

TITLE 4.
CALIFORNIA GAMBLING CONTROL COMMISSION
NOTICE OF PROPOSED REGULATORY ACTION
Update for Non-Commission Forms
CGCC-GCA-2021-03-R

NOTICE IS HEREBY GIVEN that the California Gambling Control Commission (Commission) is proposing to take the action described in the Informative Digest after consideration of all relevant public comments, objections, and recommendations received concerning the proposed action. Comments, objections, and recommendations may be submitted as follows:

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period, which closes on **MAY 18, 2021**. Written comments relevant to the proposed regulatory action may be sent by mail, facsimile, or e-mail, directed to one of the individuals designated in this notice as a contact person. To be eligible for the Commission's consideration, all written comments must be **received at its office no later than midnight on MAY 18, 2021**. **Comments sent to persons and/or addresses other than those specified under Contact Persons, or received after the date and time specified above, will be included in the record of this proposed regulatory action, but will not be summarized or responded to regardless of the manner of transmission.**

PUBLIC HEARING

The Commission has not scheduled a public hearing on this matter. Any interested person, or his or her authorized representative, may request a hearing pursuant to Government Code section 11346.8. A request for a hearing should be directed to the person(s) listed under Contact Persons no later than 15 days prior to the close of the written comment period.

ADOPTION OF PROPOSED ACTION

After the close of the public comment period, the Commission, upon its own motion or at the instance of any interested party, may thereafter formally adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit oral or written testimony related to this proposal or who have requested notification of any changes to the proposal.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by sections 19811, 19823, 19824, 19840, 19841, 19850, 19850.5, 19850.6, 19851, 19854, 19912, 19951, and 19984 of the Business and Professions Code and sections 326.3 and 326.5 of the Penal Code; and to implement, interpret or make specific sections 19801, 19811, 19823, 19824, 19826, 19841, 19850, 19850.5, 19850.6, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19876, 19878, 19880(d), 19883, 19890(e), 19893, 19912, 19951, 19982, and 19984 of the Business and Professions Code and sections 326.3 and 326.5 of the Penal Code, the Commission is proposing to adopt the following changes to Chapters 2 and 8 of Division 18 of Title 4 of the California Code of Regulations:

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

INTRODUCTION:

The California Gambling Control Commission (“Commission”) is the state agency charged with the administration and implementation of the California Gambling Control Act (“Act”).¹ Under the Act, the Commission is required to approve, condition, or deny an application for license or other approval at a meeting (evidentiary hearing) pursuant to certain provisions. As part of this approval process, the Bureau of Gambling Control within the Office of the Attorney General (“Bureau”) conducts detailed background investigations on the individuals and businesses that apply for a license or other approval. As part of their application, an applicant submits information that includes forms created by agencies other than the Commission.

EXISTING LAW:

Section 19823 of the Business and Professions Code² provides that it is the responsibility of the Commission to ensure 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.

Section 19841, subdivision (a) provides authority for adopting regulations that prescribe the method and manner of an application and the information must be furnished by an applicant including fingerprints as a method of identification.

EFFECT OF REGULATORY ACTION:

This proposed action has been prepared to modify the Commission’s regulations to correctly refer to the most recent versions of forms maintained by other agencies. This will maintain current requirements while also meeting the requirements of other agencies.

¹ Business and Professions Code, Division 8, Chapter 4, section 19800 et seq.

² All statutory references hereinafter are to the Business and Professions Code, unless otherwise specified.

ANTICIPATED BENEFITS OF PROPOSED REGULATION:

This proposed action will have the benefit of providing clarity and consistency to the Commission's application process by correctly referring to the current forms maintained by other agencies.

SPECIFIC PROPOSAL:

This proposed action will make changes within California Code of Regulations Title 4 Division 18 as follows:

CHAPTER 2 LICENSES AND WORK PERMITS.

ARTICLE 2. INITIAL AND RENEWAL LICNENSES AND WORK PERMITS.

Amend 12112. Initial License Applications; Required Forms.

Section 12112 provides the documents a person applying for initial Commission approval must submit to the Bureau.

Subsection (a) provides the application forms that are required to submit an application for licensure for either an employee category license or an owner category license. Section 4 of both the Application for Employee Category License and Application for Owner Category License as proposed to be amended to remove version dates from the referenced Commission's forms.

Subsection (b) provides the supplemental documents that are included with an application, as applicable.

- Paragraphs (1) through (5), inclusive, provide five of the Commission's supplemental forms, including those for Business Entities, Individual Owner/Principals, Key Employees or TPPPS Supervisors, Trusts, and Commission Work Permits or TPPPS Workers. All five of these supplemental forms have been amended to add the Request for Copy of Personal Income or Fiduciary Return, FTB-3516C1, side 1-PIT or Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return, FTB-3516C1, side 2-CORP, as appropriate, to the Additional Required Items list (which is either Section 8, 9, or 11 depending on which supplemental form). Additionally, consistent with the changes discussed above, these forms have been amended to remove reference dates for Commission forms.
- Paragraph (7) provides the Spousal Information form. In Section 4, the form includes a reference to the Request for Live Scan form, including the version date. As has been done with other supplemental forms, the revision date for the Request for Live Scan form has been repealed.
- Paragraph (8) provides the Request for Copy of Personal Income or Fiduciary Return, FTB-3516C1, side 1-PIT. This form is maintained by the Franchise Tax Board and is required for the Bureau to request a copy of the applicant's tax returns. The form has been updated to the version dated 08/2015.

- Paragraph (9) provides the Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return, FTB-3516C1, side 2-CORP. This form is maintained by the Franchise Tax Board and is required for the Bureau to request a copy of the applicant's tax returns. The form has been updated to the version dated 08/2015.

Subsection (d) provides for the fingerprint form that is required of the applicant. Paragraph (1) provides that if an applicant is a resident of the State of California they are required to submit a Request for Live Scan Service. This form is maintained by the Department of Justice and is required to be submitted to third-party live scan companies that is then forwarded to the Department of Justice for review. The form has been updated to the version dated 02/20.

Amend 12114. Renewal License Applications; Required Forms.

Section 12114 provides the documents an applicant applying for a renewal of their Commission approval must submit to the Bureau.

Subsection (c) provides for the documents required for a complete application, as applicable.

- Paragraph (1) provides the application forms that are required to submit an application for licensure for either an employee category license or an owner category license. Section 4 of both the Application for Employee Category License and Application for Owner Category License are proposed to be amended to remove version dates from the referenced Commission's forms.
- Paragraph (4) provides for the fingerprint form that is required of the applicant. Subparagraph (A) provides that if an applicant is a resident of the State of California they are required to submit a Request for Live Scan Service. Consistent with the change discussed in Section 12112(d), this form is updated to the most recent version. For more information on this change and why it is necessary, see Section 12112(d).
- Paragraph (5) provides for the Spousal Information form. Consistent with the change discussed in Section 12112(b)(7), this form has been updated. For more information on this change and why it is necessary, see Section 12112(b)(7).

CHAPTER 8. BINGO.

ARTICLE 2. MANUFACTURERS, DISTRIBUTORS, AND VENDORS OF BINGO EQUIPMENT, DEVICES, SUPPLIES, AND SERVICES.

Amend 12492. Interim Licenses; Initial and Renewal; Conditions.

Section 12492 provides the process through which an applicant can apply for an initial or renewal interim license to manufacture, distribute, or provide remote caller bingo equipment, supplies, services or card-minding devices.

Subsection (d) provides the documents a person applying for initial Commission approval must submit to the Bureau. Paragraph (3) provides that an applicant is required to submit a Request for Live Scan Service. Consistent with the change discussed in Section 12112(d), this form is updated to the most recent version. For more information on this change and why it is necessary, see Section 12112(d).

Subsection (e) provides the documents an applicant applying for a renewal of their Commission approval must submit to the Bureau. Paragraph (3) provides that an applicant is required to submit a Request for Live Scan Service. Consistent with the change discussed in Section 12112(d), this form is updated to the most recent version. For more information on this change and why it is necessary, see Section 12112(d).

ARTICLE 10. REMOTE CALLER BINGO INTERIM LICENSES AND INTERIM WORK PERMITS.

Amend 12500. Interim Licenses; Initial and Renewal; Conditions.

Section 12500 provides the process through which an applicant can apply for an initial or renewal interim license for a fiduciary or caller.

Subsection (c) provides the documents a person applying for initial Commission approval must submit to the Bureau. Paragraph (3) provides that an applicant is required to submit a Request for Live Scan Service. Consistent with the change discussed in Section 12112(d), this form is updated to the most recent version. For more information on this change and why it is necessary, see Section 12112(d).

Amend 12503. Interim Work Permits; Initial and Renewal; Conditions.

Section 12503 provides the process through which an applicant can apply for an initial or renewal interim license for a remote caller bingo interim work permit.

Subsection (b) provides the documents a person applying for Commission approval must submit to the Bureau. Paragraph (3) provides that an applicant is required to submit a Request for Live Scan Service. Consistent with the change discussed in Section 12112(d), this form is updated to the most recent version. For more information on this change and why it is necessary, see Section 12112(d).

CONSISTENCY OR COMPATIBILITY WITH EXISTING STATE REGULATIONS:

The Commission has evaluated this regulatory action and determined that the proposed regulations are neither inconsistent nor incompatible with any other existing state regulations.

The proposed action is intended to ensure that the Commission's regulations, in this case requiring the submittal or use of other agency's forms, are consistent with those other agency's updated requirements.

COMPARABLE FEDERAL LAW:

There are no existing federal regulations or statutes comparable to the proposed regulations.

FISCAL IMPACT ESTIMATES

FISCAL IMPACT ON PUBLIC AGENCIES INCLUDING COSTS OR SAVINGS TO STATE AGENCIES OR COSTS/SAVINGS IN FEDERAL FUNDING TO THE STATE:

There would be no fiscal impact on the Commission or to any state agencies, including costs or savings or costs/savings in Federal funding.

NON-DISCRETIONARY COST OR SAVINGS IMPOSED UPON LOCAL AGENCIES: None.

MANDATE IMPOSED ON ANY LOCAL AGENCY OR SCHOOL DISTRICT FOR WHICH PART 7 (COMMENCING WITH SECTION 17500) OF DIVISION 4 OF THE GOVERNMENT CODE REQUIRES REIMBURSEMENT: None.

COST TO ANY LOCAL AGENCY OR SCHOOL DISTRICT FOR WHICH PART 7 (COMMENCING WITH SECTION 17500) OF DIVISION 4 OF THE GOVERNMENT CODE REQUIRES REIMBURSEMENT: None.

EFFECT ON HOUSING COSTS: None.

IMPACT ON BUSINESS:

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This determination is based on the following facts or evidence/documents/testimony: The basis for this determination is that this proposed action imposes no mandatory requirement on businesses or individuals and does not significantly change the Commission's current practices and procedures. The proposed action only updates already required forms to their most recent versions.

COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS:

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

EFFECT ON SMALL BUSINESS:

The Commission has made a determination that the proposed regulatory action would have no significant impact on small businesses as the proposed action only updates current requirements to require other agency's most recent forms versions.

RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

IMPACT ON JOBS/NEW BUSINESSES:

The Commission has determined that this regulatory proposal will not have any impact on the creation of new jobs or businesses, the elimination of existing jobs or businesses, or the expansion of businesses in California.

The basis for this determination is that this proposed action imposes no mandatory requirement on businesses or individuals and does not significantly change the Commission's current practices and procedures. The proposed action only updates already required forms to their most recent versions.

BENEFITS OF PROPOSED REGULATION:

This proposed action will have the benefit of providing clarity and consistency in the application process by helping to ensure that the Commission's application requirements are consistent with the requirements of other state agencies and to ensure 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.

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

INITIAL STATEMENT OF REASONS, INFORMATION AND TEXT OF PROPOSAL

The Commission has prepared an Initial Statement of Reasons and the exact language for the proposed action and has available all the information upon which the proposal is based. Copies of the language and of the Initial Statement of Reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231.

AVAILABILITY AND LOCATION OF THE RULEMAKING FILE AND THE FINAL STATEMENT OF REASONS

All the information upon which the proposed action is based is contained in the Rulemaking File that will be available for public inspection and copying at the Commission's office throughout the rulemaking process. Arrangements for inspection and/or copying may be made by contacting the primary contact person named below.

You may obtain a copy of the Final Statement of Reasons, once it has been prepared, by making a written request to one of the contact persons named below or by accessing the Commission's Website listed below.

CONTACT PERSONS

All comments and inquiries concerning the substance of the proposed action should be directed to the following **primary** contact person:

Joshua Rosenstein, Legislative and Regulatory Specialist
Legislation and Regulatory Affairs Division
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231
Telephone: (916) 274-5823
Fax: (916) 263-0499
E-mail: jrosenstein@cgcc.ca.gov

Requests for a copy of the Initial Statement of Reasons, proposed text of the regulation, modified text of the regulation, if any, or other technical information upon which the proposed action is based should be directed to the following **backup** contact person:

Alex Hunter, Legislative and Regulatory Specialist
Legislation and Regulatory Affairs Division
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231
Telephone: (916) 263-1301
Fax: (916) 263-0499
E-mail: ahunter@cgcc.ca.gov

WEB SITE ACCESS

Materials regarding this proposed action are also available on the Commission's Web site at www.cgcc.ca.gov.