ii) in the case of any such gambling device described in paragraph (1)(C) of this subsection, the name and address of the buyer and consignee thereof and the name and address of the carrier.

(d) Retention of records – Each record required to be maintained under this section shall be kept by the person required to make it at the place designated by him pursuant to subsection (a)(4)(C) of this section for a period of at least five years from the last day of the calendar month of the year with respect to which such record is required to be maintained.

(e) Dealing in, owning, possessing, or having custody of devices not marked or numbered; false entries in records

(1) It shall be unlawful (A) for any person during any period in which he is required to be registered under subsection (a) of this section to sell, deliver, or ship in intrastate, interstate, or foreign commerce or own, possess, or have in his custody any gambling device which is not marked and numbered as required by subsection (b) of this section; or (B) for any person to remove, obliterate, or alter any mark or number on any gambling device required to be placed thereon by such subsection (b).

(2) It shall be unlawful for any person knowingly to make or cause to be made, any false entry in any record required to be kept under this section.

(f) Authority of Federal Bureau of Investigation – Agents of the Federal Bureau of Investigation shall, at any place designated pursuant to subsection (a)(4)(C) of this section by any person required to register by subsection (a) of this section, at all reasonable times, have access to and the right to copy any of the records required to be kept by this section, and, in case of refusal by any person registered under such subsection (a) to allow inspection and copying of such records, the United States district court for the district in which such place is located shall have jurisdiction to issue an order compelling production of such records for inspection or copying.

1174. LABELING AND MARKING OF SHIPPING PACKAGES

All gambling devices, and all packages containing any such, when shipped or transported shall be plainly and clearly labeled or marked so that the name and address of the shipper and of the consignee, and the nature of the article or the contents of the package may be readily ascertained on an inspection of the outside of the article or package.

1175. SPECIFIC JURISDICTIONS WITHIN WHICH MANUFACTURING, REPAIRING, SELLING, POSSESSING ETC., PROHIBITED; EXCEPTIONS

(a) General rule – It shall be unlawful to manufacture, recondition, repair, sell, transport, possess, or use any gambling device in the District of Columbia, in any possession of the United States, within Indian country as defined in section 1151 of Title 18 or within the special maritime and territorial jurisdiction of the United States as defined in section 7 of title 18, including on a vessel documented under chapter 121 of title 46 or documented under the laws of a foreign country.

(b) Exception

(1) In general -- Except for a voyage or segment of a voyage that begins and ends in the State of Hawaii, or as provided in paragraph (2), this section does not prohibit--

(A) the repair, transport, possession, or use of a gambling device on a vessel that is not within the boundaries of any State or possession of the United States;

(B) the transport or possession, on a voyage, of a gambling device on a vessel that is within the boundaries of any State or possession of the United States, if-

(i) use of the gambling device on a portion of that voyage is, by reason of subparagraph (A), not a violation of this section; and

(ii) the gambling device remains on board that vessel while the vessel is within the boundaries of that State or possession; or

(C) the repair, transport, possession, or use of a gambling device on a vessel on a voyage that begins in the State of Indiana and that does not leave the territorial jurisdiction of that State, including such a voyage on Lake Michigan.

(2) Application to certain voyages
(A) General rule -- Paragraph (1)(A) does not apply to the repair or use of a gambling device on a vessel that is on a voyage or segment of a voyage described in subparagraph (B) of this paragraph if the State or possession of the United States in which the voyage or segment begins and ends has enacted a statute the terms of which prohibit that repair or use on that voyage or segment.
(B) Voyage and segment described -- A voyage or segment of a voyage referred to in subparagraph (A) is a voyage or segment, respectively--
(i) that begins and ends in the same State or possession of the United States, and
(ii) during which the vessel does not make an intervening stop within the boundaries of another State or possession of the United States or a foreign country.
(C) Exclusion of certain voyages and segments Except for a voyage or segment of a voyage that occurs within the boundaries of the State of Hawaii, a voyage or segment of a voyage is not described in subparagraph (B) if such voyage or segment includes or consists of a segment--
(i) that begins and ends in the same State;
(ii) that is part of a voyage to another State or to a foreign country; and
(iii) in which the vessel reaches the other State or foreign country within 3 days after leaving the State in which such segment begins.

(c) Exception for Alaska
(1) With respect to a vessel operating in Alaska, this section does not prohibit, nor may the State of Alaska make it a violation of law for there to occur, the repair, transport, possession, or use of any gambling device on board a vessel which provides sleeping accommodations for all of its passengers and that is on a voyage or segment of a voyage described in paragraph (2), except that such State may, within its boundaries--
(A) prohibit the use of a gambling device on a vessel while it is docked or anchored or while it is operating within 3 nautical miles of a port at which it is scheduled to call; and
(B) require the gambling devices to remain on board the vessel.
(2) A voyage referred to in paragraph (1) is a voyage that--
(A) includes a stop in Canada or in a State other than the State of Alaska;
(B) includes stops in at least 2 different ports situated in the State of Alaska; and
(C) is of at least 60 hours duration.

1176. PENALTIES

Whoever violates any of the provisions of sections 1172, 1173, 1174, or 1175 of this title shall be fined not more than $5,000 or imprisoned not more than two years, or both.

1177. CONFISCATION OF GAMBLING DEVICES AND MEANS OF TRANSPORTATION; LAWS GOVERNING.

Any gambling device transported, delivered, shipped, manufactured, reconditioned, repaired, sold, disposed of, received, possessed, or used in violation of the provisions of this chapter shall be seized and forfeited to the United States. All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of vessels, vehicles, merchandise, and baggage for violation of the customs laws; the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this chapter, insofar as applicable and not inconsistent with the provisions hereof: Provided, That such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels, vehicles, merchandise, and baggage under the customs laws shall be performed with respect to seizures and forfeitures of gambling devices under this chapter by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General.

1178. NONAPPLICABILITY OF CHAPTER TO CERTAIN MACHINES AND DEVICES

None of the provisions of this chapter shall be construed to apply--

(1) to any machine or mechanical device designed and manufactured primarily for use at a racetrack in connection with parimutuel betting,

(2) to any machine or mechanical device, such as a coin-operated bowling alley, shuffleboard, marble machine (a so-called pinball machine), or mechanical gun, which is not designed and manufactured primarily for use in connection with gambling, and (A) which when operated does not deliver, as a result of the application of an element of chance, any money or property, or (B) by the operation of which a person may not become entitled to receive, as the result of the application of an element of chance, any money or property, or

(3) to any so-called claw, crane, or digger machine and similar devices which are not operated by coin, are actuated by a crank, and are designed and manufactured primarily for use at carnivals or county or State fairs.

PUBLIC LAW 280 – TITLE 18 UNITED STATES CODE

CHAPTER 53. INDIANS

1162. STATE JURISDICTION OVER OFFENSES COMMITTED BY OR AGAINST INDIANS IN THE INDIAN COUNTRY

(a) Each of the States or Territories listed in the following table shall have jurisdiction over offenses committed by or against Indians in the areas of Indian country listed opposite the name of the State or Territory to the same extent that such State or Territory has jurisdiction over offenses committed elsewhere within the State or Territory, and the criminal laws of such State or Territory shall have the same force and effect within such Indian country as they have elsewhere within the State or Territory:

State or Territory of	Indian country affected
Alaska	All Indian country within the State, except that on Annette Islands, the Metlakatla Indian community may exercise jurisdiction over offenses committed by Indians in the same manner in which such jurisdiction may be exercised by Indian tribes in Indian country over which State jurisdiction has not been extended.
California	All Indian country within the State.
Minnesota	All Indian country within the State, except the Red Lake Reservation.
Nebraska	All Indian country within the State.
Oregon	All Indian country within the State, except the Warm Springs Reservation.
Wisconsin	All Indian country within the State.

(b) Nothing in this section shall authorize the alienation, encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or shall authorize regulation of the use of such property in a manner inconsistent with any Federal treaty, agreement, or statute or with any regulation made pursuant thereto; or shall deprive any Indian or any Indian tribe, band, or community of any right, privilege, or immunity afforded under Federal treaty, agreement, or statute with respect to hunting, trapping, or fishing or the control, licensing, or regulation thereof.

(c) The provisions of sections 1152 and 1153 of this chapter shall not be applicable within the areas of Indian country listed in subsection (a) of this section as areas over which the several States have exclusive jurisdiction.

(d) Notwithstanding subsection (c), at the request of an Indian tribe, and after consultation with and consent by the Attorney General –

(1) sections 1152 and 1153 shall apply in the areas of the Indian country of the Indian tribe; and

(2) jurisdiction over those areas shall be concurrent among the Federal Government, State governments, and, where applicable, tribal governments.

COMPLETE LIST OF SECTIONS WITHIN TITLE 18, CHAPTER 53:

§ 1151. Indian country defined
§ 1152. Laws governing
§ 1153. Offenses committed within Indian country
§ 1154. Intoxicants dispensed in Indian country
§ 1155. Intoxicants dispensed on school site
§ 1156. Intoxicants possessed unlawfully
§ 1157. Repealed
§ 1158. Counterfeiting Indian Arts and Crafts Board trade mark
§ 1159. Misrepresentation of Indian produced goods and products
§ 1160. Property damaged in committing offense
§ 1161. Application of Indian liquor laws
§ 1162. State jurisdiction over offenses committed by or against Indians in the Indian country
§ 1163. Embezzlement and theft from Indian tribal organizations
§ 1164. Destroying boundary and warning signs
§ 1165. Hunting, trapping, or fishing on Indian land
§ 1166. Gambling in Indian country
§ 1167. Theft from gaming establishments on Indian lands
§ 1168. Theft by officers or employees of gaming establishments on Indian lands
§ 1169. Reporting of child abuse
§ 1170. Illegal trafficking in Native American human remains and cultural items

INDIAN GAMING REGULATORY ACT – TITLE 25 UNITED STATES CODE

CHAPTER 29

2701. FINDINGS

The Congress finds that -

(1) numerous Indian tribes have become engaged in or have licensed gaming activities on Indian lands as a means of generating tribal governmental revenue;

(2) Federal courts have held that section 81 of this title requires Secretarial review of management contracts dealing with Indian gaming, but does not provide standards for approval of such contracts;

(3) existing Federal law does not provide clear standards or regulations for the conduct of gaming on Indian lands;

(4) a principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong tribal government; and

(5) Indian tribes have the exclusive right to regulate gaming activity on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a State which does not, as a matter of criminal law and public policy, prohibit such gaming activity.

2702. DECLARATION OF POLICY

The purpose of this chapter is -

(1) to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments;

(2) to provide a statutory basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to ensure that the Indian tribe is the primary beneficiary of the gaming operation, and to assure that gaming is conducted fairly and honestly by both the operator and players; and

(3) to declare that the establishment of independent Federal regulatory authority for gaming on Indian lands, the establishment of Federal standards for gaming on Indian lands, and the establishment of a National Indian Gaming Commission are necessary to meet congressional concerns regarding gaming and to protect such gaming as a means of generating tribal revenue.

2703. DEFINITIONS

For purposes of this chapter -

(1) The term "Attorney General" means the Attorney General of the United States.

(2) The term "Chairman" means the Chairman of the National Indian Gaming Commission.

(3) The term "Commission" means the National Indian Gaming Commission established pursuant to section 2704 of this title.

(4) The term "Indian lands" means-

(A) all lands within the limits of any Indian reservation; and

(B) any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.

(5) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians which-

(A) is recognized as eligible by the Secretary for the special programs and services provided by the United States to Indians because of their status as Indians, and
(B) is recognized as possessing powers of self-government.

(6) The term "class I gaming" means social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations.

(7) (A) The term "class II gaming" means -
(i) the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith) -
(I) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations,
(II) in which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and
(III) in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards, including (if played in the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, and
(ii) card games that -
(I) are explicitly authorized by the laws of the State, or
(II) are not explicitly prohibited by the laws of the State and are played at any location in the State, but only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.
(B) The term "class II gaming" does not include
(i) any banking card games, including baccarat, chemin de fer, or blackjack (21), or
(ii) electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

(8) The term "class III gaming" means all forms of gaming that are not class I gaming or class II gaming.

2710. TRIBAL GAMING ORDINANCES

(a) Jurisdiction over class I and class II gaming activity.
(1) Class I gaming on Indian lands is within the exclusive jurisdiction of the Indian tribes and shall not be subject to the provisions of this chapter.
(2) Any class II gaming on Indian lands shall continue to be within the jurisdiction of the Indian tribes, but shall be subject to the provisions of this chapter.

(b) Regulation of class II gaming activity; net revenue allocation; audits; contracts

(1) An Indian tribe may engage in, or license and regulate, class II gaming on Indian lands within such tribe's jurisdiction, if-
  (A) such Indian gaming is located within a State that permits such gaming for any purpose by any person, organization or entity (and such gaming is not otherwise specifically prohibited on Indian lands by Federal law), and
  (B) the governing body of the Indian tribe adopts an ordinance or resolution which is approved by the Chairman.
    A separate license issued by the Indian tribe shall be required for each place, facility, or location on Indian lands at which class II gaming is conducted.
(2) The Chairman shall approve any tribal ordinance or resolution concerning the conduct, or regulation of class II gaming on the Indian lands within the tribe's jurisdiction if such ordinance or resolution provides that-
  (A) except as provided in paragraph (4), the Indian tribe will have the sole proprietary interest and responsibility for the conduct of any gaming activity;
  (B) net revenues from any tribal gaming are not to be used for purposes other than-
    (i) to fund tribal government operations or programs;
    (ii) to provide for the general welfare of the Indian tribe and its members;
    (iii) to promote tribal economic development;
    (iv) to donate to charitable organizations; or
    (v) to help fund operations of local government agencies;
  (C) annual outside audits of the gaming, which may be encompassed within existing independent tribal audit systems, will be provided by the Indian tribe to the Commission;
  (D) all contracts for supplies, services, or concessions for a contract amount in excess of $25,000 annually (except contracts for professional legal or accounting services) relating to such gaming shall be subject to such independent audits;
  (E) the construction and maintenance of the gaming facility, and the operation of that gaming is conducted in a manner which adequately protects the environment and the public health and safety; and
  (F) there is an adequate system which-
    (i) ensures that background investigations are conducted on the primary management officials and key employees of the gaming enterprise and that oversight of such officials and their management is conducted on an ongoing basis; and
    (ii) includes-
      (I) tribal licenses for primary management officials and key employees of the gaming enterprise with prompt notification to the Commission of the issuance of such licenses;

(II) a standard whereby any person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment; and

(III) notification by the Indian tribe to the Commission of the results of such background check before the issuance of any of such licenses.

(3) Net revenues from any class II gaming activities conducted or licensed by any Indian tribe may be used to make per capita payments to members of the Indian tribe only if-

(A) the Indian tribe has prepared a plan to allocate revenues to uses authorized by paragraph (2)(B);

(B) the plan is approved by the Secretary as adequate, particularly with respect to uses described in clause (i) or (iii) of paragraph (2)(B);

(C) the interests of minors and other legally incompetent persons who are entitled to receive any of the per capita payments are protected and preserved and the per capita payments are disbursed to the parents or legal guardian of such minors or legal incompetents in such amounts as may be necessary for the health, education, or welfare, of the minor or other legally incompetent person under a plan approved by the Secretary and the governing body of the Indian tribe; and

(D) the per capita payments are subject to Federal taxation and tribes notify members of such tax liability when payments are made.

(4) (A) A tribal ordinance or resolution may provide for the licensing or regulation of class II gaming activities owned by any person or entity other than the Indian tribe and conducted on Indian lands, only if the tribal licensing requirements include the requirements described in the subclauses of subparagraph (B)(i) and are at least as restrictive as those established by State law governing similar gaming within the jurisdiction of the State within which such Indian lands are located. No person or entity, other than the Indian tribe, shall be eligible to receive a tribal license to own a class II gaming activity conducted on Indian lands within the jurisdiction of the Indian tribe if such person or entity would not be eligible to receive a State license to conduct the same activity within the jurisdiction of the State.

(B) (i) The provisions of subparagraph (A) of this paragraph and the provisions of subparagraphs (A) and (B) of paragraph (2) shall not bar the continued operation of an individually owned class II gaming operation that was operating on September 1, 1986, if-

(I) such gaming operation is licensed and regulated by an Indian tribe pursuant to an ordinance reviewed and approved

by the Commission in accordance with section 2712 of this title,

(II) income to the Indian tribe from such gaming is used only for the purposes described in paragraph (2)(B) of this subsection,

(III) not less than 60 percent of the net revenues is income to the Indian tribe, and

(IV) the owner of such gaming operation pays an appropriate assessment to the National Indian Gaming Commission under section 2717(a)(1) of this title for regulation of such gaming.

(ii) The exemption from the application of this subsection provided under this subparagraph may not be transferred to any person or entity and shall remain in effect only so long as the gaming activity remains within the same nature and scope as operated on October 17, 1988.

(iii) Within sixty days of October 17, 1988, the Secretary shall prepare a list of each individually owned gaming operation to which clause (i) applies and shall publish such list in the Federal Register.

(c) Issuance of gaming license; certificate of self-regulation.

(1) The Commission may consult with appropriate law enforcement officials concerning gaming licenses issued by an Indian tribe and shall have thirty days to notify the Indian tribe of any objections to issuance of such license.

(2) If, after the issuance of a gaming license by an Indian tribe, reliable information is received from the Commission indicating that a primary management official or key employee does not meet the standard established under subsection (b)(2)(F)(ii)(II) of this section, the Indian tribe shall suspend such license and, after notice and hearing, may revoke such license.

(3) Any Indian tribe which operates a class II gaming activity and which-

(A) has continuously conducted such activity for a period of not less than three years, including at least one year after October 17, 1988; and

(B) has otherwise complied with the provisions of this section [1]

may petition the Commission for a certificate of self-regulation.

(4) The Commission shall issue a certificate of self-regulation if it determines from available information, and after a hearing if requested by the tribe, that the tribe has-

(A) conducted its gaming activity in a manner which-

(i) has resulted in an effective and honest accounting of all revenues;

(ii) has resulted in a reputation for safe, fair, and honest operation of the activity; and

(iii) has been generally free of evidence of criminal or dishonest activity;

(B) adopted and is implementing adequate systems for-

(i) accounting for all revenues from the activity;

(ii) investigation, licensing, and monitoring of all employees of the gaming activity; and

(iii) investigation, enforcement and prosecution of violations of its gaming ordinance and regulations; and

(C) conducted the operation on a fiscally and economically sound basis.

(5) During any year in which a tribe has a certificate for self-regulation-

(A) the tribe shall not be subject to the provisions of paragraphs (1), (2), (3), and (4) of section 2706(b) of this title;

(B) the tribe shall continue to submit an annual independent audit as required by subsection (b)(2)(C) of this section and shall submit to the Commission a complete resume on all employees hired and licensed by the tribe subsequent to the issuance of a certificate of self-regulation; and

(C) the Commission may not assess a fee on such activity pursuant to section 2717 of this title in excess of one quarter of 1 per centum of the gross revenue.

(6) The Commission may, for just cause and after an opportunity for a hearing, remove a certificate of self-regulation by majority vote of its members.

(d) Class III gaming activities; authorization; revocation; Tribal-State compact

(1) Class III gaming activities shall be lawful on Indian lands only if such activities are-

(A) authorized by an ordinance or resolution that-

(i) is adopted by the governing body of the Indian tribe having jurisdiction over such lands,

(ii) meets the requirements of subsection (b) of this section, and

(iii) is approved by the Chairman,

(B) located in a State that permits such gaming for any purpose by any person, organization, or entity, and

(C) conducted in conformance with a Tribal-State compact entered into by the Indian tribe and the State under paragraph (3) that is in effect.

(2) (A) If any Indian tribe proposes to engage in, or to authorize any person or entity to engage in, a class III gaming activity on Indian lands of the Indian tribe, the governing body of the Indian tribe shall adopt and submit to the Chairman an ordinance or resolution that meets the requirements of subsection (b) of this section.

(B) The Chairman shall approve any ordinance or resolution described in subparagraph (A), unless the Chairman specifically determines that-

(i) the ordinance or resolution was not adopted in compliance with the governing documents of the Indian tribe, or

(ii) the tribal governing body was significantly and unduly influenced in the adoption of such ordinance or resolution by any person identified in section 2711(e)(1)(D) of this title.

Upon the approval of such an ordinance or resolution, the Chairman shall publish in the Federal Register such ordinance or resolution and the order of approval.

(C) Effective with the publication under subparagraph (B) of an ordinance or resolution adopted by the governing body of an Indian tribe that has been approved by the Chairman under subparagraph (B), class III gaming activity on the Indian lands of the Indian tribe shall be fully subject to the terms and conditions of the Tribal-State compact entered into under paragraph (3) by the Indian tribe that is in effect.

(D) (i) The governing body of an Indian tribe, in its sole discretion and without the approval of the Chairman, may adopt an ordinance or resolution revoking any prior ordinance or resolution that authorized class III gaming on the Indian lands of the Indian tribe. Such revocation shall render class III gaming illegal on the Indian lands of such Indian tribe.

(ii) The Indian tribe shall submit any revocation ordinance or resolution described in clause (i) to the Chairman. The Chairman shall publish such ordinance or resolution in the Federal Register and the revocation provided by such ordinance or resolution shall take effect on the date of such publication.

(iii) Notwithstanding any other provision of this subsection-

(I) any person or entity operating a class III gaming activity pursuant to this paragraph on the date on which an ordinance or resolution described in clause (i) that revokes authorization for such class III gaming activity is published in the Federal Register may, during the 1-year period beginning on the date on which such revocation ordinance or resolution is published under clause (ii), continue to operate such activity in conformance with the Tribal-State compact entered into under paragraph (3) that is in effect, and

(II) any civil action that arises before, and any crime that is committed before, the close of such 1-year period shall not be affected by such revocation ordinance or resolution.

(3) (A) Any Indian tribe having jurisdiction over the Indian lands upon which a class III gaming activity is being conducted, or is to be conducted, shall request the State in which such lands are located to enter into negotiations for the purpose of entering into a Tribal-State compact governing the conduct of gaming activities. Upon receiving such a request, the State shall negotiate with the Indian tribe in good faith to enter into such a compact.

(B) Any State and any Indian tribe may enter into a Tribal-State compact governing gaming activities on the Indian lands of the

Indian tribe, but such compact shall take effect only when notice of approval by the Secretary of such compact has been published by the Secretary in the Federal Register.

(C) Any Tribal-State compact negotiated under subparagraph (A) may include provisions relating to-

(i) the application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of such activity;

(ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of such laws and regulations;

(iii) the assessment by the State of such activities in such amounts as are necessary to defray the costs of regulating such activity;

(iv) taxation by the Indian tribe of such activity in amounts comparable to amounts assessed by the State for comparable activities;

(v) remedies for breach of contract;

(vi) standards for the operation of such activity and maintenance of the gaming facility, including licensing; and

(vii) any other subjects that are directly related to the operation of gaming activities.

(4) Except for any assessments that may be agreed to under paragraph (3)(C)(iii) of this subsection, nothing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity. No State may refuse to enter into the negotiations described in paragraph (3)(A) based upon the lack of authority in such State, or its political subdivisions, to impose such a tax, fee, charge, or other assessment.

(5) Nothing in this subsection shall impair the right of an Indian tribe to regulate class III gaming on its Indian lands concurrently with the State, except to the extent that such regulation is inconsistent with, or less stringent than, the State laws and regulations made applicable by any Tribal-State compact entered into by the Indian tribe under paragraph (3) that is in effect.

(6) The provisions of section 1175 of title 15 shall not apply to any gaming conducted under a Tribal-State compact that-

(A) is entered into under paragraph (3) by a State in which gambling devices are legal, and

(B) is in effect.

(7) (A) The United States district courts shall have jurisdiction over-

(i) any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith,

(ii) any cause of action initiated by a State or Indian tribe to enjoin a class III gaming activity located on Indian lands and conducted in violation of any Tribal-State compact entered into under paragraph (3) that is in effect, and

(iii) any cause of action initiated by the Secretary to enforce the procedures prescribed under subparagraph (B)(vii).

(B) (i) An Indian tribe may initiate a cause of action described in subparagraph (A)(i) only after the close of the 180-day period beginning on the date on which the Indian tribe requested the State to enter into negotiations under paragraph (3)(A).

(ii) In any action described in subparagraph (A)(i), upon the introduction of evidence by an Indian tribe that-

(I) a Tribal-State compact has not been entered into under paragraph (3), and

(II) the State did not respond to the request of the Indian tribe to negotiate such a compact or did not respond to such request in good faith, the burden of proof shall be upon the State to prove that the State has negotiated with the Indian tribe in good faith to conclude a Tribal-State compact governing the conduct of gaming activities.

(iii) If, in any action described in subparagraph (A)(i), the court finds that the State has failed to negotiate in good faith with the Indian tribe to conclude a Tribal-State compact governing the conduct of gaming activities, the court shall order the State and the Indian Tribe [2] to conclude such a compact within a 60-day period. In determining in such an action whether a State has negotiated in good faith, the court-

(I) may take into account the public interest, public safety, criminality, financial integrity, and adverse economic impacts on existing gaming activities, and

(II) shall consider any demand by the State for direct taxation of the Indian tribe or of any Indian lands as evidence that the State has not negotiated in good faith.

(iv) If a State and an Indian tribe fail to conclude a Tribal-State compact governing the conduct of gaming activities on the Indian lands subject to the jurisdiction of such Indian tribe within the 60-day period provided in the order of a court issued under clause (iii), the Indian tribe and the State shall each submit to a mediator appointed by the court a proposed compact that represents their last best offer for a compact. The mediator shall select from the two proposed compacts the one which best comports with the terms of this chapter and any other applicable Federal law and with the findings and order of the court.

(v) The mediator appointed by the court under clause (iv) shall submit to the State and the Indian tribe the compact selected by the mediator under clause (iv).

(vi) If a State consents to a proposed compact during the 60-day period beginning on the date on which the proposed compact is submitted by the mediator to the State under clause (v), the proposed compact shall be treated as a Tribal-State compact entered into under paragraph (3).

(vii) If the State does not consent during the 60-day period described in clause (vi) to a proposed compact submitted by a mediator under clause (v), the mediator shall notify the Secretary and the Secretary shall prescribe, in consultation with the Indian tribe, procedures-

(I) which are consistent with the proposed compact selected by the mediator under clause (iv), the provisions of this chapter, and the relevant provisions of the laws of the State, and

(II) under which class III gaming may be conducted on the Indian lands over which the Indian tribe has jurisdiction.

(8) (A) The Secretary is authorized to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.

(B) The Secretary may disapprove a compact described in subparagraph (A) only if such compact violates-

(i) any provision of this chapter,

(ii) any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or

(iii) the trust obligations of the United States to Indians.

(C) If the Secretary does not approve or disapprove a compact described in subparagraph (A) before the date that is 45 days after the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent the compact is consistent with the provisions of this chapter.

(D) The Secretary shall publish in the Federal Register notice of any Tribal-State compact that is approved, or considered to have been approved, under this paragraph.

(9) An Indian tribe may enter into a management contract for the operation of a class III gaming activity if such contract has been submitted to, and approved by, the Chairman. The Chairman's review and approval of such contract shall be governed by the provisions of subsections (b), (c), (d), (f), (g), and (h) of section 2711 of this title.

(e) Approval of ordinances

For purposes of this section, by not later than the date that is 90 days after the date on which any tribal gaming ordinance or resolution is submitted to the Chairman, the Chairman shall approve such ordinance or resolution if it meets the requirements of this section. Any such ordinance or resolution not acted upon at the end of that 90-day period shall be considered to have been approved by the Chairman, but only to the extent such ordinance or resolution is consistent with the provisions of this chapter.

2719. GAMING ON LANDS ACQUIRED AFTER OCTOBER 17, 1988

(a) Prohibition on lands acquired in trust by Secretary. Except as provided in subsection (b) of this section, gaming regulated by this chapter shall not be conducted on lands acquired by the Secretary in trust for the benefit of an Indian tribe after October 17, 1988, unless-

(1) such lands are located within or contiguous to the boundaries of the reservation of the Indian tribe on October 17, 1988; or

(2) the Indian tribe has no reservation on October 17, 1988, and-

(A) such lands are located in Oklahoma and-

(i) are within the boundaries of the Indian tribe's former reservation, as defined by the Secretary, or

(ii) are contiguous to other land held in trust or restricted status by the United States for the Indian tribe in Oklahoma; or

(B) such lands are located in a State other than Oklahoma and are within the Indian tribe's last recognized reservation within the State or States within which such Indian tribe is presently located.

(b) Exceptions

(1) Subsection (a) of this section will not apply when-

(A) the Secretary, after consultation with the Indian tribe and appropriate State and local officials, including officials of other nearby Indian tribes, determines that a gaming establishment on newly acquired lands would be in the best interest of the Indian tribe and its members, and would not be detrimental to the surrounding community, but only if the Governor of the State in which the gaming activity is to be conducted concurs in the Secretary's determination; or

(B) lands are taken into trust as part of-

(i) a settlement of a land claim,

(ii) the initial reservation of an Indian tribe acknowledged by the Secretary under the Federal acknowledgment process, or

(iii) the restoration of lands for an Indian tribe that is restored to Federal recognition.

(2) Subsection (a) of this section shall not apply to-

(A) any lands involved in the trust petition of the St. Croix Chippewa Indians of Wisconsin that is the subject of the action filed in the United States District Court for the District of Columbia entitled St. Croix Chippewa Indians of Wisconsin v. United States, Civ. No. 86–2278, or

(B) the interests of the Miccosukee Tribe of Indians of Florida in approximately 25 contiguous acres of land, more or less, in Dade County, Florida, located within one mile of the intersection of State Road Numbered 27 (also known as Krome Avenue) and the Tamiami Trail.

(3) Upon request of the governing body of the Miccosukee Tribe of Indians of Florida, the Secretary shall, notwithstanding any other provision of law, accept the transfer by such Tribe to the Secretary of the interests

of such Tribe in the lands described in paragraph (2)(B) and the Secretary shall declare that such interests are held in trust by the Secretary for the benefit of such Tribe and that such interests are part of the reservation of such Tribe under sections 465 and 467 of this title, subject to any encumbrances and rights that are held at the time of such transfer by any person or entity other than such Tribe. The Secretary shall publish in the Federal Register the legal description of any lands that are declared held in trust by the Secretary under this paragraph.

(c) Authority of Secretary not affected
Nothing in this section shall affect or diminish the authority and responsibility of the Secretary to take land into trust.

(d) Application of title 26
(1) The provisions of title 26 (including sections 1441, 3402(q), 6041, and 6050I, and chapter 35 of such title) concerning the reporting and withholding of taxes with respect to the winnings from gaming or wagering operations shall apply to Indian gaming operations conducted pursuant to this chapter, or under a Tribal-State compact entered into under section 2710(d)(3) of this title that is in effect, in the same manner as such provisions apply to State gaming and wagering operations.
(2) The provisions of this subsection shall apply notwithstanding any other provision of law enacted before, on, or after October 17, 1988, unless such other provision of law specifically cites this subsection.

COMPLETE LIST OF SECTIONS OF TITLE 25, CHAPTER 29

§ 2701. Findings
§ 2702. Declaration of Policy
§ 2703. Definitions
§ 2704. National Indian Gaming Commission
§ 2705. Powers of the Chairman
§ 2706. Powers of the Commission
§ 2707. Commission Staffing
§ 2708. Commission; Access to Information
§ 2709. Interim Authority to Regulate Gaming
§ 2710. Tribal Gaming Ordinances
§ 2711. Management Contracts
§ 2712. Review of Existing Ordinances and Contracts
§ 2713. Civil Penalties
§ 2714. Judicial Review
§ 2715. Subpoena and Deposition Authority
§ 2716. Investigative Powers
§ 2717. Commission Funding
§ 2717a. Availability of Class II Gaming Activity Fees to Carry Out Duties of Commission
§ 2718. Authorization of Appropriations

§ 2719. Gaming on Lands Acquired after October 17, 1988
§ 2720. Dissemination of Information
§ 2721. Severability

TITLE 28 UNITED STATES CODE

STATE CIVIL JURISDICTION IN ACTIONS TO WHICH INDIANS ARE PARTIES

CHAPTER 85. DISTRICT COURTS; JURISDICTION

1360. STATE CIVIL JURISDICTION IN ACTIONS TO WHICH INDIANS ARE PARTIES

(a) Each of the States listed in the following table shall have jurisdiction over civil causes of action between Indians or to which Indians are parties which arise in the areas of Indian country listed opposite the name of the State to the same extent that such State has jurisdiction over other civil causes of action, and those civil laws of such State that are of general application to private persons or private property shall have the same force and effect within such Indian country as they have elsewhere within the State:

State of	Indian country affected
Alaska	All Indian country within the State.
California	All Indian country within the State.
Minnesota	All Indian country within the State, except the Red Lake Reservation.
Nebraska	All Indian country within the State.
Oregon	All Indian country within the State, except the Warm Springs Reservation.
Wisconsin	All Indian country within the State.

(b) Nothing in this section shall authorize the alienation, encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or shall authorize regulation of the use of such property in a manner inconsistent with any Federal treaty, agreement, or statute or with any regulation made pursuant thereto; or shall confer jurisdiction upon the State to adjudicate, in probate proceedings or otherwise, the ownership or right to possession of such property or any interest therein.

(c) Any tribal ordinance or custom heretofore or hereafter adopted by an Indian tribe, band, or community in the exercise of any authority which it may possess shall, if not inconsistent with any applicable civil law of the State, be given

full force and effect in the determination of civil causes of action pursuant to this section.

GAMING DEVICE TRANSPORTATION AGREEMENT

The Tribal Gaming Agency for the [*Name of Tribe*] and the State Gaming Agency hereby enter into this Agreement pursuant to section [#] of the Tribal-State Gaming Compact entered into between the State of California and the [*Name of Tribe*] on [*Date*], in order to facilitate the transportation of Gaming Device(s), onto and from the Tribe's lands.

The Tribal Gaming Agency and the State Gaming Agency agree that Gaming Device(s) will be transported onto or from a Tribe's land only pursuant to a permit issued by the Tribal Gaming Agency, such as the Class III Gaming Device Transportation Permit (A Transportation Permit, attached hereto), or a substantially similar type permit containing the same information, to those responsible for the transportation of the Gaming Device(s); and only after notice of an intent to transport such Gaming Device(s) has been provided at least ten (10) calendar days prior to the date of transportation to the Sheriff's Department for the county in which the Tribe's land is located in the form substantially similar to the Shipment Notice attached hereto.

A Transportation Permit shall be issued only upon the receipt by the Tribal Gaming Agency of written and verifiable representations from those responsible for transporting the Gaming Device(s) that:

The final destination of the Gaming Device(s) is a California Tribe's gaming facility that has been authorized to operate the Gaming Device(s) pursuant to a tribal-state gaming compact; or

The final destination of the Gaming Device(s) is any other state in which possession of the Gaming Device(s) is made lawful by state law or by a tribal-state gaming compact; or

The final destination of the Gaming Device(s) is another country, or any state or province of another country, wherein possession of the Gaming Device(s) is lawful; or

The final destination of the Gaming Device(s) is a location within California for testing, repair, maintenance, or storage of the Gaming Device(s) by a person or entity that has been licensed by the Tribal Gaming Agency and has been found suitable for licensure by the State Gaming Agency.

A Transportation Permit shall be issued only upon the receipt by the Tribal Gaming Agency of written and verifiable representations from those responsible for transporting the Gaming Device(s) that:

The Gaming Device(s) shall be transported in a conveyance which is regularly operated and engaged in interstate commerce, in foreign commerce or in shipping to and from the Tribe's land;

The Gaming Device(s) shall be located in a locked compartment or sealed container within the conveyance while being transported;

The Gaming Device(s) shall not be accessible for use while being transported; and

The Gaming Device(s) shall not be operated except on the Tribe's lands.

The Tribal Gaming Agency will ensure that copies of the Transportation Permit, the Shipment Notice, and any information provided to the Tribal Gaming Agency pursuant to paragraphs 1 through 3 above, are provided to the State Gaming Agency at least seven (7) calendar days prior to the transportation of the Gaming Device(s). The State Gaming Agency may disclose copies of those documents and/or the information contained therein, to law enforcement agencies, including, but not limited to, each of those Sheriffs' Departments for the counties through which the Gaming Device(s) are to be transported, and shall transmit a copy of any and all such information disclosed to the Tribal Gaming Agency.

The undersigned have the authority to, and do, sign this Agreement on behalf of the Tribal Gaming Agency and the State Gaming Agency.

Date	Date
[*Name]*	[*Name]*
[*Position]*	Director
Tribal Gaming Agency	Department of Justice
[*Name of the Tribe*]	Bureau of Gambling Control
	State Gaming Agency

GAMING DEVICE TRANSPORTATION PERMIT

To: [*Name and Address of Shipping Company*]

The [*Name of Tribe*] is a federally recognized Tribe of Indians, which has been authorized by an approved Tribal-State Gaming Compact with the state of California to ship and operate gaming devices.

You are hereby authorized to ship the gaming devices listed on the attached manufacturers list.

From: [*Location Shipped From*]

To: [*Shipment Destination*]

You must transport the gaming devices in the following manner:

The gaming devices must be transported in a conveyance which is regularly operated and engaged in interstate commerce, in foreign commerce or in shipping to and from the Tribe's land;

The gaming devices must be located in a locked compartment or sealed container within the conveyance while being transported;

The gaming devices must not be accessible for use while being transported;

The gaming devices must not be operated except on the Tribe's lands; and

The carrier must have in its possession at all times a copy of this transportation permit while transporting gaming devices.

Chairman, [*Tribal Gaming Agency*]

[*Date*]

Notice

Both the California Department of Justice and the office of the Sheriff of [*County*] County, California have received advanced written notice of this shipment in the form attached.

GAMBLING DEVICE SHIPPING NOTICE

[*NAME OF TRIBE*] SHIPMENT NOTICE

Bill of Lading Number: _____

Manufacturer: _____

Address: _____ City: _____ State: _____ Zip: _____

Telephone Number: (_____) _____

Point of Origin	Point of Destination
_____ (Name)	_____ (Name)
_____ (Address)	_____ (Address)
_____ (City, State, Zip)	_____ (City, State, Zip)
_____ (Telephone)	_____ (Telephone)

Shipment Date(s): _____

Carrier: _____

Address: _____ City: _____ State: _____ Zip: _____

Telephone Number: (_____) _____

Sheriff's Department Notified: _____ Date: _____
(County)

Date State of California Notified: _____

See Manufacturer's List (Attachment)

_____ _____
Gaming Commissioner Signature Date

LIST OF 109 FEDERALLY RECOGNIZED TRIBES

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
1	Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation	Y	1999	2006 2016	SDF	Agua Caliente Casino Palm Springs	Agua Caliente Casino Resort Spa Rancho Mirage	5,000
2	Alturas Indian Rancheria	Y	1999			Desert Rose Casino		2,000
3	Augustine Band of Cahuilla Indians	Y	2000			Augustine Casino		2,000
4	Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation	Y	1999	2016	SDF	Barona Resort and Casino		2,500
5	Bear River Band of the Rohnerville Rancheria	Y	1999			Bear River Casino Hotel	Gas Station with poker, blackjack, and Class II machines opened 11/2008	2,000
6	Berry Creek Rancheria of Maidu Indians of California	Y	1999		SDF	Gold Country Casino Resort		2,000
7	Big Lagoon Rancheria	N						
8	Big Pine Paiute Tribe of the Owens Valley	N						
9	Big Sandy Rancheria of Western Mono Indians of California	Y	1999		SDF	Mono Wind Casino		2,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
10	Big Valley Band of Pomo Indians of the Big Valley Rancheria	Y	1999	2018	SDF	Konocti Vista Casino		1,200
11	Bishop Paiute Tribe	Y	1999		SDF	Paiute Palace Casino		2,000
12	Blue Lake Rancheria	Y	1999			Blue Lake Casino and Hotel	Blue Lake Gas Station 777	2,000
13	Bridgeport Indian Colony	N						
14	Buena Vista Rancheria of Me-Wuk Indians of California	Y	1999	2004 2016	SDF	Harrah's Northern California		2,000
15	Cabazon Band of Mission Indians	Y	1999	2019	SDF	Fantasy Springs Resort Casino		2,000
16	Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria	Y	1999		SDF	Colusa Casino Resort		2,000
17	Cahto Tribe of the Laytonville Rancheria	Y	1999			Red Fox Casino		2,000
18	Cahuilla Band of Indians	Y	1999		SDF	Cahuilla Casino		2,000
19	California Valley Miwok Tribe	N						
20	Campo Band of Diegueno Mission Indians of the Campo Indian Reservation	Y	1999			Golden Acorn Casino & Travel Center		2,000
21	Cedarville Rancheria	N						
22	Chemehuevi Indian Tribe of the Chemehuevi Reservation	Y	1999			Havasu Landing Resort & Casino		2,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
23	Cher-Ae Heights Indian Community of the Trinidad Rancheria	Y	1999			Cher-Ae Heights Casino		2,000
24	Chicken Ranch Rancheria of Me-Wuk Indians of California	Y	1999		SDF	Chicken Ranch Casino		2,000
25	Cloverdale Rancheria of Pomo Indians of California	N						
26	Cold Springs Rancheria of Mono Indians of California	N						
27	Colorado River Indian Tribes of the Colorado River Indian Reservation Arizona and California	N						
28	Cortina Indian Rancheria	N						
29	Coyote Valley Band of Pomo Indians of California	Y	2004	2012		Coyote Valley Casino		1,250
30	Death Valley Timbi-Sha Shoshone Tribe	N						
31	Dry Creek Rancheria Band of Pomo Indians	Y	1999	2017 2018	SDF	River Rock Casino		1,200
32	Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria	Y	1999					2,000
33	Elk Valley Rancheria	Y	1999	2017		Elk Valley Casino		1,200
34	Enterprise Rancheria of Maidu Indians of California	N*	2016 *		SDF	Hard Rock Hotel & Casino Sacramento at Fire Mountain		1,600 for 2 yrs; 2,100 thereafter
35	Ewiaapaayp Band of Kumeyaay Indians	Y	1999					2,000
36	Federated Indians of Graton Rancheria	Y	2012	2017	SDF	Graton Resort & Casino	Not authorized in compact	3,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
37	Fort Bidwell Indian Community of the Fort Bidwell Reservation of California	N						
38	Fort Independence Indian Community of Paiute Indians of the Fort Independence Reservation	Y	2013					800
39	Fort Mojave Indian Tribe of Arizona, California & Nevada	Y	2004					1,500
40	Greenville Rancheria	N						
41	Grindstone Indian Rancheria of Wintun-Wailaki Indians of California	N						
42	Guidiville Rancheria of California	N						
43	Habematolel Pomo of Upper Lake	Y	2011	2018		Running Creek Casino	Not authorized in compact	750
44	Hoopa Valley Tribe	Y	1999	2018		Lucky Bear Casino		2,000
45	Hopland Band of Pomo Indians	Y	1999		SDF	Hopland Sho-Ka-Wah Casino		2,000
46	Iipay Nation of Santa Ysabel	Y	2003					350
47	Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation	N						
48	Ione Band of Miwok Indians of California	N						
49	Jackson Band of Miwuk Indians	Y	1999	2015 2016	SDF	Jackson Rancheria Resort		1,800

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
50	Jamul Indian Village of California	Y	1999	2016	SDF	Jamul Casino		2,500
51	Karuk Tribe	Y	2014	2018		Rain Rock Casino		1,500
52	Kashia Band of Pomo Indians of the Stewarts Point Rancheria	N						
53	Koi Nation of Northern California	N						
54	La Jolla Band of Luiseno Indians	Y	1999	2018				2,000
55	La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation	Y	2003					350
56	Lone Pine Paiute-Shoshone Tribe	N						
57	Los Coyotes Band of Cahuilla and Cupeno Indians	N						
58	Lytton Rancheria of California	N						
59	Manchester Band of Pomo Indians of the Manchester Rancheria	Y	1999			Garcia River Casino		2,000
60	Manzanita Band of Diegueno Mission Indians of the Manzanita Reservation	Y	1999					2,000
61	Mechoopda Indian Tribe of Chico Rancheria	Y	2018					2,000
62	Mesa Grande Band of Diegueno Mission Indians of the Mesa Grande Reservation	N						
63	Middletown Rancheria of Pomo Indians of California	Y	1999			Twin Pine Casino & Hotel		2,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
64	Mooretown Rancheria of Maidu Indians of California	Y	1999		SDF	Feather Falls Casino & Lodge		2,000
65	Morongo Band of Mission Indians	Y	1999	2007 2017	SDF	Morongo Casino Resort & Spa	Casino Morongo	6,000
66	North Fork Rancheria of Mono Indians of California	N*	2016 *					2,000 for 2 years; 2,500 thereafter
67	Pala Band of Luiseno Mission Indians	Y	1999	2004 2016	SDF	Pala Casino Spa and Resort		2,500
68	Paskenta Band of Nomlaki Indians of California	Y	1999			Rolling Hills Casino		2,000
69	Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation	Y	1999	2004		Casino Pauma		1,050
70	Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation	Y	1999	2006 2016	SDF	Pechanga Resort & Casino		5,500
71	Picayune Rancheria of Chukchansi Indians of California	Y	1999			Chukchansi Gold Resort and Casino		2,000
72	Pinoleville Pomo Nation	Y	2011				Not authorized in compact	900
73	Pit River Tribe	Y	1999			Pit River Casino		2,000
74	Potter Valley Tribe	N						
75	Quartz Valley Indian Community of the Quartz Valley Reservation of California	N						

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
76	Quechan Tribe of the Fort Yuma Indian Reservation California and Arizona	Y	1999	2006 2017	SDF & GF	Quechan Casino Resort		1,600
77	Ramona Band of Cahuilla	Y	2013					750
78	Redding Rancheria	Y	1999		SDF	Win-River Casino		2,000
79	Redwood Valley or Little River Band of Pomo Indians of the Redwood Valley Rancheria California	N						
80	Resighini Rancheria	Y	1999					2,000
81	Rincon Band of Luiseno Mission Indians of the Rincon Reservation	Y*	1999	2013 *	SDF	Harrah's Resort Southern California		2,250
82	Robinson Rancheria	Y	1999		SDF	Robinson Rancheria Resort Casino & Bingo		2,000
83	Round Valley Indian Tribes, Round Valley Reservation	N						
84	San Manuel Band of Mission Indians	Y	1999	2006 2016 2017	SDF	San Manuel Casino		7,500
85	San Pasqual Band of Diegueno Mission Indians of California	Y	1999	2018	SDF	Valley View Casino and Hotel		2,250
86	Santa Rosa Band of Cahuilla Indians	N						
87	Santa Rosa Indian Community of the Santa Rosa Rancheria	Y	1999		SDF	Tachi Palace Hotel and Casino		2,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
88	Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation	Y	1999	2015 2018	SDF	Chumash Casino Resort		2,500
89	Scotts Valley Band of Pomo Indians of California	N						
90	Sherwood Valley Rancheria of Pomo Indians of California	Y	1999			Sherwood Valley Rancheria Casino		2,000
91	Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria (Verona Tract)	Y	1999	2008 2012	SDF & GF	Red Hawk Casino		3,000
92	Soboba Band of Luiseno Indians	Y	1999		SDF	Soboba Casino Resort		2,000
93	Susanville Indian Rancheria	Y	1999	2018		Diamond Mountain Casino & Hotel		2,000
94	Sycuan Band of the Kumeyaay Nation	Y	1999	2015	SDF	Sycuan Casino and Resort		2,500
95	Table Mountain Rancheria of California	Y	1999		SDF	Table Mountain Casino		2,000
96	Tejon Indian Tribe	N						
97	Tolowa Dee-ni' Nation	Y	1999			Lucky 7 Casino	Lucky 7 Gas Station	2000
98	Torres-Martinez Desert Cahuilla Indians	Y	2003	2018	SDF	Red Earth Casino		1,200
99	Tule River Indian Tribe of the Tule River Reservation	Y	2000	2017	SDF	Eagle Mountain Casino		1,500
100	Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California	Y	1999	2017	SDF	Black Oak Casino		2,000

	Tribal Name	Compact Y/N	Initial	Amended	Pays Into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compact
101	Twenty-Nine Palms Band of Mission Indians of California	Y	1999	2018	SDF	Spotlight 29 Casino	Tortoise Rock Casino	2,000 – 3,000
102	United Auburn Indian Community of the Auburn Rancheria of California	Y	1999	2004 2015 2017 2019	SDF	Thunder Valley Casino Resort		3,500
103	Utu Utu Gwaitu Paiute Tribe of the Benton Paiute Reservation	N						
104	Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Rancheria	Y	1999	2004 2014 2016	SDF	Viejas Casino and Resort		3,500
105	Washoe Tribe of Nevada & California	N						
106	Wilton Rancheria	Y	2017					2,500
107	Wiyot Tribe	N						Tribe forgoes gambling on its land
108	Yocha Dehe Wintun Nation	Y	1999	2004 2016	SDF	Cache Creek Casino Resort		3,500
109	Yurok Tribe of the Yurok Reservation	Y	2006	2016		Redwood Hotel & Casino		99

*Secretarial Procedures

CALIFORNIA CARDROOM INFORMATION

	Active Licenses	No. of Tables
1	500 Club Casino	20
2	Artichoke Joe's Casino	51
3	Bankers Casino	11
4	Bay 101	49
5	Blacksheep Casino Company	3
6	Bruce's Bar and Casino	2
7	California Club Casino	6
8	California Grand Casino	19
9	Cameo Club	8
10	Capitol Casino	17
11	Casino 99	8
12	Casino Chico	7
13	Casino Club	5
14	Casino M8trix	49
15	Casino Marysville	3
16	Casino Merced	4
17	Casino Real	13
18	Casino Royale	5
19	Central Coast Casino	4
20	Club One Casino, Inc.	51
21	Club San Rafael	4
22	Commerce Casino	270
23	Crystal Casino	42
24	Diamond Jim's Casino	30
25	Empire Sportsmen's Association	8
26	Garlic City Club	10
27	Golden State Casino	4
28	Golden Valley Casino	4
29	Golden West Casino	45
30	Hacienda Casino	1
31	Hawaiian Gardens Casino	225
32	Hemphill's Lounge and Cardroom	3
33	Hollywood Park Casino	105
34	Hotel Del Rio & Casino	4

	Active Licenses	No. of Tables
35	Hustler Casino	91
36	Jalisco Pool Room	4
37	Kelly's	6
38	Kings Card Club	11
39	La Primavera Pool Hall & Cafe	2
40	Lake Bowl Cardroom	6
41	Lake Elsinore Hotel and Casino	22
42	Larry Flynt's Lucky Lady Casino	1
43	Limelight Card Room	7
44	Livermore Casino	9
45	Lucky Chances Casino	60
46	Lucky Lady Card Room	11
47	Magnolia House Casino	10
48	Marina Club	10
49	Mike's Card Casino	5
50	Mortimer's Card Room	7
51	Napa Valley Casino	12
52	North Coast Casino	5
53	Oaks Card Club	40
54	Ocean's Eleven Casino	50
55	Oceana Cardroom	3
56	Oceanview Casino	4
57	Old Cayucos Tavern	2
58	Outlaws Card Parlour	5
59	Palace Poker Casino, LLC	13
60	Parkwest Casino 580	10
61	Parkwest Casino Cordova	11
62	Parkwest Casino Lodi	15
63	Parkwest Casino Lotus	17
64	Parkwest Casino Sonoma	18
65	Paso Robles Central Coast Casino	6
66	Pinnacle Casino	4
67	Player's Casino	22
68	Racxx	5
69	Rogelio's	4
70	Seven Mile Casino	20

	Active Licenses	No. of Tables
71	St. Charles Place	1
72	Stars Casino	8
73	Sundowner Cardroom	2
74	The Aviator Casino	12
75	The Bicycle Hotel & Casino	185
76	The Deuce Lounge & Casino	5
77	The Mint	3
78	The Nineteenth Hole	5
79	The River Card Room	7
80	The Saloon at Stones Gambling Hall	17
81	The Tavern at Stones Gambling Hall	17
82	Tommy's Casino & Saloon	3
83	Towers Casino	8
84	Tres Lounge and Casino	5
85	Turlock Poker Room	14
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