



## GAMBLING CONTROL COMMISSION

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To All Stakeholders

Re: Governor Newsom Signs AB 120 and SB 819 – Effective January 1, 2022

The California Gambling Control Commission (Commission) is pleased to announce that on July 9, 2021, Governor Newsom signed [AB 120 \(Salas\)](#) and on October 5, 2021, Governor Newsom signed [SB 819 \(Senate Committee on Governmental Organization\)](#).

In salient part to the Commission, AB 120 streamlines the licensing process by allowing the Commission to deny licensees and Commission-issued work permits at a regular Commission meeting, rather than requiring an evidentiary hearing process before denial. Following a denial, applicants will still be afforded an opportunity to request an evidentiary hearing should they wish to do so. The Commission voiced its strong support of AB 120. Further, AB 120 is in furtherance of California State Auditor (CSA) recommendations issued in [report 2018-132](#)<sup>1</sup>. Some statutory changes require regulatory amendments. Currently, the [regulatory amendments](#) necessary to fully implement AB 120 are presently noticed for public comment and the corresponding documents are can be found on the Commission's website.

SB 819 updates laws applicable to the controlled gambling industry in a variety of areas based on the developments of the industry and vis-a-vis the Commission. SB 819 updates the following areas:

- [Existing law](#) requires specified employees of a gambling enterprise to apply for and obtain from the Commission a valid key employee license or work permit. Existing law defines "gambling enterprise employee" for purposes of the Gambling Control Act (Act) to mean a natural person employed in the operation of a gambling enterprise, including, among others, dealers, floor personnel, security employees, and waiters and waitresses, or any other natural person

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<sup>1</sup> At page 30 of CSA report 2018-132, the CSA recommended, "To prevent unnecessary delays and use of resources and to ensure its compliance with state law, the commission should, following the Legislature's amendment of the Gambling Act that we recommend, revise its regulations and policies for conducting evidentiary hearings. These revisions should specify that the commission may vote at regular meetings on a final basis to approve or deny licenses, registrations, permits, findings of suitability, or other matters and that it is not required to conduct evidentiary hearings unless applicants request that it do so."

whose employment duties require or authorize access to restricted gambling establishment areas.

Via SB 819, effective January 1, 2022, the law will exclude from the definition of “gambling enterprise employee” a natural person employed **solely** to serve or prepare food or beverages if those duties are performed only in areas of the establishment in which gambling is not authorized.

- Existing law defines “key employee” for purposes of the Act to mean 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, among others, pit bosses, shift bosses, and gambling operation managers and assistant managers, or any other natural person designated as a key employee by the Bureau of Gambling Control with the Department of Justice (Bureau) for reasons consistent with the Act.

Via SB 819, effective January 1, 2022, the law will exclude from the definition of “key employee” a natural person who is employed solely to supervise employees whose duties are **solely** to serve or prepare food or beverages if the supervisor and the employees perform their duties only in areas of the establishment in which gambling is not authorized.

- Existing law requires a license issued by the Commission to be renewed biennially, and provides a process for license renewal. Existing law authorizes the Commission to extend a license held by an owner licensee for up to 180 days if the Commission is unable to act on the application for renewal before its expiration.

Via SB 819, effective January 1, 2022, the law will authorize the Commission to extend a license, work permit, or finding of suitability held by any applicant for up to 180 days if the Commission is unable to act on the application for renewal before its expiration.

- Existing law authorizes the Bureau to issue any emergency orders against an owner-licensee of a gambling establishment, or any person involved in a transaction requiring prior approval, that the Bureau deems reasonably necessary for the immediate preservation of the public peace, health, safety, or general welfare. Existing law requires the emergency order to remain effective until further order of the Commission or final disposition of a proceeding, as specified.

Via SB 819, effective January 1, 2022, the law will require the further order of the Commission to occur at a meeting.

- Existing law allows a gambling enterprise to contract with a third party for the purpose of providing proposition player services, subject to specified conditions. Existing law also requires those employed by a third-party provider of proposition player services, including owners, supervisors, observers, and players, to wear a badge that clearly identifies them as proposition players whenever they are present within a gambling establishment.

Via SB 819, effective January 1, 2022, the law will instead require a person who owns or is employed by a third-party provider of proposition player services, including, but not limited to, an owner, supervisor, observer, or player, to wear a badge that clearly identifies them as providing proposition player services, in a location that allows for public view, at all times while in a gambling establishment for which their third-party proposition player services company has a current contract.

Should you have any questions regarding AB 120 or SB 819, please contact the Commission's Legislative and Regulatory Affairs Division at [lawsandregs@cgcc.ca.gov](mailto:lawsandregs@cgcc.ca.gov).

Stay well.

Sincerely,



STACEY LUNA BAXTER  
Executive Director

cc: Tribal Gaming Agency Contacts  
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