CALIFORNIA

GAMBLING LAW, REGULATIONS, AND RESOURCE INFORMATION

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Including relevant sections of the Business and Professions Code, Code of Civil Procedure, Evidence Code, Family Code, Government Code, Penal Code, Public Contracts Code, Welfare and Institutions Code, California Code of Regulations, United States Code, and California Tribal-State Gaming Association Regulations

***The statutes and regulations included in this publication are current as of January 12, 2022.* The Gambling Law Resource book is updated at the beginning of every year for legislative updates and following the final adoption of any Bureau or Commission regulations**.

This Gambling Law Resource book can be reviewed on the
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California Constitution

Article IV Legislative Department
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.

Business and Professions Code

General Provisions

§ 7.5. “Conviction” defined; authority

(a) A conviction within the meaning of this code means a judgment following a plea or verdict of guilty or a plea of nolo contendere or finding of guilt. Any action which a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence. However, a board may not deny a license to an applicant who is otherwise qualified pursuant to subdivision (b) or (c) of Section 480.

(b)(1) Nothing in this section shall apply to the licensure of persons pursuant to Chapter 4 (commencing with Section 6000) of Division 3.

(2) This section does not in any way modify or otherwise affect the existing authority of the following entities in regard to licensure:

(A) The State Athletic Commission.

(B) The Bureau for Private Postsecondary Education.

(C) The California Horse Racing Board.

(c) Except as provided in subdivision (b), this section controls over and supersedes the definition of conviction contained within individual practice acts under this code.

(d) This section shall become operative on July 1, 2020.

§ 10. Delegation of powers or duties

Whenever, by the provisions of this code, a power is granted to a public officer or a duty imposed upon such an officer, the power may be exercised or duty performed by a deputy of the officer or by a person authorized pursuant to law by the officer, unless it is expressly otherwise provided.

Division 1.5, Chapter 1

§ 476. Inapplicability of Division to certain persons; application of § 494.5

(a) Except as provided in subdivision (b), nothing in this division shall apply to the licensure or registration of persons pursuant to Chapter 4 (commencing with Section 6000) of Division 3, or pursuant to Division 9 (commencing with Section 23000) or pursuant to Chapter 5 (commencing with Section 19800) of Division 8.

(b) Section 494.5 shall apply to the licensure of persons authorized to practice law pursuant to Chapter 4 (commencing with Section 6000) of Division 3, and the licensure or registration of persons pursuant to Chapter 5 (commencing with Section 19800) of Division 8 or pursuant to Division 9 (commencing with Section 23000).

DIVISION 7. PART 3. CHAPTER 1.

ARTICLE 2. Particular Offenses

§ 17539. Legislative findings

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. Unfair acts prohibited

(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. Solicitation materials containing sweepstakes entries or selling information regarding sweepstakes; regulations

(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. Disclosures; refunds; records

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. Construction and application of sections 17539 to 17539.2

(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. Contest; prize conditioned on minimum number of entries

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.

Division 8, Chapter 5

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; required evidence; administrative remedies; copy of pleading

(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 days, 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 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 a person who has applied 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 a director of a corporation or a 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 a controlled game.

(l) “Gambling” means to deal, operate, carry on, conduct, maintain, or expose for play a 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 is required to hold a state gambling license under this chapter.

(n) “Gambling enterprise employee” means a 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. “Gambling enterprise employee” does not include 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.

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

(p) “Gambling license” or “state gambling license” means a 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 a 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 a retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees, an investment company registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), a collective investment trust organized by banks under Part 9 of the Rules of the Comptroller of the Currency, a closed-end investment trust, a chartered or licensed life insurance company or property and casualty insurance company, a banking and other chartered or licensed lending institution, an investment adviser registered under the Investment Advisers 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 a 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. “Key employee” does not include 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.

(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 this 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 the partner’s 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. 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; succession to powers of former California Gambling Control Board

(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; engagement in other employment; chief and 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. Salary; members of the commission; chairperson

(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. Officers; salary and duties; appointment of other staff and clerical personnel

(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; number to be employed

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 of proceedings; files and records; disclosure of information; violation; penalty

(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.

§ 19821.1 Temporary fee waivers; annual fees due from state gambling license; annual fees due from third-party provider of proposition player services; renewal application fees

(a) (1) Notwithstanding Sections 19841, 19951, 19952, and 19954, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a state gambling licensee between January 31, 2020, to July 31, 2021, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that are otherwise due and payable during that time period.

(2) The department shall refund any annual fees already paid for a state gambling license that were due on or after January 31, 2020, and the effective date of this section.

(b) (1) Notwithstanding Sections 19841 and 19984, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a third-party provider of proposition player services between September 1, 2020, to August 31, 2022, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that altered the original due date of an annual fee.

(2) The department shall refund any annual license fees already paid by a third-party provider of proposition player services that were due between September 1, 2020, and the effective date of this section.

(c) (1) Notwithstanding Sections 19841, 19867, 19868, 19876, 19877, 19912, and 19984, and any accompanying regulations designating a renewal application fee or a deposit associated with a renewal application, the department shall not collect, and the licensee or commission-issued work permittee shall not be required to pay, any renewal application fees or background deposits associated with a renewal application ordinarily due between March 1, 2020, to April 30, 2022, inclusive. This fee and deposit waiver does not apply to extensions that are otherwise due and payable during that time period.

(2) The department shall refund any renewal application fees or deposits associated with a renewal application already paid by a licensee or commission-issued work permittee that were due between March 1, 2020, and the effective date of this section.

(d) For the purposes of this section, in order to avoid delays in implementing the waiver of all annual fees, application fees, and deposits, the Legislature finds and declares that it is necessary to provide the commission with a limited exemption from the regular and emergency 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).

(e) This section shall become inoperative on July 1, 2022, and, as of January 1, 2023, is repealed.

§ 19822. State or local governmental agency; files, records, and reports; availability to department; tax information; confidentiality; 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. Executive director and commission members; power to administer oaths and certify official acts

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

§ 19825. Hearings or meetings of an adjudicative nature

The commission may require that any matter of an adjudicative nature regarding a license, permit, or finding of suitability, that the commission is authorized or required to consider in an evidentiary hearing, including a hearing held pursuant to Section 19870, 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. Responsibilities of department

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 publication subject to privilege; exceptions; 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; investigation or prosecution; appearance of gambling law violation

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. Regulations; adoption

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 of regulations

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 enterprises 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 enterprise 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. Prohibition of play of game or restriction in manner of play; violation of law or ordinance; construction; emergency regulations

(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; formulation of list; distribution; petition; action against licensee

(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. Liability of gambling enterprises with respect to ejecting or excluding individuals

(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; punishment

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. Application of chapter

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 and card-minding devices; exemption from normal rulemaking procedural requirements; 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. State gambling license; owner of gambling enterprise; endorsement on license; application to key employee licenses

(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. Card clubs on or contiguous to the grounds of a racetrack; exemption from licensing requirements

(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; commission or department requirement of certain individuals 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 Section 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; effect of license; establishment of portable personal license program

(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 qualification requirements

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 hold state gambling license to own gambling establishment; financial interest in organizations engaged in prohibited form of gambling; exemptions from prohibition; time frame and procedures relating to divestment

(a) Except as provided in subdivisions (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) shall 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. Financial interest in another lawful 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; criteria

(a) 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, if all of the following are true:

(1) The gambling establishment is situated in a local jurisdiction that has an ordinance allowing only private clubs, the gambling establishment was in operation as a private club under that ordinance on December 31, 1997, and it met all applicable state and local gaming registration requirements.

(2) The gambling establishment consists of no more than five gaming tables.

(3) 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.

(4) 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.

(b) A gambling establishment meeting the criteria set forth in subdivision (a), 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. Before 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 a 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 meeting 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 racing association 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 recommendation; report; confidential information; 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 an application may be made at any time prior to a final action upon the application by the commission by the filing of a written request to withdraw with the department. 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, if applicable, 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 submit or renew its application until the expiration of one year from the date of the withdrawal. Unless the commission otherwise directs, any application fee or other payment relating to any application is not refundable by reason of withdrawal of an application.

§ 19870. Commission authority to deny or grant license; restrictions; statement of reasons for denial; record of meeting proceedings; review by 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 deny the application, grant a license to an applicant who it determines to be qualified to hold the license, or refer the application to an evidentiary hearing.

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

(c) If, during a meeting, the commission denies an application, denies approval, or approves with limits, restrictions, or conditions, the action shall be stayed for a period of 30 days after the meeting, during which the applicant may request an evidentiary hearing. If the applicant does not file a request for an evidentiary hearing within 30 days, the action of the commission taken at the meeting is final. If the applicant waives the right to hearing and assents to the action of the commission in writing, upon receipt of the waiver by the commission, the action shall no longer be stayed. If the applicant files a timely request for an evidentiary hearing, the action shall be vacated and the application shall be reviewed de novo at the evidentiary hearing.

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

(e) All proceedings relating to an application at a meeting of the commission or at an evidentiary hearing shall be recorded stenographically or by audio or video recording.

(f) A decision of the commission after an evidentiary hearing, 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 does not apply to any judicial proceeding held to consider that petition, 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. Conduct of commission meetings

(a) An evidentiary hearing 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 if 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 on their own behalf, the applicant may be called and examined as if under cross-examination.

(4) The hearing 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) This section does not confer 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; disqualification of commission members; application denial

(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; closure of premises

(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 applicant 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 applicant submits an application for renewal of the gambling license after the deadline described 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.

§ 19876.5. Work permit or finding of suitability; application for renewal; extension

If an applicant has submitted an application for renewal prior to the original expiration date of a work permit or finding of suitability and the commission is unable to act on the application prior to the expiration date, the commission may extend the current work permit or finding of suitability for up to 180 days. The commission may adopt regulations to provide for the extension of other approvals.

§ 19877. Failure to file renewal application; surrender of license; renewal on fee payment

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; termination or suspension of employee; remuneration for services; contract provisions

(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 a 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; department approval

(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 licenses; application period; removal or suspension of officer or director; shareholders; failure to apply

(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 reflect 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 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; return of capital account amount; violation; statement on certificate

(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 in accordance with regulations; violation

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. Contract to sell or lease property or interest in property; commission approval or licensing of purchaser or lessee; contract provision; closing date

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. Contract to sell or lease property or interest in property; contract provision; payment of fees

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; payment, receipt, or transfer of monetary instruments; regulations; records; report

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; outstanding gaming chips

(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; issuance of permit; employment of persons 18 through 20 years of 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. Gambling enterprise employee or independent agent; work permit application; persons employed without work permit; issuance or denial of work permit; 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 (g), 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 (f) or (g) of Section 19859.

(c) This section shall not be construed to limit any powers of the commission with respect to licensing.

§ 19915. Fee for issuance of work permit

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 Operation

§ 19920. Operation to protect 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 in a gambling establishment; entrance; loitering prohibited

(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. Gambling enterprise operation in 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. Gambling enterprise operation in 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; accusations; fines or penalties; payment of costs and deposit of funds

(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 at a meeting or final disposition of a 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 that, 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; stay; abuse of discretion; denial or issuance of alternative writ; exclusive method of review

(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. Prohibitions for 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 fee violations; offense; 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 specified regulations; violations; penalty

(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. Department approval of controlled game; absolute defense; burden of proof

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; violation

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 to special account in General Fund; disposition of other fees and revenue to Gambling Control Fund; expenditures

(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 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.

(d) Without regard to the number of tables at which games may be played pursuant to a gambling license, if, at any 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 dollars ($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; fee

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. Temporary closure for nonpayment of fees

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. Ordinances not inconsistent with chapter; 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 defined; restrictions on amendment to ordinance; form of 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. Increase in permissible operating hours for gambling establishments; authorization to amend ordinance

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. Increase in number of gambling tables; authorization to amend ordinance

(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. Ordinance amendment; review by department

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 Gaming

(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 on issuance of gambling licenses

(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. Gambling establishment; ordinance to increase 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. Gambling establishment; unincorporated area annexed by a city

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 § 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. Termination of office or employment; representation of another before commission or department; commission member solicitation or acceptance of campaign contributions; limitations on post-employment involvement and dealings with gambling establishments, enterprises, registrants, or licensees

(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 or contribution limitations; violations; denial, suspension, or revocation of application or license; procedures; information filing; regulations

(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 provision of 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)(1) 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. 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.

> (2) 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, shall 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.

(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 findings and 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. Use of controlled games as a funding mechanism for nonprofit organizations

(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 with department

(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.

Code of Civil Procedure

Part 3, Title 10, Chapter 7

Article 1. Short Title; Definitions; Application

§ 1500. Short title

This chapter may be cited as the Unclaimed Property Law.

§ 1501. Definitions

As used in this chapter, unless the context otherwise requires:

(a) “Apparent owner” means the person who appears from the records of the holder to be entitled to property held by the holder.

(b) “Banking organization” means any national or state bank, trust company, banking company, land bank, savings bank, safe-deposit company, private banker, or any similar organization.

(c) “Business association” means any private corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals, whether or not for profit, including, but not by way of limitation, a banking organization, financial organization, life insurance corporation, and utility.

(d) “Financial organization” means any federal or state savings and loan association, building and loan association, credit union, investment company, or any similar organization.

(e) “Holder” means any person in possession of property subject to this chapter belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this chapter.

(f) “Life insurance corporation” means any association or corporation transacting the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments, and annuities.

(g) “Owner” means a depositor in case of a deposit, a beneficiary in case of a trust, or creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this chapter, or his or her legal representative.

(h) “Person” means any individual, business association, government or governmental subdivision or agency, two or more persons having a joint or common interest, or any other legal or commercial entity, whether that person is acting in his or her own right or in a representative or fiduciary capacity.

(i) “Employee benefit plan distribution” means any money, life insurance, endowment or annuity policy or proceeds thereof, securities or other intangible property, or any tangible property, distributable to a participant, former participant, or the beneficiary or estate or heirs of a participant or former participant or beneficiary, from a trust or custodial fund established under a plan to provide health and welfare, pension, vacation, severance, retirement benefit, death benefit, stock purchase, profit sharing, employee savings, supplemental unemployment insurance benefits or similar benefits, or which is established under a plan by a business association functioning as or in conjunction with a labor union which receives for distribution residuals on behalf of employees working under collective-bargaining agreements.

(j) “Residuals” means payments pursuant to a collective bargaining agreement of additional compensation for domestic and foreign uses of recorded materials.

§ 1501.5. Permanency of escheat; legislative findings and declarations and intent

(a) Notwithstanding any provision of law to the contrary, property received by the state under this chapter shall not permanently escheat to the state.

(b) The Legislature finds and declares that this section is declaratory of the existing law and sets forth the intent of the Legislature regarding the Uniform Disposition of Unclaimed Property Act (Chapter 1809, Statutes of 1959) and all amendments thereto and revisions thereof. Any opinions, rulings, orders, judgments, or other statements to the contrary by any court are erroneous and inconsistent with the intent of the Legislature.

(c) It is the intent of the Legislature that property owners be reunited with their property. In making changes to the unclaimed property program, the Legislature intends to adopt a more expansive notification program that will provide all of the following:

(1) Notification by the state to all owners of unclaimed property prior to escheatment.

(2) A more expansive post-escheatment policy that takes action to identify those owners of unclaimed property.

(3) A waiting period of not less than seven years from delivery of property to the state prior to disposal of any unclaimed property deemed to have no commercial value.

§ 1502. Exemptions from chapter

(a) This chapter does not apply to any of the following:

(1) Any property in the official custody of a municipal utility district.

(2) Any property in the official custody of a local agency if such property may be transferred to the general fund of such agency under the provisions of Sections 50050-50053 of the Government Code.

(3) Any property in the official custody of a court if the property may be transferred to the Trial Court Operations Fund under Section 68084.1 of the Government Code.

(b) None of the provisions of this chapter applies to any type of property received by the state under the provisions of Chapter 1 (commencing with Section 1300) to Chapter 6 (commencing with Section 1440), inclusive, of this title.

§ 1503. Filing report or payment or delivery of property not subject to old act; action barred prior to Jan. 1, 1969; property held less than escheat period

(a) As used in this section:

(1) “Old act” means this chapter as it existed prior to January 1, 1969.

(2) “New act” means this chapter as it exists on and after January 1, 1969.

(3) “Property not subject to the old act” means property that was not presumed abandoned under the old act and would never have been presumed abandoned under the old act had the old act continued in existence on and after January 1, 1969, without change.

(b) The holder is not required to file a report concerning, or to pay or deliver to the Controller, any property not subject to the old act if an action by the owner against the holder to recover that property was barred by an applicable statute of limitations prior to January 1, 1969.

(c) The holder is not required to file a report concerning, or to pay or deliver to the Controller, any property not subject to the old act, or any property that was not required to be reported under the old act, unless on January 1, 1969, the property has been held by the holder for less than the escheat period. “Escheat period” means the period referred to in Sections 1513 to 1521, inclusive, of the new act, whichever is applicable to the particular property.

§ 1504. Payment or delivery of property not subject to old act; escheat of property under laws of another state

(a) As used in this section:

(1) “Old act” means this chapter as it existed prior to January 1, 1969.

(2) “New act” means this chapter as it exists on and after January 1, 1969.

(3) “Property not subject to the old act” means property that was not presumed abandoned under the old act and would never have been presumed abandoned under the old act had the old act continued in existence on and after January 1, 1969, without change.

(b) This chapter does not apply to any property that was escheated under the laws of another state prior to September 18, 1959.

(c) This chapter does not require the holder to pay or deliver any property not subject to the old act to this state if the property was escheated under the laws of another state prior to January 1, 1969, and was delivered to the custody of that state prior to January 1, 1970, in compliance with the laws of that state. Nothing in this subdivision affects or limits the right of the State Controller to recover such property from the other state.

§ 1505. Duty to file report or to pay or deliver property arising prior to Jan. 1, 1969; enforcement by controller; penalties

This chapter does not affect any duty to file a report with the State Controller or to pay or deliver any property to him that arose prior to January 1, 1969, under the provisions of this chapter as it existed prior to January 1, 1969. Such duties may be enforced by the State Controller, and the penalties for failure to perform such duties may be imposed, under the provisions of this chapter as it existed prior to January 1, 1969. The provisions of this chapter as it existed prior to January 1, 1969, are continued in existence for the purposes of this section.

§ 1506. Construction of chapter; restatement and continuation of provisions

The provisions of this chapter as it exists on and after January 1, 1969, insofar as they are substantially the same as the provisions of this chapter as it existed prior to January 1, 1969, relating to the same subject matter, shall be construed as restatements and continuations thereof and not as new enactments.

Article 2. Escheat of Unclaimed Personal Property

§ 1510. Escheat of intangible personal property

Unless otherwise provided by statute of this state, intangible personal property escheats to this state under this chapter if the conditions for escheat stated in Sections 1513 through 1521 exist, and if:

(a) The last known address, as shown on the records of the holder, of the apparent owner is in this state.

(b) No address of the apparent owner appears on the records of the holder and:

(1) The last known address of the apparent owner is in this state; or

(2) The holder is domiciled in this state and has not previously paid the property to the state of the last known address of the apparent owner; or

(3) The holder is a government or governmental subdivision or agency of this state and has not previously paid the property to the state of the last known address of the apparent owner.

(c) The last known address, as shown on the records of the holder, of the apparent owner is in a state that does not provide by law for the escheat of such property and the holder is (1) domiciled in this state or (2) a government or governmental subdivision or agency of this state.

(d) The last known address, as shown on the records of the holder, of the apparent owner is in a foreign nation and the holder is (1) domiciled in this state or (2) a government or governmental subdivision or agency of this state.

§ 1511. Escheat of money orders, travelers checks, etc.; conditions

(a) Any sum payable on a money order, travelers check, or other similar written instrument (other than a third-party bank check) on which a business association is directly liable escheats to this state under this chapter if the conditions for escheat stated in Section 1513 exist and if:

(1) The books and records of such business association show that such money order, travelers check, or similar written instrument was purchased in this state;

(2) The business association has its principal place of business in this state and the books and records of the business association do not show the state in which such money order, travelers check, or similar written instrument was purchased; or

(3) The business association has its principal place of business in this state, the books and records of the business association show the state in which such money order, travelers check, or similar written instrument was purchased, and the laws of the state of purchase do not provide for the escheat of the sum payable on such instrument.

(b) Notwithstanding any other provision of this chapter, this section applies to sums payable on money orders, travelers checks, and similar written instruments deemed abandoned on or after February 1, 1965, except to the extent that such sums have been paid over to a state prior to January 1, 1974. For the purposes of this subdivision, the words “deemed abandoned” have the same meaning as those words have as used in Section 604 of Public Law Number 93-495 (October 28, 1974), 88th Statutes at Large 1500.1.

§ 1513. Property held or owing by banking or financial organizations or business associations

(a) Subject to Sections 1510 and 1511, the following property held or owing by a business association escheats to this state:

(1)(A) Except as provided in paragraph (6), any demand, savings, or matured time deposit, or account subject to a negotiable order of withdrawal, made with a banking organization, together with any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges that may lawfully be withheld and that do not, where made in this state, exceed those set forth in schedules filed by the banking organization from time to time with the Controller, if the owner, for more than three years, has not done any of the following:

(i) Increased or decreased the amount of the deposit, cashed an interest check, or presented the passbook or other similar evidence of the deposit for the crediting of interest.

(ii) Corresponded electronically or in writing with the banking organization concerning the deposit.

(iii) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking organization.

(B) A deposit or account shall not, however, escheat to the state if, during the previous three years, the owner has owned another deposit or account with the banking organization or the owner has owned an individual retirement account or funds held by the banking organization under a retirement plan for self-employed individuals or a similar account or plan established pursuant to the internal revenue laws of the United States or the laws of this state, as described in paragraph (6), and, with respect to that deposit, account, or plan, the owner has done any of the acts described in clause (i), (ii), or (iii) of subparagraph (A), and the banking organization has communicated electronically or in writing with the owner, at the address to which communications regarding that deposit, account, or plan are regularly sent, with regard to the deposit or account that would otherwise escheat under subparagraph (A). For purposes of this subparagraph, “communications” includes account statements or statements required under the internal revenue laws of the United States.

(C) No banking organization may discontinue any interest or dividends on any savings deposit because of the inactivity contemplated by this section.

(2)(A) Except as provided in paragraph (6), any demand, savings, or matured time deposit, or matured investment certificate, or account subject to a negotiable order of withdrawal, or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, excluding, from demand deposits and accounts subject to a negotiable order of withdrawal only, any reasonable service charges that may lawfully be withheld and that do not, where made in this state, exceed those set forth in schedules filed by the financial organization from time to time with the Controller, if the owner, for more than three years, has not done any of the following:

(i) Increased or decreased the amount of the funds or deposit, cashed an interest check, or presented an appropriate record for the crediting of interest or dividends.

(ii) Corresponded electronically or in writing with the financial organization concerning the funds or deposit.

(iii) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum or other record on file with the financial organization.

(B) A deposit or account shall not, however, escheat to the state if, during the previous three years, the owner has owned another deposit or account with the financial organization or the owner has owned an individual retirement account or funds held by the financial organization under a retirement plan for self-employed individuals or a similar account or plan established pursuant to the internal revenue laws of the United States or the laws of this state, as described in paragraph (6), and, with respect to that deposit, account, or plan, the owner has done any of the acts described in clause (i), (ii), or (iii) of subparagraph (A), and the financial organization has communicated electronically or in writing with the owner, at the address to which communications regarding that deposit, account, or plan are regularly sent, with regard to the deposit or account that would otherwise escheat under

subparagraph (A). For purposes of this subparagraph, “communications” includes account statements or statements required under the internal revenue laws of the United States.

(C) No financial organization may discontinue any interest or dividends on any funds paid toward purchase of shares or other interest, or on any deposit, because of the inactivity contemplated by this section.

(3) Any sum payable on a traveler’s check issued by a business association that has been outstanding for more than 15 years from the date of its issuance, if the owner, for more than 15 years, has not corresponded in writing with the business association concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the association.

(4) Any sum payable on any other written instrument on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, any draft, cashier’s check, teller’s check, or certified check, that has been outstanding for more than three years from the date it was payable, or from the date of its issuance if payable on demand, if the owner, for more than three years, has not corresponded electronically or in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization.

(5) Any sum payable on a money order issued by a business association, including a banking or financial organization, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, excluding any reasonable service charges that may lawfully be withheld and that do not, when made in this state, exceed those set forth in schedules filed by the business association from time to time with the Controller, if the owner, for more than seven years, has not corresponded electronically or in writing with the business association, banking, or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the business association. For the purposes of this subdivision, “reasonable service charge” means a service charge that meets all of the following requirements:

(A) It is uniformly applied to all of the issuer’s money orders.

(B) It is clearly disclosed to the purchaser at the time of purchase and to the recipient of the money order.

(C) It does not begin to accrue until three years after the purchase date, and it stops accruing after the value of the money order escheats.

(D) It is permitted by contract between the issuer and the purchaser.

(E) It does not exceed 25 cents ($0.25) per month or the aggregate amount of twenty-one dollars ($21).

(6)(A) Any funds held by a business association in an individual retirement account or under a retirement plan for self-employed individuals or similar account or plan established pursuant to the internal revenue laws of the United States or of this state, if the owner, for more than three years after the funds become payable or distributable, has not done any of the following:

(i) Increased or decreased the principal.

(ii) Accepted payment of principal or income.

(iii) Corresponded electronically or in writing concerning the property or otherwise indicated an interest.

(B) Funds held by a business association in an individual retirement account or under a retirement plan for self-employed individuals or a similar account or plan created pursuant to the internal revenue laws of the United States or the laws of this state shall not escheat to the state if, during the previous three years, the owner has owned another such account, plan, or any other deposit or account with the business association and, with respect to that deposit, account, or plan, the owner has done any of the acts described in clause (i), (ii), or (iii) of subparagraph (A), and the business association has communicated electronically or in writing with the owner, at the address to which communications regarding that deposit, account, or plan are regularly sent, with regard to the account or plan that would otherwise escheat under subparagraph (A). For purposes of this subparagraph, “communications” includes account statements or statements required under the internal revenue laws of the United States.

(C) These funds are not payable or distributable within the meaning of this subdivision unless either of the following is true:

(i) Under the terms of the account or plan, distribution of all or a part of the funds would then be mandatory.

(ii) For an account or plan not subject to mandatory distribution requirement under the internal revenue laws of the United States or the laws of this state, the owner has attained 70 ½ years of age.

(7) Any wages or salaries that have remained unclaimed by the owner for more than one year after the wages or salaries become payable.

(b) For purposes of this section, “service charges” means service charges imposed because of the inactivity contemplated by this section.

(c) A holder shall, commencing on or before January 1, 2018, regard the following transactions that are initiated electronically and are reflected in the books and records of the banking or financial organization as evidence that an owner has increased or decreased the amount of the funds or deposit in an account, for purposes of paragraphs (1) and (2) of subdivision (a):

(1) A single or recurring debit transaction authorized by the owner.

(2) A single or recurring credit transaction authorized by the owner

(3) Recurring transactions authorized by the owner that represent payroll deposits or deductions.

(4) Recurring credits authorized by the owner or a responsible party that represent the deposit of any federal benefits, including social security benefits, veterans’ benefits, and pension payments.

§ 1513.5. Notice of escheat by banking or financial organization

(a) Except as provided in subdivision (c), if the holder has in its records an address for the apparent owner, which the holder’s records do not disclose to be inaccurate, every banking or financial organization shall make reasonable efforts to notify any owner by mail or, if the owner has consented to electronic notice, electronically, that the owner’s deposit, account, shares, or other interest in the banking or financial organization will escheat to the state pursuant to clause (i), (ii), or (iii) of subparagraph (A) of paragraph (1), (2), or (6) of subdivision (a) of Section 1513. The holder shall give notice either:

(1) Not less than two years nor more than two and one-half years after the date of last activity by, or communication with, the owner with respect to the account, deposit, shares, or other interest, as shown on the record of the banking or financial organization.

(2) Not less than 6 nor more than 12 months before the time the account, deposit, shares, or other interest becomes reportable to the Controller in accordance with this chapter.

(b) The notice required by this section shall specify the time that the deposit, account, shares, or other interest will escheat and the effects of escheat, including the necessity for filing a claim for the return of the deposit, account, shares, or other interest. The face of the notice shall contain a heading at the top that reads as follows: "THE STATE OF CALIFORNIA REQUIRES US TO NOTIFY YOU THAT YOUR UNCLAIMED PROPERTY MAY BE TRANSFERRED TO THE STATE IF YOU DO NOT CONTACT US," or substantially similar language. The notice required by this section shall, in boldface type or in a font a minimum of two points larger than the rest of the notice, exclusive of the heading, (1) specify that since the date of last activity, or for the last two years, there has been no owner activity on the deposit, account, shares, or other interest; (2) identify the deposit, account, shares, or other interest by number or identifier, which need not exceed four digits; (3) indicate that the deposit, account, shares, or other interest is in danger of escheating to the state; and (4) specify that the Unclaimed Property Law requires banking and financial organizations to transfer funds of a deposit, account, shares, or other interest if it has been inactive for three years. It shall also include a form, as prescribed by the Controller, by which the owner may declare an intention to maintain the deposit, account, shares, or other interest. If that form is filled out, signed by the owner, and returned to the banking or financial organization, it shall satisfy the requirement of clause (iii) of subparagraph (A) of paragraph (1), clause (iii) of subparagraph (A) of paragraph (2), or clause (iii) of subparagraph (A) of paragraph (6) of subdivision (a) of Section 1513. In lieu of returning the form, the banking or financial organization may provide a telephone number or other electronic means to enable the owner to contact that organization. The contact, as evidenced by a memorandum or other record on file with the banking or financial organization, shall satisfy the requirement of clause (iii) of subparagraph (A) of paragraph (1), clause (iii) of subparagraph (A) of paragraph (2), or clause (iii) of subparagraph (A) of paragraph (6) of subdivision (a) of Section 1513. If the deposit, account, shares, or other interest has a value greater than two dollars ($2), the banking or financial organization may impose a service charge on the deposit, account, shares, or other interest for this notice in an amount not to exceed the administrative cost of mailing or electronically sending the notice and form and in no case to exceed two dollars ($2).

(c) Notice as provided by subdivisions (a) and (b) shall not be required for deposits, accounts, shares, or other interests of less than fifty dollars ($50), and, except as provided in subdivision (b), no service charge may be made for notice on these items.

(d) In addition to the notices required pursuant to subdivision (a), the holder may give additional notice as described in subdivision (b) at any time between the date of last activity by, or communication with, the owner and the date the holder transfers the deposit, account, shares, or other interest to the Controller.

(e) At the time a new account is opened with a banking or financial organization, the organization shall provide a written notice to the person opening the account informing the person that his or her property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law. If the person opening the account has consented to electronic notice, that notice may be provided electronically.

§ 1514. Safe deposit box or other safekeeping depository, contents or proceeds of sale of contents; notice of escheat to state; default by owner

(a) The contents of, or the proceeds of sale of the contents of, any safe deposit box or any other safekeeping repository, held in this state by a business association, escheat to this state if unclaimed

by the owner for more than three years from the date on which the lease or rental period on the box or other repository expired, or from the date of termination of any agreement because of which the box or other repository was furnished to the owner without cost, whichever last occurs.

(b) If a business association has in its records an address for an apparent owner of the contents of, or the proceeds of sale of the contents of, a safe deposit box or other safekeeping repository described in subdivision (a), and the records of the business association do not disclose the address to be inaccurate, the business association shall make reasonable efforts to notify the owner by mail, or, if the owner has consented to electronic notice, electronically, that the owner's contents, or the proceeds of the sale of the contents, will escheat to the state pursuant to this section. The business association shall give notice not less than 6 months and not more than 12 months before the time the contents, or the proceeds of the sale of the contents, become reportable to the Controller in accordance with this chapter.

(c) The face of the notice shall contain a heading at the top that reads as follows: "THE STATE OF CALIFORNIA REQUIRES US TO NOTIFY YOU THAT YOUR UNCLAIMED PROPERTY MAY BE TRANSFERRED TO THE STATE IF YOU DO NOT CONTACT US," or substantially similar language. The notice required by this subdivision shall specify the date that the property will escheat and the effects of escheat, including the necessity for filing a claim for the return of the property. The notice required by this section shall, in boldface type or in a font a minimum of two points larger than the rest of the notice, exclusive of the heading, do all of the following:

(1) Identify the safe deposit box or other safekeeping repository by number or identifier.

(2) State that the lease or rental period on the box or repository has expired or the agreement has terminated.

(3) Indicate that the contents of, or the proceeds of sale of the contents of, the safe deposit box or other safekeeping repository will escheat to the state unless the owner requests the contents or their proceeds.

(4) Specify that the Unclaimed Property Law requires business associations to transfer the contents of, or the proceeds of sale of the contents of, a safe deposit box or other safekeeping repository to the Controller if they remain unclaimed for more than three years.

(5) Advise the owner to make arrangements with the business association to either obtain possession of the contents of, or the proceeds of sale of the contents of, the safe deposit box or other safekeeping repository, or enter into a new agreement with the business association to establish a leasing or rental arrangement. If an owner fails to establish such an arrangement prior to the end of the period described in subdivision (a), the contents or proceeds shall escheat to this state.

(d) In addition to the notice required pursuant to subdivision (b), the business association may give additional notice in accordance with subdivision (c) at any time between the date on which the lease or rental period for the safe deposit box or repository expired, or from the date of the termination of any agreement, through which the box or other repository was furnished to the owner without cost, whichever is earlier, and the date the business association transfers the contents of, or the proceeds of sale of the contents of, the safe deposit box or other safekeeping repository to the Controller.

(e) The contents of, or the proceeds of sale of the contents of, a safe deposit box or other safekeeping repository shall not escheat to the state if, as of June 30 or the fiscal yearend next preceding the date on which a report is required to be filed under Section 1530, the owner has owned, with a banking organization providing the safe deposit box or other safekeeping repository, any demand, savings, or matured time deposit, or account subject to a negotiable order of withdrawal,

which has not escheated under Section 1513 and is not reportable under subdivision (d) of Section 1530.

(f) The contents of, or the proceeds of sale of the contents of, a safe deposit box or other safekeeping repository shall not escheat to the state if, as of June 30 or the fiscal yearend next preceding the date on which a report is required to be filed under Section 1530, the owner has owned, with a financial organization providing the safe deposit box or other safekeeping repository, any demand, savings, or matured time deposit, or matured investment certificate, or account subject to a negotiable order of withdrawal, or other interest in a financial organization or any deposit made therewith, and any interest or dividends thereon, which has not escheated under Section 1513 and is not reportable under subdivision (d) of Section 1530.

(g) The contents of, or the proceeds of sale of the contents of, a safe deposit box or other safekeeping repository shall not escheat to the state if, as of June 30 or the fiscal yearend next preceding the date on which a report is required to be filed under Section 1530, the owner has owned, with a banking or financial organization providing the safe deposit box or other safekeeping repository, any funds in an individual retirement account or under a retirement plan for self-employed individuals or similar account or plan pursuant to the internal revenue laws of the United States or the income tax laws of this state, which has not escheated under Section 1513 and is not reportable under subdivision (d) of Section 1530.

(h) In the event the owner is in default under the safe deposit box or other safekeeping repository agreement and the owner has owned any demand, savings, or matured time deposit, account, or plan described in subdivision (e), (f), or (g), the banking or financial organization may pay or deliver the contents of, or the proceeds of sale of the contents of, the safe deposit box or other safekeeping repository to the owner after deducting any amount due and payable from those proceeds under that agreement. Upon making that payment or delivery under this subdivision, the banking or financial organization shall be relieved of all liability to the extent of the value of those contents or proceeds.

(i) For new accounts opened for a safe deposit box or other safekeeping repository with a business association on and after January 1, 2011, the business association shall provide a written notice to the person leasing the safe deposit box or safekeeping repository informing the person that his or her property, or the proceeds of sale of the property, may be transferred to the appropriate state upon running of the time period specified by state law from the date the lease or rental period on the safe deposit box or repository expired, or from the date of termination of any agreement because of which the box or other repository was furnished to the owner without cost, whichever is earlier.

(j) A business association may directly escheat the contents of a safe deposit box or other safekeeping repository without exercising its rights under Article 2 (commencing with Section 1630) of Chapter 17 of Division 1 of the Financial Code.

§ 1515. Funds held or owing by life insurance corporations

(a) Subject to Section 1510, funds held or owing by a life insurance corporation under any life or endowment insurance policy or annuity contract which has matured or terminated escheat to this state if unclaimed and unpaid for more than three years after the funds became due and payable as established from the records of the corporation.

(b) If a person other than the insured or annuitant is entitled to the funds and no address of that person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation. This presumption is a presumption affecting the burden of proof.

(c) A life insurance policy not matured by actual proof of the death of the insured according to the records of the corporation is deemed to be matured and the proceeds due and payable if:

(1) The insured has attained, or would have attained if he or she were living, the limiting age under the mortality table on which the reserve is based.

(2) The policy was in force at the time the insured attained, or would have attained, the limiting age specified in paragraph (1).

(3) Neither the insured nor any other person appearing to have an interest in the policy has, within the preceding three years, according to the records of the corporation (i) assigned, readjusted, or paid premiums on the policy, (ii) subjected the policy to loan, or (iii) corresponded in writing with the life insurance corporation concerning the policy.

(d) Any funds otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

§ 1515.5. Determination of abandonment of property distributable in course of demutualization or related reorganization of insurance company

Property distributable in the course of a demutualization or related reorganization of an insurance company is deemed abandoned as follows:

(a) On the date of the demutualization or reorganization, if the instruments or statements reflecting the distribution are not mailed to the owner because the address on the books and records for the holder is known to be incorrect.

(b) Two years after the date of the demutualization or reorganization, if instruments or statements reflecting the distribution are mailed to the owner and returned by the post office as undeliverable and the owner has done neither of the following:

(1) Communicated in writing with the holder or its agent regarding the property.

(2) Otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

(c) Three years after the date of the demutualization or reorganization, if instruments or statements reflecting the distribution are mailed to the owner and not returned by the post office as undeliverable and the owner has done neither of the following:

(1) Communicated in writing with the holder or its agent regarding the property.

(2) Otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

§ 1516. Undistributed dividends and distributions of business associations; notice of escheat; form

(a) Subject to Section 1510, any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to its shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within three years after the date prescribed for payment or delivery, escheats to this state.

(b) Subject to Section 1510, any intangible interest in a business association, as evidenced by the stock records or membership records of the association, escheats to this state if (1) the interest in the

association is owned by a person who for more than three years has neither claimed a dividend or other sum referred to in subdivision (a) nor corresponded in writing with the association or otherwise indicated an interest as evidenced by a memorandum or other record on file with the association, and (2) the association does not know the location of the owner at the end of the three-year period. With respect to the interest, the business association shall be deemed the holder.

(c) Subject to Section 1510, any dividends or other distributions held for or owing to a person at the time the stock or other security to which they attach escheats to this state also escheat to this state as of the same time.

(d) If the business association has in its records an address for the apparent owner, which the business association's records do not disclose to be inaccurate, with respect to any interest that may escheat pursuant to subdivision (b), the business association shall make reasonable efforts to notify the owner by mail or, if the owner has consented to electronic notice, electronically, that the owner's interest in the business association will escheat to the state. The notice shall be given not less than 6 nor more than 12 months before the time the interest in the business association becomes reportable to the Controller in accordance with this chapter. The face of the notice shall contain a heading at the top that reads as follows: "THE STATE OF CALIFORNIA REQUIRES US TO NOTIFY YOU THAT YOUR UNCLAIMED PROPERTY MAY BE TRANSFERRED TO THE STATE IF YOU DO NOT CONTACT US," or substantially similar language. The notice required by this subdivision shall specify the time that the interest will escheat and the effects of escheat, including the necessity for filing a claim for the return of the interest. The notice required by this section shall, in boldface type or in a font a minimum of two points larger than the rest of the notice, exclusive of the heading, (1) specify that since the date of last activity, or for the last two years, there has been no owner activity on the deposit, account, shares, or other interest; (2) identify the deposit, account, shares, or other interest by number or identifier, which need not exceed four digits; (3) indicate that the deposit, account, shares, or other interest is in danger of escheating to the state; and (4) specify that the Unclaimed Property Law requires business associations to transfer funds of a deposit, account, shares, or other interest if it has been inactive for three years. It shall also include a form, as prescribed by the Controller, by which the owner may confirm the owner's current address. If that form is filled out, signed by the owner, and returned to the holder, it shall be deemed that the business association knows the location of the owner. In lieu of returning the form, the business association may provide a telephone number or other electronic means to enable the owner to contact the association. With that contact, as evidenced by a memorandum or other record on file with the business association, the business association shall be deemed to know the location of the owner. The business association may impose a service charge on the deposit, account, shares, or other interest for this notice and form in an amount not to exceed the administrative cost of mailing or electronically sending the notice and form, and in no case to exceed two dollars ($2).

(e) In addition to the notice required pursuant to subdivision (d), the holder may give additional notice as described in subdivision (d) at any time between the date of last activity by, or communication with, the owner and the date the holder transfers the deposit, shares, or other interest to the Controller.

§ 1517. Property distributable in course of voluntary or involuntary dissolution or liquidation; business associations; insurers

(a) All property distributable in the course of a voluntary or involuntary dissolution or liquidation of a business association that is unclaimed by the owner within six months after the date of final distribution or liquidation escheats to this state.

(b) All property distributable in the course of voluntary or involuntary dissolution or liquidation of an insurer or other person brought under Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 of the Insurance Code, that is unclaimed by the owner after six months of the date of final distribution, shall be transferred to the Department of Insurance, with any proceeds of sale of property

and other funds to be deposited in the Insurance Fund for expenditure as provided in Section 12937 of the Insurance Code.

(c) This section applies to all tangible personal property located in this state and, subject to Section 1510, to all intangible personal property.

§ 1518. Property held by fiduciaries

(a)(1) All tangible personal property located in this state and, subject to Section 1510, all intangible personal property, including intangible personal property maintained in a deposit or account, and the income or increment on such tangible or intangible property, held in a fiduciary capacity for the benefit of another person escheats to this state if for more than three years after it becomes payable or distributable, the owner has not done any of the following:

(A) Increased or decreased the principal.

(B) Accepted payment of principal or income.

(C) Corresponded in writing concerning the property.

(D) Otherwise indicated an interest in the property as evidenced by a memorandum or other record on file with the fiduciary.

(2) Notwithstanding paragraph (1), tangible or intangible property, and the income or increment on the tangible or intangible property, held in a fiduciary capacity for another person shall not escheat to the state if the requirements of subparagraphs (A) and (B) are satisfied.

(A) During the previous three years, the fiduciary took one of the following actions:

(i) Held another deposit or account for the benefit of the owner.

(ii) Maintained a deposit or account on behalf of the owner in an individual retirement account.

(iii) Held funds or other property under a retirement plan for a self-employed individual, or similar account or plan, established pursuant to the internal revenue laws of the United States or the laws of this state.

(B) During the previous three years, the owner has done any of the acts described in subparagraph (A), (B), (C), or (D) of paragraph (1) with respect to the deposit, account, or plan described in subparagraph (A), and the fiduciary has communicated electronically or in writing with the owner at the address to which communications regarding that deposit, account, or plan are regularly sent, with regard to the deposit, account, or plan that would otherwise escheat under this subdivision. “Communications,” for purposes of this subparagraph, includes account statements or statements required under the internal revenue laws of the United States.

(b) Funds in an individual retirement account or a retirement plan for self-employed individuals or similar account or plan established pursuant to the internal revenue laws of the United States or of this state are not payable or distributable within the meaning of subdivision (a) unless either of the following is true:

(1) Under the terms of the account or plan, distribution of all or part of the funds would then be mandatory.

(2) For an account or plan not subject to mandatory distribution requirement under the internal revenue laws of the United States or the laws of this state, the owner has attained 70 ½ years of age.

(c) For the purpose of this section, when a person holds property as an agent for a business association, he or she is deemed to hold the property in a fiduciary capacity for the business association alone, unless the agreement between him or her and the business association clearly provides the contrary. For the purposes of this chapter, if a person holds property in a fiduciary capacity for a business association alone, he or she is the holder of the property only insofar as the interest of the business association in the property is concerned and the association is deemed to be the holder of the property insofar as the interest of any other person in the property is concerned.

§ 1519. Property held for owner by government, governmental subdivision or agency

All tangible personal property located in this state, and, subject to Section 1510, all intangible personal property, held for the owner by any government or governmental subdivision or agency, that has remained unclaimed by the owner for more than three years escheats to this state.

§ 1519.5. Money ordered by court or public agency to be refunded by a business association; retroactive effect; legislative intent

Subject to Section 1510, any sums held by a business association that have been ordered to be refunded by a court or an administrative agency including, but not limited to, the Public Utilities Commission, which have remained unclaimed by the owner for more than one year after becoming payable in accordance with the final determination or order providing for the refund, whether or not the final determination or order requires any person entitled to a refund to make a claim for it, escheats to this state.

It is the intent of the Legislature that the provisions of this section shall apply retroactively to all funds held by business associations on or after January 1, 1977, and which remain undistributed by the business association as of the effective date of this act.

Further, it is the intent of the Legislature that nothing in this section shall be construed to change the authority of a court or administrative agency to order equitable remedies.

§ 1520. Other personal property held for another person in ordinary course of holder's business; notice of potential escheat

(a) All tangible personal property located in this state and, subject to Section 1510, all intangible personal property, except property of the classes mentioned in Sections 1511, 1513, 1514, 1515, 1515.5, 1516, 1517, 1518, 1519, and 1521, including any income or increment thereon and deducting any lawful charges, that is held or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than three years after it became payable or distributable escheats to this state.

(b) Except as provided in subdivision (a) of Section 1513.5, subdivision (b) of Section 1514, and subdivision (d) of Section 1516, if the holder has in its records an address for the apparent owner of property valued at fifty dollars ($50) or more, which the holder's records do not disclose to be inaccurate, the holder shall make reasonable efforts to notify the owner by mail or, if the owner has consented to electronic notice, electronically, that the owner's property will escheat to the state pursuant to this chapter. The notice shall be mailed not less than 6 nor more than 12 months before the time when the owner's property held by the business becomes reportable to the Controller in accordance with this chapter. The face of the notice shall contain a heading at the top that reads as follows: "THE STATE OF CALIFORNIA REQUIRES US TO NOTIFY YOU THAT YOUR UNCLAIMED PROPERTY MAY BE TRANSFERRED TO THE STATE IF YOU DO NOT CONTACT US," or

substantially similar language. The notice required by this subdivision shall specify the time when the property will escheat and the effects of escheat, including the need to file a claim in order for the owner's property to be returned to the owner. The notice required by this section shall, in boldface type or in a font a minimum of two points larger than the rest of the notice, exclusive of the heading, (1) specify that since the date of last activity, or for the last two years, there has been no owner activity on the deposit, account, shares, or other interest; (2) identify the deposit, account, shares, or other interest by number or identifier, which need not exceed four digits; (3) indicate that the deposit, account, shares, or other interest is in danger of escheating to the state; and (4) specify that the Unclaimed Property Law requires holders to transfer funds of a deposit, account, shares, or other interest if it has been inactive for three years. It shall also include a form, as prescribed by the Controller, by which the owner may confirm the owner's current address. If that form is filled out, signed by the owner, and returned to the holder, it shall be deemed that the account, or other device in which the owner's property is being held, remains currently active and recommences the escheat period. In lieu of returning the form, the holder may provide a telephone number or other electronic means to enable the owner to contact the holder. With that contact, as evidenced by a memorandum or other record on file with the holder, the account or other device in which the owner's property is being held shall be deemed to remain currently active and shall recommence the escheat period. The holder may impose a service charge on the deposit, account, shares, or other interest for this notice in an amount not to exceed the administrative cost of mailing or electronically sending the notice and form, and in no case to exceed two dollars ($2).

(c) In addition to the notice required pursuant to subdivision (b), the holder may give additional notice as described in subdivision (b) at any time between the date of last activity by, or communication with, the owner and the date the holder transfers the property to the Controller.

(d) For purposes of this section, "lawful charges" means charges that are specifically authorized by statute, other than the Unclaimed Property Law, or by a valid, enforceable contract.

(e) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

§ 1520.5. Application of § 1520

Section 1520 does not apply to gift certificates subject to Title 1.4A (commencing with Section 1749.45) of Part 4 of Division 3 of the Civil Code. However, Section 1520 applies to any gift certificate that has an expiration date and that is given in exchange for money or any other thing of value.

§ 1521. Employee benefit plan distributions, income and other increments; conditions; exception; claim for residuals

(a) Except as provided in subdivision (b), and subject to Section 1510, all employee benefit plan distributions and any income or other increment thereon escheats to the state if the owner has not, within three years after it becomes payable or distributable, accepted the distribution, corresponded in writing concerning the distribution, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary of the trust or custodial fund or administrator of the plan under which the trust or fund is established. As used in this section, "fiduciary" means any person exercising any power, authority, or responsibility of management or disposition with respect to any money or other property of a retirement system or plan, and "administrator" means the person specifically so designated by the plan, trust agreement, contract, or other instrument under which the retirement system or plan is operated, or if none is designated, the employer.

(b) Except as provided in subdivision (c), an employee benefit plan distribution and any income or other increment thereon shall not escheat to this state if, at the time the distribution shall become payable to a participant in an employee benefit plan, the plan contains a provision for forfeiture or expressly authorizes the administrator to declare a forfeiture of a distribution to a beneficiary thereof who cannot be found after a period of time specified in the plan, and the trust or fund established under

the plan has not terminated prior to the date on which the distribution would become forfeitable in accordance with the provision.

(c) A participant entitled to an employee benefit plan distribution in the form of residuals shall be relieved from a forfeiture declared under subdivision (b) upon the making of a claim therefor.

§ 1522. Service, maintenance or other charge or fee; deduction

No service, handling, maintenance or other charge or fee of any kind which is imposed because of the inactive or unclaimed status contemplated by this chapter, may be deducted or withheld from any property subject to escheat under this chapter, unless specifically permitted by this chapter.

Even when specifically permitted by this chapter, such charges or fees may not be excluded, withheld or deducted from property subject to this chapter if, under its policy or procedure, the holder would not have excluded, withheld or deducted such charges or fees in the event the property had been claimed by the owner prior to being reported or remitted to the Controller.

§ 1523. Insurers; Proposition 103 rebates; unlocatable policyholders; use of escheated funds

If an insurer, after a good faith effort to locate and deliver to a policyholder a Proposition 103 rebate ordered or negotiated pursuant to Section 1861.01 of the Insurance Code, determines that a policyholder cannot be located, all funds attributable to that rebate escheat to the state and shall be delivered to the Controller. The funds subject to escheat on or after July 1, 1997, shall be transferred by the Controller to the Department of Insurance for deposit in the Insurance Fund in the following amounts and for the following purposes:

(a) Up to the amount that will repay principal and interest on the General Fund loan authorized by Item 0845-001-0001 of the Budget Act of 1996 for expenditure as provided in Section 12936 of the Insurance Code.

(b) The sum of four million dollars ($4,000,000) for expenditure during the 1998-1999 fiscal year as provided in Section 12967 of the Insurance Code.

§ 1528. Funds held by domestic fraternal benefit society; use

This chapter does not apply to unclaimed funds held by a life insurance corporation which is organized or admitted as a domestic fraternal benefit society under Chapter 10 (commencing with Section 10970) of Part 2 of Division 2 of the Insurance Code, so long as such funds are used for scholarship funds, exclusive of costs of administration thereof.

Article 3. Identification of Escheated Property

§ 1530. Report of escheated property

(a) Every person holding funds or other property escheated to this state under this chapter shall report to the Controller as provided in this section.

(b) The report shall be on a form prescribed or approved by the Controller and shall include:

(1) Except with respect to traveler’s checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of at least fifty dollars ($50) escheated under this chapter. This paragraph shall become inoperative on July 1, 2014.

(2) Except with respect to traveler’s checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner

of any property of value of at least twenty-five dollars ($25) escheated under this chapter. This paragraph shall become operative on July 1, 2014.

(3) In the case of escheated funds of life insurance corporations, the full name of the insured or annuitant, and his or her last known address, according to the life insurance corporation's records.

(4) In the case of the contents of a safe deposit box or other safekeeping repository or in the case of other tangible property, a description of the property and the place where it is held and may be inspected by the Controller. The report shall set forth any amounts owing to the holder for unpaid rent or storage charges and for the cost of opening the safe deposit box or other safekeeping repository, if any, in which the property was contained.

(5) The nature and identifying number, if any, or description of any intangible property and the amount appearing from the records to be due, except that items of value under twenty-five dollars ($25) each may be reported in aggregate.

(6) Except for any property reported in the aggregate, the date when the property became payable, demandable, or returnable, and the date of the last transaction with the owner with respect to the property.

(7) Other information which the Controller prescribes by rule as necessary for the administration of this chapter.

(c) If the holder is a successor to other persons who previously held the property for the owner, or if the holder has changed his or her name while holding the property, he or she shall file with his or her report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 or fiscal yearend next preceding, but the report of life insurance corporations, and the report of all insurance corporation demutualization proceeds subject to Section 1515.5, shall be filed before May 1 of each year as of December 31 next preceding. The initial report for property subject to Section 1515.5 shall be filed on or before May 1, 2004, with respect to conditions in effect on December 31, 2003, and all property shall be determined to be reportable under Section 1515.5 as if that section were in effect on the date of the insurance company demutualization or related reorganization. The Controller may postpone the reporting date upon his or her own motion or upon written request by any person required to file a report.

(e) The report, if made by an individual, shall be verified by the individual; if made by a partnership, by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer or other employee authorized by the holder.

§ 1531. Notice and publication of lists of escheated property

(a) Within one year after payment or delivery of escheated property as required by Section 1532, the Controller shall cause a notice to be published in a manner that the Controller determines to be reasonable, which may include, but not be limited to, newspapers, Internet Web sites, radio, television, or other media. In carrying out this duty, the Controller shall not use any of the following:

(1) Money appropriated for the Controller's audit programs.

(2) More money than the Legislature appropriates for this subdivision's purpose.

(3) A photograph in a notice.

(4) An elected official's name in a notice.

(b) Within 165 days after the final date for filing the report required by Section 1530, the Controller shall mail a notice to each person having an address listed in the report who appears to be entitled to property of the value of fifty dollars ($50) or more escheated under this chapter. If the report filed pursuant to Section 1530 includes a social security number, the Controller shall request the Franchise Tax Board to provide a current address for the apparent owner on the basis of that number. The Controller shall mail the notice to the apparent owner for whom a current address is obtained if the address is different from the address previously reported to the Controller. If the Franchise Tax Board does not provide an address or a different address, then the Controller shall mail the notice to the address listed in the report required by Section 1530.

(c) The mailed notice shall contain all of the following:

(1) A statement that, according to a report filed with the Controller, property is being held to which the addressee appears entitled.

(2) The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder.

(3) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the notice, the property will be placed in the custody of the Controller and may be sold or destroyed pursuant to this chapter, and all further claims concerning the property or, if sold, the net proceeds of its sale, must be directed to the Controller.

(d) This section is intended to inform owners about the possible existence of unclaimed property identified pursuant to this chapter.

§ 1531.5. Notification program for possible owners of escheated property

(a) The Controller shall establish and conduct a notification program designed to inform owners about the possible existence of unclaimed property received pursuant to this chapter.

(b) Any notice sent pursuant to this section shall not contain a photograph or likeness of an elected official.

(c)(1) Notwithstanding any other law, upon the request of the Controller, a state or local governmental agency may furnish to the Controller from its records the address or other identification or location information that could reasonably be used to locate an owner of unclaimed property.

(2) If the address or other identification or location information requested by the Controller is deemed confidential under any laws or regulations of this state, it shall nevertheless be furnished to the Controller. However, neither the Controller nor any officer, agent, or employee of the Controller shall use or disclose that information except as may be necessary in attempting to locate the owner of unclaimed property.

(3) This subdivision shall not be construed to require disclosure of information in violation of federal law.

(4) If a fee or charge is customarily made for the information requested by the Controller, the Controller shall pay that customary fee or charge.

(d) Costs for administering this section shall be subject to the level of appropriation in the annual Budget Act.

§ 1531.6. Apparent owner of savings bond, war bond, or military award according to contents of safe deposit box or safekeeping repository; notice by Controller

(a) In addition to the notices required pursuant to this chapter, the Controller may mail a separate notice to an apparent owner of a United States savings bond, war bond, or military award whose name is shown on or can be associated with the contents of a safe deposit box or other safekeeping repository and is different from the reported owner of the safe deposit box or other safekeeping repository.

(b) A notice sent pursuant to this section shall not contain a photograph or likeness of an elected official.

(c)(1) Notwithstanding any other law, upon request of the Controller, a state or local governmental agency may furnish to the Controller from its records the address or other identification or location information that could reasonably be used to locate an owner of unclaimed property.

(2) If the address or other identification or location information requested by the Controller is deemed confidential under any law or regulation of the state, it shall nevertheless be furnished to the Controller. However, neither the Controller nor any officer, agent, or employee of the Controller shall use or disclose that information, except as may be necessary in attempting to locate the owner of unclaimed property.

(3) This subdivision shall not be construed to require disclosure of information in violation of federal law.

(4) If a fee or charge is customarily made for the information requested by the Controller, the Controller shall pay the customary fee or charge.

(d) Costs for administering this section shall be subject to the level of appropriation in the annual Budget Act.

§ 1532. Payment or delivery of escheated property

(a) Every person filing a report as provided by Section 1530 shall, no sooner than seven months and no later than seven months and 15 days after the final date for filing the report, pay or deliver to the Controller all escheated property specified in the report. Any payment of unclaimed cash in an amount of at least two thousand dollars ($2,000) shall be made by electronic funds transfer pursuant to regulations adopted by the Controller. The Controller may postpone the date for payment or delivery of the property, and the date for any report required by subdivision (b), upon the Controller's own motion or upon written request by any person required to pay or deliver the property or file a report as required by this section.

(b) If a person establishes their right to receive any property specified in the report to the satisfaction of the holder before that property has been delivered to the Controller, or it appears that, for any other reason, the property may not be subject to escheat under this chapter, the holder shall not pay or deliver the property to the Controller but shall instead file a report with the Controller, on a form and in a format prescribed or approved by the Controller, containing information pertaining to the property subject to escheat.

(c) Any property not paid or delivered pursuant to subdivision (b) that is later determined by the holder to be subject to escheat under this chapter shall not be subject to the interest provision of Section 1577.

(d) The holder of any interest under subdivision (b) of Section 1516 shall deliver a duplicate certificate to the Controller or shall register the securities in uncertificated form in the name of the Controller. Upon delivering a duplicate certificate or providing evidence of registration of the securities

in uncertificated form to the Controller, the holder, any transfer agent, registrar, or other person acting for or on behalf of the holder in executing or delivering the duplicate certificate or registering the uncertificated securities, shall be relieved from all liability of every kind to any person including, but not limited to, any person acquiring the original certificate or the duplicate of the certificate issued to the Controller for any losses or damages resulting to that person by the issuance and delivery to the Controller of the duplicate certificate or the registration of the uncertificated securities to the Controller.

(e) Payment of any intangible property to the Controller shall be made at the office of the Controller in Sacramento or at another location as the Controller by regulation may designate. Except as otherwise agreed by the Controller and the holder, tangible personal property shall be delivered to the Controller at the place where it is held.

(f) Payment is deemed complete on the date the electronic funds transfer is initiated if the settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If the settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed to occur on the date settlement occurs.

(g) Any person required to pay cash by electronic funds transfer who makes the payment by means other than an authorized electronic funds transfer shall be liable for a civil penalty of 2 percent of the amount of the payment that is due pursuant to this section, in addition to any other penalty provided by law. Penalties are due at the time of payment. If the Controller finds that a holder's failure to make payment by an appropriate electronic funds transfer in accordance with the Controller's procedures is due to reasonable cause and circumstances beyond the holder's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, that holder shall be relieved of the penalties.

(h) An electronic funds transfer shall be accomplished by an automated clearinghouse debit, an automated clearinghouse credit, a Federal Reserve Wire Transfer (Fedwire), or by an international funds transfer. Banking costs incurred for the automated clearinghouse debit transaction by the holder shall be paid by the state. Banking costs incurred by the state for the automated clearinghouse credit transaction may be paid by the holder originating the credit. Banking costs incurred for the Fedwire transaction charged to the holder and the state shall be paid by the person originating the transaction. Banking costs charged to the holder and to the state for an international funds transfer may be charged to the holder.

(i) For purposes of this section:

(1) "Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, modem, computer, or magnetic tape, so as to order, instruct, or authorize a financial institution to credit or debit an account.

(2) "Automated clearinghouse" means any federal reserve bank, or an organization established by agreement with the National Automated Clearing House Association or any similar organization, that operates as a clearinghouse for transmitting or receiving entries between banks or bank accounts and that authorizes an electronic transfer of funds between those banks or bank accounts.

(3) "Automated clearinghouse debit" means a transaction in which the state, through its designated depository bank, originates an automated clearinghouse transaction debiting the holder's bank account and crediting the state's bank account for the amount of payment.

(4) “Automated clearinghouse credit” means an automated clearinghouse transaction in which the holder, through its own bank, originates an entry crediting the state’s bank account and debiting the holder’s bank account.

(5) “Fedwire” means any transaction originated by the holder and utilizing the national electronic payment system to transfer funds through federal reserve banks, pursuant to which the holder debits its own bank account and credits the state’s bank account.

(6) “International funds transfer” means any transaction originated by the holder and utilizing the international electronic payment system to transfer funds, pursuant to which the holder debits its own bank account, and credits the funds to a United States bank that credits the Unclaimed Property Fund.

§ 1532.1. Payment or delivery of property escheated to state

Notwithstanding Sections 1531 and 1532, property that escheats to the state pursuant to Section 1514 shall not be paid or delivered to the state until the earlier of (a) the time when the holder is requested to do so by the Controller or (b) within one year after the final date for filing the report required by Section 1530 as specified in subdivision (d) of Section 1530. Within one year after receipt of property as provided by this section, the Controller shall cause a notice to be published as provided in Section 1531.

§ 1533. Exclusion of certain tangible personal property from notice requirement and escheat

Tangible personal property may be excluded from the notices required by Section 1531, shall not be delivered to the State Controller, and shall not escheat to the state, if the State Controller, in his discretion, determines that it is not in the interest of the state to take custody of the property and notifies the holder in writing, within 120 days from receipt of the report required by Section 1530, of his determination not to take custody of the property.

Article 4. Payment of Claims

§ 1540. Filing of claim; form; consideration; interest; “owner” defined; state or local agency property

(a) Any person, excluding another state, who claims to have been the owner, as defined in subdivision (d), of property paid or delivered to the Controller under this chapter may file a claim to the property or to the net proceeds from its sale. The claim shall be on a form prescribed by the Controller and shall be verified by the claimant.

(b) The Controller shall consider each claim within 180 days after it is filed to determine if the claimant is the owner, as defined in subdivision (d), and may hold a hearing and receive evidence. The Controller shall give written notice to the claimant if the Controller denies the claim in whole or in part. The notice may be given by mailing it to the address, if any, stated in the claim as the address to which notices are to be sent. If no address is stated in the claim, the notice may be mailed to the address, if any, of the claimant as stated in the claim. A notice of denial need not be given if the claim fails to state either an address to which notices are to be sent or an address of the claimant.

(c) Interest shall not be payable on any claim paid under this chapter.

(d) Notwithstanding subdivision (g) of Section 1501, for purposes of filing a claim pursuant to this section, “owner” means the person who had legal right to the property before its escheat, the person’s heirs or estate representative, the person’s guardian or conservator, or a public administrator acting pursuant to the authority granted in Sections 7660 and 7661 of the Probate Code. An “owner” also means a nonprofit civic, charitable, or educational organization that granted a charter, sponsorship, or

approval for the existence of the organization that had the legal right to the property before its escheat but that has dissolved or is no longer in existence, if the charter, sponsorship, approval, organization bylaws, or other governing documents provide that unclaimed or surplus property shall be conveyed to the granting organization upon dissolution or cessation to exist as a distinct legal entity. Only an owner, as defined in this subdivision, may file a claim with the Controller pursuant to this article.

(e) Following a public hearing, the Controller shall adopt guidelines and forms that shall provide specific instructions to assist owners in filing claims pursuant to this article.

(f) Notwithstanding any other provision, property reported to, and received by, the Controller pursuant to this chapter in the name of a state agency, including the University of California and the California State University, or local agency, may be transferred by the Controller directly to the state or local agency without the filing of a claim. Property transferred pursuant to this subdivision is immune from suit pursuant to Section 1566 in the same manner as if the state or local agency had filed a claim to the property. For purposes of this subdivision,

§ 1541. Judicial action on determinations

Any person aggrieved by a decision of the Controller or as to whose claim the Controller has failed to make a decision within 180 days after the filing of the claim, may commence an action, naming the Controller as a defendant, to establish his or her claim in the superior court in any county or city and county in which the Attorney General has an office. The action shall be brought within 90 days after the decision of the Controller or within 270 days from the filing of the claim if the Controller fails to make a decision. The summons and a copy of the complaint shall be served upon the Controller and the Attorney General and the Controller shall have 60 days within which to respond by answer. The action shall be tried without a jury.

§ 1542. Recovery of property by another state; grounds

(a) At any time after property has been paid or delivered to the Controller under this chapter, another state is entitled to recover the property if:

> (1) The property escheated to this state under subdivision (b) of Section 1510 because no address of the apparent owner of the property appeared on the records of the holder when the property was escheated under this chapter, the last known address of the apparent owner was in fact in that other state, and, under the laws of that state, the property escheated to that state.
>
> (2) The last known address of the apparent owner of the property appearing on the records of the holder is in that other state and, under the laws of that state, the property has escheated to that state.
>
> (3) The property is the sum payable on a travelers check, money order, or other similar instrument that escheated to this state under Section 1511, the travelers check, money order, or other similar instrument was in fact purchased in that other state, and, under the laws of that state, the property escheated to that state.
>
> (4) The property is funds held or owing by a life insurance corporation that escheated to this state by application of the presumption provided by subdivision (b) of Section 1515, the last known address of the person entitled to the funds was in fact in that other state, and, under the laws of that state, the property escheated to that state.

(b) The claim of another state to recover escheated property under this section shall be presented in writing to the Controller, who shall consider the claim within 180 days after it is presented. The Controller may hold a hearing and receive evidence. The Controller shall allow the claim upon determination that the other state is entitled to the escheated property.

(c) Paragraphs (1) and (2) of subdivision (a) do not apply to property described in paragraph (3) or (4) of that subdivision.

Article 5. Administration of Unclaimed Property

§ 1560. Relief from liability by payment or delivery; payment to others; reimbursement; reclamation of property

(a) Upon the payment or delivery of escheated property to the Controller, the state shall assume custody and shall be responsible for the safekeeping of the property. Any person who pays or delivers escheated property to the Controller under this chapter and who, prior to escheat, if the person's records contain an address for the apparent owner that the holder's records do not disclose to be inaccurate, has made reasonable efforts to notify the owner by mail or, if the owner has consented to electronic notice, electronically, in substantial compliance with Sections 1513.5, 1514, 1516, and 1520, that the owner's property, deposit, account, shares, or other interest will escheat to the state, is relieved of all liability to the extent of the value of the property so paid or delivered for any claim that then exists or that thereafter may arise or be made in respect to the property. Property removed from a safe-deposit box or other safekeeping repository shall be received by the Controller subject to any valid lien of the holder for rent and other charges, the rent and other charges to be paid out of the proceeds remaining after the Controller has deducted therefrom their selling cost.

(b) Any holder who has paid moneys to the Controller pursuant to this chapter may make payment to any person appearing to that holder to be entitled thereto, and upon filing proof of the payment and proof that the payee was entitled thereto, the Controller shall forthwith reimburse the holder for the payment without deduction of any fee or other charges. Where reimbursement is sought for a payment made on a negotiable instrument, including a traveler's check or money order, the holder shall be reimbursed under this subdivision upon filing proof that the instrument was duly presented to them and that payment was made thereon to a person who appeared to the holder to be entitled to payment.

(c) The holder shall be reimbursed under this section even if they made the payment to a person whose claim against them was barred because of the expiration of any period of time as those described in Section 1570.

(d) Any holder who has delivered personal property, including a certificate of any interest in a business association, to the Controller pursuant to this chapter may reclaim the personal property if still in the possession of the Controller without payment of any fee or other charges upon filing proof that the owner thereof has claimed the personal property from the holder. The Controller may, in their discretion, accept an affidavit of the holder stating the facts that entitle the holder to reimbursement under this subdivision as sufficient proof for the purposes of this subdivision.

(e) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

§ 1561. Defense of payee against claims of others; indemnification; mistake of law or fact; refund or redelivery of property

(a) If the holder pays or delivers escheated property to the State Controller in accordance with this chapter and thereafter any person claims the property from the holder or another state claims the property from the holder under that state's laws relating to escheat, the State Controller shall, upon written notice of such claim, defend the holder against the claim and indemnify him against any liability on the claim.

(b) If any holder, because of mistake of law or fact, pays or delivers any property to the State Controller that has not escheated under this chapter and thereafter claims the property from the State Controller, the State Controller shall, if he has not disposed of the property in accordance with this chapter, refund or redeliver the property to the holder without deduction for any fee or other charge.

(c) As used in this section, “escheated property” means property which this chapter provides escheats to this state, whether or not it is determined that another state had a superior right to escheat such property at the time it was paid or delivered to the State Controller or at some time thereafter.

§ 1562. Income accruing after payment or delivery

When property other than money is delivered to the State Controller under this chapter, any dividends, interest or other increments realized or accruing on such property at or prior to liquidation or conversion thereof into money, shall upon receipt be credited to the owner’s account by the State Controller. Except for amounts so credited the owner is not entitled to receive income or other increments on money or other property paid or delivered to the State Controller under this chapter. All interest received and other income derived from the investment of moneys deposited in the Unclaimed Property Fund under the provisions of this chapter shall, on order of the State Controller, be transferred to the General Fund.

§ 1563. Sale of escheated property

(a) Except as provided in subdivisions (b) and (c), all escheated property delivered to the Controller under this chapter shall be sold by the Controller to the highest bidder at public sale in whatever city in the state affords in his or her judgment the most favorable market for the property involved, or the Controller may conduct the sale by electronic media, including, but not limited to, the Internet, if in his or her judgment it is cost effective to conduct the sale of the property involved in that manner. However, no sale shall be made pursuant to this subdivision until 18 months after the final date for filing the report required by Section 1530. The Controller may decline the highest bid and reoffer the property for sale if he or she considers the price bid insufficient. The Controller need not offer any property for sale if, in his or her opinion, the probable cost of sale exceeds the value of the property. Any sale of escheated property held under this section shall be preceded by a single publication of notice thereof, at least one week in advance of sale, in an English language newspaper of general circulation in the county where the property is to be sold.

(b) Securities listed on an established stock exchange shall be sold at the prevailing prices on that exchange. Other securities may be sold over the counter at prevailing prices or by any other method that the Controller may determine to be advisable. These securities shall be sold by the Controller no sooner than 18 months, but no later than 20 months, after the final date for filing the report required by Section 1530. If securities delivered to the Controller by a holder of the securities remain in the custody of the Controller, a person making a valid claim for those securities under this chapter shall be entitled to receive the securities from the Controller. If the securities have been sold, the person shall be entitled to receive the net proceeds received by the Controller from the sale of the securities. United States government savings bonds and United States war bonds shall be presented to the United States for payment. Subdivision (a) does not apply to the property described in this subdivision.

(c)(1) All escheated property consisting of military awards, decorations, equipment, artifacts, memorabilia, documents, photographs, films, literature, and any other item relating to the military history of California and Californians that is delivered to the Controller is exempt from subdivision (a) and may, at the discretion of the Controller, be held in trust for the Controller at the California State Military Museum and Resource Center, or successor entity. All escheated property held in trust pursuant to this subdivision is subject to the applicable regulations of the United States Army governing Army museum activities as described in Section 179 of the Military and Veterans Code. Any person claiming an interest in the escheated property may file a claim to the property pursuant to Article 4 (commencing with Section 1540).

> (2) The California State Military Museum and Resource Center, or successor entity, shall be responsible for the costs of storage and maintenance of escheated property delivered by the Controller under this subdivision.

(d) The purchaser at any sale conducted by the Controller pursuant to this chapter shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The Controller shall execute all documents necessary to complete the transfer of title.

§ 1564. Deposit of funds

(a) All money received under this chapter, including the proceeds from the sale of property under Section 1563, shall be deposited in the Unclaimed Property Fund in an account titled “Abandoned Property.”

(b) Notwithstanding Section 13340 of the Government Code, all money in the Abandoned Property Account in the Unclaimed Property Fund is hereby continuously appropriated to the Controller, without regard to fiscal years, for expenditure in accordance with law in carrying out and enforcing the provisions of this chapter, including, but not limited to, the following purposes:

(1) For payment of claims allowed by the Controller under the provisions of this chapter.

(2) For refund, to the person making such deposit, of amounts, including overpayments, deposited in error in such fund.

(3) For payment of the cost of appraisals incurred by the Controller covering property held in the name of an account in such fund.

(4) For payment of the cost incurred by the Controller for the purchase of lost instrument indemnity bonds, or for payment to the person entitled thereto, for any unpaid lawful charges or costs which arose from holding any specific property or any specific funds which were delivered or paid to the Controller, or which arose from complying with this chapter with respect to such property or funds.

(5) For payment of amounts required to be paid by the state as trustee, bailee, or successor in interest to the preceding owner.

(6) For payment of costs incurred by the Controller for the repair, maintenance, and upkeep of property held in the name of an account in such fund.

(7) For payment of costs of official advertising in connection with the sale of property held in the name of an account in such fund.

(8) For transfer to the General Fund as provided in subdivision (c).

(9) For transfer to the Inheritance Tax Fund of the amount of any inheritance taxes determined to be due and payable to the state by any claimant with respect to any property claimed by him or her under the provisions of this chapter.

(c) At the end of each month, or more often if he or she deems it advisable, the Controller shall transfer all money in the Abandoned Property Account in excess of fifty thousand dollars ($50,000) to the General Fund. Before making this transfer, the Controller shall record the name and last known address of each person appearing from the holders’ report to be entitled to the escheated property and the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, and the name of the corporation. The record shall be available for public inspection at all reasonable business hours.

§ 1564.5. Abandoned IOLTA (Interest on Lawyers' Trust Account) Property Account; establishment, deposits, and transfers

(a) Notwithstanding any law, including, but not limited to, Section 1564, all money received under this chapter from funds held in an Interest on Lawyers' Trust Account (IOLTA) that escheat to the state shall be administered as set forth in this section. The money shall be deposited into the Abandoned IOLTA Property Account, which is hereby established within the Unclaimed Property Fund.

(b) Twenty-five percent of the money in the Abandoned IOLTA Property Account shall be deposited into the IOLTA Claims Reserve Subaccount, which is hereby established within the Abandoned IOLTA Property Account. Notwithstanding Section 13340 of the Government Code, funds in the subaccount are continuously appropriated to the Controller for the payment of all refunds and claims pursuant to this chapter related to escheated IOLTA funds.

(c) The balance of the funds in the Abandoned IOLTA Property Account, excluding funds in the subaccount, shall be transferred on an annual basis to the Public Interest Attorney Loan Repayment Account established pursuant to Section 6032.5 of the Business and Professions Code. Before making this transfer, the Controller shall record the name and last known address of each person appearing from the holders' report to be entitled to the escheated property. The record shall be available for public inspection at all reasonable business hours.

§ 1565. Destruction or disposition of property having no commercial value

Any property delivered to the Controller pursuant to this chapter that has no apparent commercial value shall be retained by the Controller for a period of not less than seven years from the date the property is delivered to the Controller. If the Controller determines that any property delivered to him or her pursuant to this chapter has no apparent commercial value, he or she may at any time thereafter destroy or otherwise dispose of the property, and in that event no action or proceeding shall be brought or maintained against the state or any officer thereof, or against the holder for, or on account of any action taken by, the Controller pursuant to this chapter with respect to the property.

§ 1566. Suits against state or officer or employee

(a) When payment or delivery of money or other property has been made to any claimant under the provisions of this chapter, no suit shall thereafter be maintained by any other claimant against the state or any officer or employee thereof for or on account of such property.

(b) Except as provided in Section 1541, no suit shall be maintained by any person against the state or any officer or employee thereof for or on account of any transaction entered into by the State Controller pursuant to this chapter.

§ 1567. Use of property by department of parks and recreation

The Director of Parks and Recreation may examine any tangible personal property delivered to the Controller under this chapter for purposes of determining whether such property would be useful under the provisions of Section 512 of the Public Resources Code. If the director makes such a determination with respect to the property, the Controller may deliver the property to the director for use in carrying out the purposes of Section 512 of the Public Resources Code. Upon the termination of any such use, the director shall return the property to the Controller.

Article 6. Compliance and Enforcement

§ 1570. Limitations as not preventing money or property from being escheated; duty to file report or to pay or deliver escheated property

The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of

property from the holder, does not prevent the money or property from being escheated, nor affect any duty to file a report required by this chapter or to pay or deliver escheated property to the State Controller.

§ 1571. Examination of records

(a) The Controller may at reasonable times and upon reasonable notice examine the records of any person if the Controller has reason to believe that the person is a holder who has failed to report property that should have been reported pursuant to this chapter.

(b) When requested by the Controller, the examination shall be conducted by any licensing or regulating agency otherwise empowered by the laws of this state to examine the records of the holder. For the purpose of determining compliance with this chapter, the Commissioner of Business Oversight is vested with full authority to examine the records of any banking organization and any savings association doing business within this state but not organized under the laws of or created in this state.

(c) Following a public hearing, the Controller shall adopt guidelines as to the policies and procedures governing the activity of third-party auditors who are hired by the Controller.

(d) Following a public hearing, the Controller shall adopt guidelines, on or before July 1, 1999, establishing forms, policies, and procedures to enable a person to dispute or appeal the results of any record examination conducted pursuant to this section.

§ 1572. Action by state controller; purposes

(a) The State Controller may bring an action in a court of appropriate jurisdiction, as specified in this section, for any of the following purposes:

(1) To enforce the duty of any person under this chapter to permit the examination of the records of such person.

(2) For a judicial determination that particular property is subject to escheat by this state pursuant to this chapter.

(3) To enforce the delivery of any property to the State Controller as required under this chapter.

(b) The State Controller may bring an action under this chapter in any court of this state of appropriate jurisdiction in any of the following cases:

(1) Where the holder is any person domiciled in this state, or is a government or governmental subdivision or agency of this state.

(2) Where the holder is any person engaged in or transacting business in this state, although not domiciled in this state.

(3) Where the property is tangible personal property and is held in this state.

(c) In any case where no court of this state can obtain jurisdiction over the holder, the State Controller may bring an action in any federal or state court with jurisdiction over the holder.

§ 1573. Agreements by state controller with other states to furnish information; reporting of information to controller; regulations

The State Controller may enter into an agreement to provide information needed to enable another state to determine unclaimed property it may be entitled to escheat if such other state or an official thereof agrees to provide this state with information needed to enable this state to determine unclaimed property it may be entitled to escheat. The State Controller may, by regulation, require the reporting of

information needed to enable him to comply with agreements made pursuant to this section and may, by regulation, prescribe the form, including verification, of the information to be reported and the times for filing the reports.

§ 1574. Action by Attorney General, in name of other state, to enforce unclaimed property laws of other state

At the request of another state, the Attorney General of this state may bring an action in the name of the other state, in any court of appropriate jurisdiction of this state or federal court within this state, to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat by the other state, if:

(a) The courts of the other state cannot obtain jurisdiction over the holder;

(b) The other state has agreed to bring actions in the name of this state at the request of the Attorney General of this state to enforce the provisions of this chapter against any person in the other state believed by the State Controller to hold property subject to escheat under this chapter, where the courts of this state cannot obtain jurisdiction over such person; and

(c) The other state has agreed to pay reasonable costs incurred by the Attorney General in bringing the action.

§ 1575. Request by State Controller to bring action in name of state to enforce provisions of this chapter in another state; costs and rewards

(a) If the State Controller believes that a person in another state holds property subject to escheat under this chapter and the courts of this state cannot obtain jurisdiction over that person, the Attorney General of this state may request an officer of the other state to bring an action in the name of this state to enforce the provisions of this chapter against such person.

(b) This state shall pay all reasonable costs incurred by the other state in any action brought under the authority of this section. The State Controller may agree to pay to any state bringing such an action a reward not to exceed fifteen percent of the value, after deducting reasonable costs, of any property recovered for this state as a direct or indirect result of such action. Any costs or rewards paid pursuant to this section shall be paid from the Abandoned Property Account in the Unclaimed Property Fund and shall not be deducted from the amount that is subject to be claimed by the owner in accordance with this chapter.

§ 1576. Penalties

(a) Any person who willfully fails to render any report or perform other duties, including use of the report format described in Section 1530, required under this chapter shall be punished by a fine of one hundred dollars ($100) for each day such report is withheld or such duty is not performed, but not more than ten thousand dollars ($10,000).

(b) Any person who willfully refuses to pay or deliver escheated property to the Controller as required under this chapter shall be punished by a fine of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000).

(c) No person shall be considered to have willfully failed to report, pay, or deliver escheated property, or perform other duties unless he or she has failed to respond within a reasonable time after notification by certified mail by the Controller’s office of his or her failure to act.

§ 1577. Failure to report, pay or deliver property; interest; substantial compliance of report, limitation on interest

In addition to any damages, penalties, or fines for which a person may be liable under other provisions of law, any person who fails to report, pay, or deliver unclaimed property within the time prescribed by this chapter, unless that failure is due to reasonable cause, shall pay to the Controller interest at the rate of 12 percent per annum on that property or value thereof from the date the property should have been reported, paid, or delivered. If a holder pays or delivers unclaimed property in a timely manner, but files a report that is not in substantial compliance with the requirements of Section 1530, the interest payable shall not exceed ten thousand dollars ($10,000). The holder shall not be subject to any interest payment if the holder's failure to report in substantial compliance with the requirements of Section 1530 is due to reasonable cause.

§ 1577.5. Amnesty program

(a) Section 1577 does not apply to, and interest may not be imposed upon, any escheated property paid or delivered to the Controller at any time on or before December 31, 2002.

(b) Subdivision (a) shall apply only if the following requirements are met:

(1) On or before January 1, 2003, the holder of the property was not the subject of an investigation by the Attorney General or a party to litigation with the Controller, relating to the property. "Investigation by the Attorney General" means an investigation being conducted under any law authorizing the investigation, including, but not limited to, investigations authorized by or conducted pursuant to Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code by the office of the Attorney General relating to the escheat of property subject to subdivision (a).

(2) On or before January 3, 2000, the holder of the property was not the subject of an audit by the Controller relating to the property. "Audit by the Controller" means a formal field audit of the propertyholder's books and records by audit personnel of the Controller's office for the purpose of determining compliance with this chapter.

(3) The property was required to be reported on or before November 1, 1999.

(4) The property is surrendered directly to the state or its authorized agent.

(5) Reports respecting the property are reported by electronic media satisfactory to the Controller, provided that paper reports shall be permitted with respect to holders reporting fewer than 50 accounts or other items.

(6) All property reported after the effective date of this act shall be reported on a report separate from property currently reportable, and may not be reported with property not eligible for the amnesty program.

(7) The property is paid or delivered to the Controller at the time the report is made.

(8) Securities are remitted in accordance with Section 1532.

(9) Records shall be maintained in a manner satisfactory to the Controller, to permit verification and compliance audits.

(c) Nothing in subdivision (a) shall create an entitlement to a refund of interest paid to the Controller prior to the effective date of this section.

(d) The Controller shall conduct an outreach and publicity program regarding the provisions of this section.

(e) The Controller shall submit a report to the Legislature on the amnesty program. The report shall include a comprehensive accounting of all unclaimed property surrendered under the amnesty program, the date the property was surrendered, and the identities of the holders of surrendered unclaimed property. The report shall be published no later than July 31, 2003.

(f) Nothing in this section shall preclude liability pursuant to Article 9 (commencing with Section 12650) of Chapter 6 of Title 2 of Division 3 of the Government Code regarding false claims. Reporting or filing extensions shall not be granted for property under this section.

Article 7. Miscellaneous

§ 1580. Rules and regulations

The State Controller is hereby authorized to make necessary rules and regulations to carry out the provisions of this chapter.

§ 1581. Record of sales of travelers checks, money orders, etc.; civil penalty

(a) Any business association that sells in this state its travelers checks, money orders, or other similar written instruments (other than third-party bank checks) on which such business association is directly liable, or that provides such travelers checks, money orders, or similar written instruments to others for sale in this state, shall maintain a record indicating those travelers checks, money orders, or similar written instruments that are purchased from it in this state.

(b) The record required by this section may be destroyed after it has been retained for such reasonable time as the State Controller shall designate by regulation.

(c) Any business association that willfully fails to comply with this section is liable to the state for a civil penalty of five hundred dollars ($500) for each day of such failure to comply, which penalty may be recovered in an action brought by the State Controller.

§ 1582. Agreements to locate, deliver or recover property; time; validity; availability of records for public inspection or copying

No agreement to locate, deliver, recover, or assist in the recovery of property reported under Section 1530, entered into between the date a report is filed under subdivision (d) of Section 1530 and the date of publication of notice under Section 1531 is valid. Such an agreement made after publication of notice is valid if the fee or compensation agreed upon is not in excess of 10 percent of the recoverable property and the agreement is in writing and signed by the owner after disclosure in the agreement of the nature and value of the property and the name and address of the person or entity in possession of the property. Nothing in this section shall be construed to prevent an owner from asserting, at any time, that any agreement to locate property is based upon an excessive or unjust consideration.

Notwithstanding any other provision of law, records of the Controller’s office pertaining to unclaimed property are not available for public inspection or copying until after publication of notice of the property or, if publication of notice of the property is not required, until one year after delivery of the property to the Controller.

Part 4, Title 3, Chapter 2

§ 1985. "Subpoena'' defined; affidavit for subpoena duces tecum; issuance of subpoena in blank

(a) The process by which the attendance of a witness is required is the subpoena. It is a writ or order directed to a person and requiring the person's attendance at a particular time and place to testify as a witness. It may also require a witness to bring any books, documents, electronically stored information, or other things under the witness's control which the witness is bound by law to produce in evidence. When a county recorder is using the microfilm system for recording, and a witness is subpoenaed to present a record, the witness shall be deemed to have complied with the subpoena if the witness produces a certified copy thereof.

(b) A copy of an affidavit shall be served with a subpoena duces tecum issued before trial, showing good cause for the production of the matters and things described in the subpoena, specifying the exact matters or things desired to be produced, setting forth in full detail the materiality thereof to the issues involved in the case, and stating that the witness has the desired matters or things in his or her possession or under his or her control.

(c) The clerk, or a judge, shall issue a subpoena or subpoena duces tecum signed and sealed but otherwise in blank to a party requesting it, who shall fill it in before service. An attorney at law who is the attorney of record in an action or proceeding, may sign and issue a subpoena to require attendance before the court in which the action or proceeding is pending or at the trial of an issue therein, or upon the taking of a deposition in an action or proceeding pending therein; the subpoena in such a case need not be sealed. An attorney at law who is the attorney of record in an action or proceeding, may sign and issue a subpoena duces tecum to require production of the matters or things described in the subpoena.

§ 1985.1. Agreement to appear at time other than specified in subpoena

Any person who is subpoenaed to appear at a session of court, or at the trial of an issue therein, may, in lieu of appearance at the time specified in the subpoena, agree with the party at whose request the subpoena was issued to appear at another time or upon such notice as may be agreed upon. Any failure to appear pursuant to such agreement may be punished as a contempt by the court issuing the subpoena. The facts establishing or disproving such agreement and the failure to appear may be proved by an affidavit of any person having personal knowledge of the facts.

§ 1985.2. Subpoenas; civil trials, attendance of witnesses; notice

Any subpoena which requires the attendance of a witness at any civil trial shall contain the following notice in a type face designed to call attention to the notice:

Contact the attorney requesting this subpoena, listed above, before the date on which you are required to be in court, if you have any question about the time or date for you to appear, or if you want to be certain that your presence in court is required.

§ 1985.3. Subpoena duces tecum; personal records of consumer

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

(1) "Personal records" means the original, any copy of books, documents, other writings, or electronically stored information pertaining to a consumer and which are maintained by any "witness" which is a physician, dentist, ophthalmologist, optometrist, chiropractor, physical therapist, acupuncturist, podiatrist, veterinarian, veterinary hospital, veterinary clinic, pharmacist, pharmacy, hospital, medical center, clinic, radiology or MRI center, clinical or diagnostic laboratory, state or national bank, state or federal association (as defined in Section 5102 of the Financial Code), state or federal credit union, trust company, anyone authorized by

this state to make or arrange loans that are secured by real property, security brokerage firm, insurance company, title insurance company, underwritten title company, escrow agent licensed pursuant to Division 6 (commencing with Section 17000) of the Financial Code or exempt from licensure pursuant to Section 17006 of the Financial Code, attorney, accountant, institution of the Farm Credit System, as specified in Section 2002 of Title 12 of the United States Code, or telephone corporation which is a public utility, as defined in Section 216 of the Public Utilities Code, or psychotherapist, as defined in Section 1010 of the Evidence Code, or a private or public preschool, elementary school, secondary school, or postsecondary school as described in Section 76244 of the Education Code.

(2) “Consumer” means any individual, partnership of five or fewer persons, association, or trust which has transacted business with, or has used the services of, the witness or for whom the witness has acted as agent or fiduciary.

(3) “Subpoenaing party” means the person or persons causing a subpoena duces tecum to be issued or served in connection with any civil action or proceeding pursuant to this code, but shall not include the state or local agencies described in Section 7465 of the Government Code, or any entity provided for under Article VI of the California Constitution in any proceeding maintained before an adjudicative body of that entity pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code.

(4) “Deposition officer” means a person who meets the qualifications specified in Section 2020.420.

(b) Prior to the date called for in the subpoena duces tecum for the production of personal records, the subpoenaing party shall serve or cause to be served on the consumer whose records are being sought a copy of the subpoena duces tecum, of the affidavit supporting the issuance of the subpoena, if any, and of the notice described in subdivision (e), and proof of service as indicated in paragraph (1) of subdivision (c). This service shall be made as follows:

(1) To the consumer personally, or at his or her last known address, or in accordance with Chapter 5 (commencing with Section 1010) of Title 14 of Part 3, or, if he or she is a party, to his or her attorney of record. If the consumer is a minor, service shall be made on the minor’s parent, guardian, conservator, or similar fiduciary, or if one of them cannot be located with reasonable diligence, then service shall be made on any person having the care or control of the minor or with whom the minor resides or by whom the minor is employed, and on the minor if the minor is at least 12 years of age.

(2) Not less than 10 days prior to the date for production specified in the subpoena duces tecum, plus the additional time provided by Section 1013 if service is by mail.

(3) At least five days prior to service upon the custodian of the records, plus the additional time provided by Section 1013 if service is by mail.

(c) Prior to the production of the records, the subpoenaing party shall do either of the following:

(1) Serve or cause to be served upon the witness a proof of personal service or of service by mail attesting to compliance with subdivision (b).

(2) Furnish the witness a written authorization to release the records signed by the consumer or by his or her attorney of record. The witness may presume that any attorney purporting to sign the authorization on behalf of the consumer acted with the consent of the consumer, and that any objection to release of records is waived.

(d) A subpoena duces tecum for the production of personal records shall be served in sufficient time to allow the witness a reasonable time, as provided in Section 2020.410, to locate and produce the records or copies thereof.

(e) Every copy of the subpoena duces tecum and affidavit, if any, served on a consumer or his or her attorney in accordance with subdivision (b) shall be accompanied by a notice, in a typeface designed to call attention to the notice, indicating that (1) records about the consumer are being sought from the witness named on the subpoena; (2) if the consumer objects to the witness furnishing the records to the party seeking the records, the consumer must file papers with the court or serve a written objection as provided in subdivision (g) prior to the date specified for production on the subpoena; and (3) if the party who is seeking the records will not agree in writing to cancel or limit the subpoena, an attorney should be consulted about the consumer's interest in protecting his or her rights of privacy. If a notice of taking of deposition is also served, that other notice may be set forth in a single document with the notice required by this subdivision.

(f) A subpoena duces tecum for personal records maintained by a telephone corporation which is a public utility, as defined in Section 216 of the Public Utilities Code, shall not be valid or effective unless it includes a consent to release, signed by the consumer whose records are requested, as required by Section 2891 of the Public Utilities Code.

(g) Any consumer whose personal records are sought by a subpoena duces tecum and who is a party to the civil action in which this subpoena duces tecum is served may, prior to the date for production, bring a motion under Section 1987.1 to quash or modify the subpoena duces tecum. Notice of the bringing of that motion shall be given to the witness and deposition officer at least five days prior to production. The failure to provide notice to the deposition officer shall not invalidate the motion to quash or modify the subpoena duces tecum but may be raised by the deposition officer as an affirmative defense in any action for liability for improper release of records.

Any other consumer or nonparty whose personal records are sought by a subpoena duces tecum may, prior to the date of production, serve on the subpoenaing party, the witness, and the deposition officer, a written objection that cites the specific grounds on which production of the personal records should be prohibited.

No witness or deposition officer shall be required to produce personal records after receipt of notice that the motion has been brought by a consumer, or after receipt of a written objection from a nonparty consumer, except upon order of the court in which the action is pending or by agreement of the parties, witnesses, and consumers affected.

The party requesting a consumer's personal records may bring a motion under Section 1987.1 to enforce the subpoena within 20 days of service of the written objection. The motion shall be accompanied by a declaration showing a reasonable and good faith attempt at informal resolution of the dispute between the party requesting the personal records and the consumer or the consumer's attorney.

(h) Upon good cause shown and provided that the rights of witnesses and consumers are preserved, a subpoenaing party shall be entitled to obtain an order shortening the time for service of a subpoena duces tecum or waiving the requirements of subdivision (b) where due diligence by the subpoenaing party has been shown.

(i) Nothing contained in this section shall be construed to apply to any subpoena duces tecum which does not request the records of any particular consumer or consumers and which requires a custodian of records to delete all information which would in any way identify any consumer whose records are to be produced.

(j) This section shall not apply to proceedings conducted under Division 1 (commencing with Section 50), Division 4 (commencing with Section 3200), Division 4.5 (commencing with Section 6100), or Division 4.7 (commencing with Section 6200), of the Labor Code.

(k) Failure to comply with this section shall be sufficient basis for the witness to refuse to produce the personal records sought by a subpoena duces tecum.

(l) If the subpoenaing party is the consumer, and the consumer is the only subject of the subpoenaed records, notice to the consumer, and delivery of the other documents specified in subdivision (b) to the consumer, is not required under this section.

§ 1985.4. Application of procedures in § 1985.3; subpoena duces tecum for records exempt from public disclosure under Public Records Act and maintained by state or local agency

The procedures set forth in Section 1985.3 are applicable to a subpoena duces tecum for records containing “personal information,” as defined in Section 1798.3 of the Civil Code which are otherwise exempt from public disclosure under Section 6254 of the Government Code which are maintained by a state or local agency as defined in Section 6252 of the Government Code. For the purposes of this section, “witness” means a state or local agency as defined in Section 6252 of the Government Code and “consumer” means any employee of any state or local agency as defined in Section 6252 of the Government Code, or any other natural person. Nothing in this section shall pertain to personnel records as defined in Section 832.8 of the Penal Code.

Part 4, Title 3, Chapter 3

Article 2. Affidavits

§ 2015.5. Certification or declaration under penalty of perjury

Whenever, under any law of this state or under any rule, regulation, order or requirement made pursuant to the law of this state, any matter is required or permitted to be supported, evidenced, established, or proved by the sworn statement, declaration, verification, certificate, oath, or affidavit, in writing of the person making the same (other than a deposition, or an oath of office, or an oath required to be taken before a specified official other than a notary public), such matter may with like force and effect be supported, evidenced, established or proved by the unsworn statement, declaration, verification, or certificate, in writing of such person which recites that it is certified or declared by him or her to be true under penalty of perjury, is subscribed by him or her, and (1), if executed within this state, states the date and place of execution, or (2), if executed at any place, within or without this state, states the date of execution and that it is so certified or declared under the laws of the State of California. The certification or declaration may be in substantially the following form:

(a) If executed within this state:

“I certify (or declare) under penalty of perjury that the foregoing is true and correct”:

(Date and Place) (Signature)

(b) If executed at any place, within or without this state:

“I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct”:

(Date) (Signature)

Division 11, Chapter 2

Article 4. Production of Business Records

§ 1560. Compliance with subpoena duces tecum or search warrant for business records

(a) As used in this article:

(1) “Business” includes every kind of business described in Section 1270.

(2) “Record” includes every kind of record maintained by a business.

(b) Except as provided in Section 1564, when a subpoena duces tecum is served upon the custodian of records or other qualified witness of a business in an action in which the business is neither a party nor the place where any cause of action is alleged to have arisen, and the subpoena requires the production of all or any part of the records of the business, it is sufficient compliance therewith if the custodian or other qualified witness delivers by mail or otherwise a true, legible, and durable copy of all of the records described in the subpoena to the clerk of the court or to another person described in subdivision (d) of Section 2026.010 of the Code of Civil Procedure, together with the affidavit described in Section 1561, within one of the following time periods:

(1) In any criminal action, five days after the receipt of the subpoena.

(2) In any civil action, within 15 days after the receipt of the subpoena.

(3) Within the time agreed upon by the party who served the subpoena and the custodian or other qualified witness.

(c) The copy of the records shall be separately enclosed in an inner envelope or wrapper, sealed, with the title and number of the action, name of witness, and date of subpoena clearly inscribed thereon; the sealed envelope or wrapper shall then be enclosed in an outer envelope or wrapper, sealed, and directed as follows:

(1) If the subpoena directs attendance in court, to the clerk of the court.

(2) If the subpoena directs attendance at a deposition, to the officer before whom the deposition is to be taken, at the place designated in the subpoena for the taking of the deposition or at the officer’s place of business.

(3) In other cases, to the officer, body, or tribunal conducting the hearing, at a like address.

(d) Unless the parties to the proceeding otherwise agree, or unless the sealed envelope or wrapper is returned to a witness who is to appear personally, the copy of the records shall remain sealed and shall be opened only at the time of trial, deposition, or other hearing, upon the direction of the judge, officer, body, or tribunal conducting the proceeding, in the presence of all parties who have appeared in person or by counsel at the trial, deposition, or hearing. Records that are original documents and that are not introduced in evidence or required as part of the record shall be returned to the person or entity from whom received. Records that are copies may be destroyed.

(e) As an alternative to the procedures described in subdivisions (b), (c), and (d), the subpoenaing party in a civil action may direct the witness to make the records available for inspection or copying by the party’s attorney, the attorney’s representative, or deposition officer as described in Section 2020.420 of the Code of Civil Procedure, at the witness’ business address under reasonable conditions during normal business hours. Normal business hours, as used in this subdivision, means those hours

that the business of the witness is normally open for business to the public. When provided with at least five business days' advance notice by the party's attorney, attorney's representative, or deposition officer, the witness shall designate a time period of not less than six continuous hours on a date certain for copying of records subject to the subpoena by the party's attorney, attorney's representative, or deposition officer. It shall be the responsibility of the attorney's representative to deliver any copy of the records as directed in the subpoena. Disobedience to the deposition subpoena issued pursuant to this subdivision is punishable as provided in Section 2020.240 of the Code of Civil Procedure.

(f) If a search warrant for business records is served upon the custodian of records or other qualified witness of a business in compliance with Section 1524 of the Penal Code regarding a criminal investigation in which the business is neither a party nor the place where any crime is alleged to have occurred, and the search warrant provides that the warrant will be deemed executed if the business causes the delivery of records described in the warrant to the law enforcement agency ordered to execute the warrant, it is sufficient compliance therewith if the custodian or other qualified witness delivers by mail or otherwise a true, legible, and durable copy of all of the records described in the search warrant to the law enforcement agency ordered to execute the search warrant, together with the affidavit described in Section 1561, within five days after the receipt of the search warrant or within such other time as is set forth in the warrant. This subdivision does not abridge or limit the scope of search warrant procedures set forth in Chapter 3 (commencing with Section 1523) of Title 12 of Part 2 of the Penal Code or invalidate otherwise duly executed search warrants.

§ 1561. Affidavit accompanying records

(a) The records shall be accompanied by the affidavit of the custodian or other qualified witness, stating in substance each of the following:

(1) The affiant is the duly authorized custodian of the records or other qualified witness and has authority to certify the records.

(2) The copy is a true copy of all the records described in the subpoena duces tecum or search warrant, or pursuant to subdivision (e) of Section 1560, the records were delivered to the attorney, the attorney's representative, or deposition officer for copying at the custodian's or witness' place of business, as the case may be.

(3) The records were prepared by the personnel of the business in the ordinary course of business at or near the time of the act, condition, or event.

(4) The identity of the records.

(5) A description of the mode of preparation of the records.

(b) If the business has none of the records described, or only part thereof, the custodian or other qualified witness shall so state in the affidavit, and deliver the affidavit and those records that are available in one of the manners provided in Section 1560.

(c) If the records described in the subpoena were delivered to the attorney or his or her representative or deposition officer for copying at the custodian's or witness' place of business, in addition to the affidavit required by subdivision (a), the records shall be accompanied by an affidavit by the attorney or his or her representative or deposition officer stating that the copy is a true copy of all the records delivered to the attorney or his or her representative or deposition officer for copying.

§ 1566. Applicability of article

This article applies in any proceeding in which testimony can be compelled.

Division 17, Chapter 2

Article 2. Collections and Enforcement

§ 17500. Responsibility of department and local child support agency for collection and enforcement; administering wage withholding; submission of delinquencies; delinquency existing at time case is opened

(a) In carrying out its obligations under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.), the department and the local child support agency shall have the responsibility for promptly and effectively collecting and enforcing child support obligations.

(b) The department and the local child support agency are the public agencies responsible for administering wage withholding for the purposes of Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(c) Except as provided in Section 17450, the local child support agency shall submit child support delinquencies to the department for purposes of supplementing the collection efforts of the local child support agencies. Submissions shall be in the form and manner and at the time prescribed by the department. Collection shall be made by the department in accordance with Section 17450. For purposes of this subdivision, “child support delinquency” means an arrearage or otherwise past due amount that accrues when an obligor fails to make any court-ordered support payment when due, which is more than 60 days past due, and the aggregate amount of which exceeds one hundred dollars ($100).

(d) If a child support delinquency exists at the time a case is opened by the local child support agency, the responsibility for the collection of the child support delinquency shall be submitted to the department no later than 30 days after receipt of the case by the local child support agency.

§ 17502. Inability to deliver child support payments due to inability to locate obligee

A local child support agency that is collecting child support payments on behalf of a child and who is unable to deliver the payments to the obligee because the local child support agency is unable to locate the obligee shall make all reasonable efforts to locate the obligee for a period of six months. If the local child support agency is unable to locate the obligee within the six-month period, it shall return the undeliverable payments to the obligor, with written notice advising the obligor that (a) the return of the funds does not relieve the obligor of the support order, and (b) the obligor should consider placing the funds aside for purposes of child support in case the obligee appears and seeks collection of the undistributed amounts. No interest shall accrue on any past-due child support amount for which the obligor made payment to the local child support agency for six consecutive months, or on any amounts due thereafter until the obligee is located, provided that the local child support agency returned the funds to the obligor because the local child support agency was unable to locate the obligee and, when the obligee was located, the obligor made full payment for all past-due child support amounts.

§ 17504. First fifty dollars collected in month; payment to aid recipients; facilitation of automation changes

(a) The first fifty dollars ($50) of any amount of child support collected in a month in payment of the required support obligation for that month shall be paid to a recipient of aid under Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, except recipients of foster care payments under Article 5 (commencing with Section 11400) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code shall not be considered income or resources of the recipient family, and shall not be deducted from the amount of aid to which the family

would otherwise be eligible. The local child support agency in each county shall ensure that payments are made to recipients as required by this section.

(b) This section shall become inoperative on January 1, 2022, or when the State Department of Social Services and the Department of Child Support Services notify the Legislature that the Statewide Automated Welfare System and the Child Support Enforcement System can perform the necessary automation to implement this section, as amended by the act that added this subdivision, whichever date is later, and as of that date, or, if this section becomes inoperative on a date other than January 1, 2022, on January 1 of the following year, is repealed.

(c) The State Department of Social Services shall issue an all-county letter or similar instruction no later than September 1, 2020, to facilitate automation changes necessary to implement this section and Section 17504, as added by Section 2 of the act that added this subdivision.

§ 17504.1. CalWORKs recipients or former recipients; notice of amount of assigned support payments made on behalf of recipient, former recipient, or family member

On a monthly basis, the local child support agency shall provide to any CalWORKs recipient or former recipient for whom an assignment pursuant to subdivision (a) of Section 11477 of the Welfare and Institutions Code is currently effective, a notice of the amount of assigned support payments made on behalf of the recipient or former recipient or any other family member for whom public assistance is received.

§ 17505. State and local agencies, cooperation with local child support agencies in enforcement of support obligations; information on location of children, location and property of parents

(a) All state, county, and local agencies shall cooperate with the local child support agency (1) in the enforcement of any child support obligation or to the extent required under the state plan under Part 6 (commencing with Section 5700.101) of Division 9, Section 270 of the Penal Code, and Section 17604, and (2) the enforcement of spousal support orders and in the location of parents or putative parents. The local child support agency may enter into an agreement with and shall secure from a municipal, county, or state law enforcement agency, pursuant to that agreement, state summary criminal record information through the California Law Enforcement Telecommunications System. This subdivision applies irrespective of whether the children are or are not receiving aid to families with dependent children. All state, county, and local agencies shall cooperate with the district attorney in implementing Chapter 8 (commencing with Section 3130) of Part 2 of Division 8 concerning the location, seizure, and recovery of abducted, concealed, or detained minor children.

(b) On request, all state, county, and local agencies shall supply the local child support agency of any county in this state or the California Parent Locator Service with all information on hand relative to the location, income, or property of any parents, putative parents, spouses, or former spouses, notwithstanding any other provision of law making the information confidential, and with all information on hand relative to the location and prosecution of any person who has, by means of false statement or representation or by impersonation or other fraudulent device, obtained aid for a child under this chapter.

(c) The California Child Support Automation System, or its replacement, shall be entitled to the same cooperation and information provided to the California Parent Locator Service, to the extent allowed by law. The California Child Support Automation System, or its replacement, shall be allowed access to criminal offender record information only to the extent that access is allowed by law.

(d) Information exchanged between the California Parent Locator Service or the California Child Support Automation System, or its replacement, and state, county, or local agencies as specified in

Sections 653(c)(4) and 666(c)(1)(D) of Title 42 of the United State Code shall be through automated processes to the maximum extent feasible.

§ 17506. California Parent Locator Service and Central Registry; California Child Support Enforcement System

(a) There is in the department a California Parent Locator Service and Central Registry that shall collect and disseminate all of the following, with respect to any parent, putative parent, spouse, or former spouse:

(1) The full and true name of the parent together with any known aliases.

(2) Date and place of birth.

(3) Physical description.

(4) Social security number, individual taxpayer identification number, or other uniform identification number.

(5) Employment history and earnings.

(6) Military status and Veterans Administration or military service serial number.

(7) Last known address, telephone number, and date thereof.

(8) Driver's license number or identification card number issued by the Department of Motor Vehicles, driving record, and vehicle registration information.

(9) Criminal, licensing, and applicant records and information.

(10)(A) Any additional location, asset, and income information, including income tax return information obtained pursuant to Section 19548 of the Revenue and Taxation Code, and to the extent permitted by federal law, the address, telephone number, and social security number obtained from a public utility, cable television corporation, a provider of electronic digital pager communication, or a provider of mobile telephony services that may be of assistance in locating the parent, putative parent, abducting, concealing, or detaining parent, spouse, or former spouse, in establishing a parent and child relationship, in enforcing the child support liability of the absent parent, or enforcing the spousal support liability of the spouse or former spouse to the extent required by the state plan pursuant to Section 17604.

(B) For purposes of this subdivision, "income tax return information" means all of the following regarding the taxpayer:

(i) Assets.

(ii) Credits.

(iii) Deductions.

(iv) Exemptions.

(v) Identity.

(vi) Liabilities.

(vii) Nature, source, and amount of income.

(viii) Net worth.

(ix) Payments.

(x) Receipts.

(xi) Address.

(xii) Social security number, individual taxpayer identification number, or other uniform identification number.

(b) Pursuant to a letter of agreement entered into between the Department of Child Support Services and the Department of Justice, the Department of Child Support Services shall assume responsibility for the California Parent Locator Service and Central Registry. The letter of agreement shall, at a minimum, set forth all of the following:

(1) Contingent upon funding in the Budget Act, the Department of Child Support Services shall assume responsibility for leadership and staff of the California Parent Locator Service and Central Registry commencing July 1, 2003.

(2) All employees and other personnel who staff or provide support for the California Parent Locator Service and Central Registry shall, at the time of the transition, at their option, become the employees of the Department of Child Support Services at their existing or equivalent classification, salaries, and benefits.

(3) Until the department's automation system for the California Parent Locator Service and Central Registry functions is fully operational, the department shall use the automation system operated by the Department of Justice.

(4) Any other provisions necessary to ensure continuity of function and meet or exceed existing levels of service.

(c) To effectuate the purposes of this section, the California Child Support Enforcement System and the California Parent Locator Service and Central Registry shall utilize the federal Parent Locator Service to the extent necessary, and may request and shall receive from all departments, boards, bureaus, or other agencies of the state, or any of its political subdivisions, and those entities shall provide, that assistance and data that will enable the Department of Child Support Services and other public agencies to carry out their powers and duties to locate parents, spouses, and former spouses, and to identify their assets, to establish parent-child relationships, and to enforce liability for child or spousal support, and for any other obligations incurred on behalf of children, and shall also provide that information to any local child support agency in fulfilling the duties prescribed in Section 270 of the Penal Code, and in Chapter 8 (commencing with Section 3130) of Part 2 of Division 8 of this code, relating to abducted, concealed, or detained children and to any county child welfare agency or county probation department in fulfilling the duties prescribed in Article 5.5 (commencing with Section 290.1) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, and prescribed in Article 6 (commencing with Section 300) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code to identify, locate, and notify parents or relatives of children who are the subject of juvenile court proceedings, to establish parent and child relationships pursuant to Section 316.2 of the Welfare and Institutions Code, and to assess the appropriateness of placement of a child with a noncustodial parent pursuant to Section 361.2 of the Welfare and Institutions Code. Consistent with paragraph (1) of subdivision (e) of Section 309 of, and paragraph (2) of subdivision (d) of Section 628 of, the Welfare and Institutions Code, in order for county child welfare and probation departments to carry out their duties to identify and locate all grandparents, adult siblings, and other adult relatives of the child as defined in paragraph (2) of subdivision (f) of Section 319 of the Welfare and Institutions Code, including any other adult relatives suggested by the parents, county personnel are permitted to request and

receive information from the California Parent Locator Service and Federal Parent Locator Service. County child welfare agencies and probation departments shall be entitled to the information described in this subdivision regardless of whether an all-county letter or similar instruction is issued pursuant to subparagraph (C) of paragraph (8) of subdivision (c) of Section 11478.1 of the Welfare and Institutions Code. The California Child Support Enforcement System shall be entitled to the same cooperation and information as the California Parent Locator Service and Central Registry to the extent allowed by law. The California Child Support Enforcement System shall be allowed access to criminal record information only to the extent that access is allowed by state and federal law.

(d)(1) To effectuate the purposes of this section, and notwithstanding any other law, regulation, or tariff, and to the extent permitted by federal law, the California Parent Locator Service and Central Registry and the California Child Support Enforcement System may request and shall receive from public utilities, as defined in Section 216 of the Public Utilities Code, customer service information, including the full name, address, telephone number, date of birth, employer name and address, and social security number of customers of the public utility, to the extent that this information is stored within the computer database of the public utility.

(2) To effectuate the purposes of this section, and notwithstanding any other law, regulation, or tariff, and to the extent permitted by federal law, the California Parent Locator Service and Central Registry and the California Child Support Enforcement System may request and shall receive from cable television corporations, as defined in Section 216.4 of the Public Utilities Code, the providers of electronic digital pager communication, as defined in Section 629.51 of the Penal Code, and the providers of mobile telephony services, as defined in Section 224.4 of the Public Utilities Code, customer service information, including the full name, address, telephone number, date of birth, employer name and address, and social security number of customers of the cable television corporation, customers of the providers of electronic digital pager communication, and customers of the providers of mobile telephony services.

(3) In order to protect the privacy of utility, cable television, electronic digital pager communication, and mobile telephony service customers, a request to a public utility, cable television corporation, provider of electronic digital pager communication, or provider of mobile telephony services for customer service information pursuant to this section shall meet the following requirements:

(A) Be submitted to the public utility, cable television corporation, provider of electronic digital pager communication, or provider of mobile telephony services in writing, on a transmittal document prepared by the California Parent Locator Service and Central Registry or the California Child Support Enforcement System and approved by all of the public utilities, cable television corporations, providers of electronic digital pager communication, and providers of mobile telephony services. The transmittal shall be deemed to be an administrative subpoena for customer service information.

(B) Have the signature of a representative authorized by the California Parent Locator Service and Central Registry or the California Child Support Enforcement System.

(C) Contain at least three of the following data elements regarding the person sought:

(i) First and last name, and middle initial, if known.

(ii) Social security number.

(iii) Driver’s license number or identification card number issued by the Department of Motor Vehicles.

(iv) Birth date.

(v) Last known address.

(vi) Spouse's name.

(D) The California Parent Locator Service and Central Registry and the California Child Support Enforcement System shall ensure that each public utility, cable television corporation, provider of electronic digital pager communication services, and provider of mobile telephony services has at all times a current list of the names of persons authorized to request customer service information.

(E) The California Child Support Enforcement System and the California Parent Locator Service and Central Registry shall ensure that customer service information supplied by a public utility, cable television corporation, provider of electronic digital pager communication, or provider of mobile telephony services is applicable to the person who is being sought before releasing the information pursuant to subdivision (d).

(4) During the development of the California Child Support Enforcement System, the department shall determine the necessity of additional locate sources, including those specified in this section, based upon the cost-effectiveness of those sources.

(5) The public utility, cable television corporation, electronic digital pager communication provider, or mobile telephony service provider may charge a fee to the California Parent Locator Service and Central Registry or the California Child Support Enforcement System for each search performed pursuant to this subdivision to cover the actual costs to the public utility, cable television corporation, electronic digital pager communication provider, or mobile telephony service provider for providing this information.

(6) No public utility, cable television corporation, electronic digital pager communication provider, or mobile telephony service provider or official or employee thereof, shall be subject to criminal or civil liability for the release of customer service information as authorized by this subdivision.

(e) Notwithstanding Section 14203 of the Penal Code, any records established pursuant to this section shall be disseminated only to the Department of Child Support Services, the California Child Support Enforcement System, the California Parent Locator Service and Central Registry, the parent locator services and central registries of other states as defined by federal statutes and regulations, a local child support agency of any county in this state, and the federal Parent Locator Service. The California Child Support Enforcement System shall be allowed access to criminal offender record information only to the extent that access is allowed by law.

(f)(1) At no time shall any information received by the California Parent Locator Service and Central Registry or by the California Child Support Enforcement System be disclosed to any person, agency, or other entity, other than those persons, agencies, and entities specified pursuant to Section 17505, this section, or any other provision.

(2) This subdivision shall not otherwise affect discovery between parties in any action to establish, modify, or enforce child, family, or spousal support, that relates to custody or visitation.

(g)(1) The Department of Justice, in consultation with the Department of Child Support Services, shall promulgate rules and regulations to facilitate maximum and efficient use of the California Parent Locator Service and Central Registry. Upon implementation of the California Child Support Enforcement System, the Department of Child Support Services shall assume all responsibility for promulgating rules and regulations for use of the California Parent Locator Service and Central Registry.

(2) The Department of Child Support Services, the Public Utilities Commission, the cable television corporations, providers of electronic digital pager communication, and the providers of mobile telephony services shall develop procedures for obtaining the information described in subdivision (c) from public utilities, cable television corporations, providers of electronic digital pager communication, and providers of mobile telephony services and for compensating the public utilities, cable television corporations, providers of electronic digital pager communication, and providers of mobile telephony services for providing that information.

(h) The California Parent Locator Service and Central Registry may charge a fee not to exceed eighteen dollars ($18) for any service it provides pursuant to this section that is not performed or funded pursuant to Section 651 and following of Title 42 of the United States Code.

(i) This section shall be construed in a manner consistent with the other provisions of this article.

§ 17508. Employment Development Department; access to information

(a) The Employment Development Department shall, when requested by the Department of Child Support Services local child support agency, the federal Parent Locator Service, or the California Parent Locator Service, provide access to information collected pursuant to Division 1 (commencing with Section 100) of the Unemployment Insurance Code to the requesting department or agency for purposes of administering the child support enforcement program, and for purposes of verifying employment of applicants and recipients of aid under this chapter or CalFresh under Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

(b)(1) To the extent possible, the Employment Development Department shall share information collected under Sections 1088.5 and 1088.8 of the Unemployment Insurance Code immediately upon receipt. This sharing of information may include electronic means.

(2) This subdivision shall not authorize the Employment Development Department to share confidential information with any individuals not otherwise permitted by law to receive the information or preclude batch runs or comparisons of data.

§ 17509. Information compare; obligor employment and earning withholding order

Once the statewide automated system is fully implemented, the Department of Child Support Services shall periodically compare Employment Development Department information collected under Division 1 (commencing with Section 100) of the Unemployment Insurance Code to child support obligor records and identify cases where the obligor is employed but there is no earning withholding order in effect. The department shall immediately notify local child support agencies in those cases.

§ 17510. Workers’ compensation notification project

To assist local agencies in child support enforcement activities, the department shall operate a workers’ compensation notification project based on information received pursuant to Section 138.5 of the Labor Code or any other source of information.

§ 17512. Employment and income information from employer or labor organization

(a) Upon receipt of a written request from a local child support agency enforcing the obligation of parents to support their children pursuant to Section 17400, or from an agency of another state enforcing support obligations pursuant to Section 654 of Title 42 of the United States Code, every employer, as specified in Section 5210, and every labor organization shall cooperate with and provide relevant employment and income information that they have in their possession to the local child support agency or other requesting agency for the purpose of establishing, modifying, or enforcing the support obligation. No employer or labor organization shall incur any liability for providing this information to the local child support agency or other requesting agency.

(b) Relevant employment and income information shall include, but not be limited to, all of the following:

(1) Whether a named person has or has not been employed by an employer or whether a named person has or has not been employed to the knowledge of the labor organization.

(2) The full name of the employee or member or the first and middle initial and last name of the employee or member.

(3) The employee's or member's last known residence address.

(4) The employee's or member's date of birth.

(5) The employee's or member's social security number.

(6) The dates of employment.

(7) All earnings paid to the employee or member and reported as W-2 compensation in the prior tax year and the employee's or member's current basic rate of pay.

(8) Other earnings, as specified in Section 5206, paid to the employee or member.

(9) Whether dependent health insurance coverage is available to the employee through employment or membership in the labor organization.

(c) The local child support agency or other agency shall notify the employer and labor organization of the local child support agency case file number in making a request pursuant to this section. The written request shall include at least three of the following elements regarding the person who is the subject of the inquiry: (A) first and last name and middle initial, if known; (B) social security number; (C) driver's license number; (D) birth date; (E) last known address; or (F) spouse's name.

(d) The local child support agency or other requesting agency shall send a notice that a request for this information has been made to the last known address of the person who is the subject of the inquiry.

(e) An employer or labor organization that fails to provide relevant employment information to the local child support agency or other requesting agency within 30 days of receiving a request pursuant to subdivision (a) may be assessed a civil penalty of a maximum of one thousand dollars ($1,000), plus attorneys' fees and costs. Proceedings to impose the civil penalty shall be commenced by the filing and service of an order to show cause.

(f) "Labor organization," for the purposes of this section means a labor organization as defined in Section 1117 of the Labor Code or any related benefit trust fund covered under the federal Employee Retirement Income Security Act of 1974 (Chapter 18 (commencing with Section 1001) of Title 29 of the United States Code).

(g) Any reference to the local child support agency in this section shall apply only when the local child support agency is otherwise ordered or required to act pursuant to existing law. Nothing in this section shall be deemed to mandate additional enforcement or collection duties upon the local child support agency beyond those imposed under existing law on the effective date of this section.

§ 17514. Child abduction records

(a) It is the intent of the Legislature to protect individual rights of privacy, and to facilitate and enhance the effectiveness of the child abduction and recovery programs, by ensuring the confidentiality

of child abduction records, and to thereby encourage the full and frank disclosure of information relevant to all of the following:

(1) The establishment or maintenance of parent and child relationships and support obligations.

(2) The enforcement of the child support liability of absent parents.

(3) The enforcement of spousal support liability of the spouse or former spouse to the extent required by the state plan under Section 17400, and Chapter 6 (commencing with Section 4800) of Part 5 of Division 9.

(4) The location of absent parents.

(5) The location of parents and children abducted, concealed, or detained by them.

(b)(1) Except as provided in this subdivision, all files, applications, papers, documents, and records, established or maintained by a public entity for the purpose of locating an abducted child, locating a person who has abducted a child, or prosecution of a person who has abducted a child shall be confidential, and shall not be open to examination or released for disclosure for any purpose not directly connected with locating or recovering the abducted child or abducting person or prosecution of the abducting person.

(2) Except as provided in subdivision (c), a public entity shall not disclose any file, application, paper, document, or record described in this section, or the information contained therein.

(c)(1) All files, applications, papers, documents, and records as described in subdivision (b) shall be available and may be used by a public entity for all administrative, civil, or criminal investigations, actions, proceedings, or prosecution conducted in connection with the child abduction or prosecution of the abducting person.

(2) A document requested by a person who wrote, prepared, or furnished the document may be examined by or disclosed to that person or a designee.

(3) Public records subject to disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code may be released.

(4) After a noticed motion and a finding by the court, in a case in which child recovery or abduction prosecution actions are being taken, that release or disclosure is required by due process of law, the court may order a public entity that possesses an application, paper, document, or record described in this subdivision to make that item available to the defendant or other party for examination or copying, or to disclose to an appropriate person the contents of that item. Article 9 (commencing with Section 1040) of Chapter 4 of Division 8 of the Evidence Code shall not be applicable to proceedings under this part.

(5) To the extent not prohibited by federal law or regulation, information indicating the existence or imminent threat of a crime against a minor child, or location of a concealed or abducted child, or the location of the concealing or abducting person, may be disclosed to any appropriate law enforcement agency, or to any state or county child protective agency, or may be used in any judicial proceedings to prosecute that crime or to protect the child.

(6) Information may be released to any state or local agency for the purposes connected with establishing, modifying, and enforcing child support obligations, enforcing spousal support orders, and determining paternity as required by Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code and this article.

§ 17516. Social service benefits use for support obligation

In no event shall public social service benefits, as defined in Section 10051 of the Welfare and Institutions Code, or benefits paid pursuant to Title XVI of the Social Security Act be employed to satisfy a support obligation.

§ 17518. Unemployment compensation benefits

(a) As authorized by subdivision (d) of Section 704.120 of the Code of Civil Procedure, the following actions shall be taken in order to enforce support obligations that are not being met. Whenever a support judgment or order has been rendered by a court of this state against an individual who is entitled to unemployment compensation benefits or unemployment compensation disability benefits, the local child support agency may file a certification of support judgment or support order with the Department of Child Support Services, verifying under penalty of perjury that there is or has been a judgment or an order for support with sums overdue thereunder. The department shall periodically present and keep current, by deletions and additions, a list of the certified support judgments and orders and shall periodically notify the Employment Development Department of individuals certified as owing support obligations.

(b) If the Employment Development Department determines that an individual who owes support may have a claim for unemployment compensation disability insurance benefits under a voluntary plan approved by the Employment Development Department in accordance with Chapter 6 (commencing with Section 3251) of Part 2 of Division 1 of the Unemployment Insurance Code, the Employment Development Department shall immediately notify the voluntary plan payer. When the department notifies the Employment Development Department of changes in an individual's support obligations, the Employment Development Department shall promptly notify the voluntary plan payer of these changes. The Employment Development Department shall maintain and keep current a record of individuals who owe support obligations who may have claims for unemployment compensation or unemployment compensation disability benefits.

(c) Notwithstanding any other law, the Employment Development Department shall withhold the amounts specified below from the unemployment compensation benefits or unemployment compensation disability benefits of individuals with unmet support obligations. The Employment Development Department shall forward the amounts to the Department of Child Support Services for distribution to the appropriate certifying county.

(d) Notwithstanding any other law, during the payment of unemployment compensation disability benefits to an individual, with respect to whom the Employment Development Department has notified a voluntary plan payer that the individual has a support obligation, the voluntary plan payer shall withhold the amounts specified below from the individual's unemployment compensation disability benefits and shall forward the amounts to the appropriate certifying county.

(e) The amounts withheld in subdivisions (c) and (d) shall be equal to 25 percent of each weekly unemployment compensation benefit payment or periodic unemployment compensation disability benefit payment, rounded down to the nearest whole dollar, which is due the individual identified on the certified list. However, the amount withheld may be reduced to a lower whole dollar amount through a written agreement between the individual and the local child support agency or through an order of the court.

(f) The department shall ensure that the appropriate certifying county shall resolve any claims for refunds in the amounts overwithheld by the Employment Development Department or voluntary plan payer.

(g) No later than the time of the first withholding, the individuals who are subject to the withholding shall be notified by the payer of benefits of all of the following:

(1) That the individual's unemployment compensation benefits or unemployment compensation disability benefits have been reduced by a court-ordered support judgment or order pursuant to this section.

(2) The address and telephone number of the local child support agency that submitted the certificate of support judgment or order.

(3) That the support order remains in effect even though the individual is unemployed or disabled unless it is modified by court order, and that if the amount withheld is less than the monthly support obligation, an arrearage will accrue.

(h) The individual may ask the appropriate court for an equitable division of the individual's unemployment compensation or unemployment compensation disability amounts withheld to take into account the needs of all the persons the individual is required to support.

(i) The Department of Child Support Services and the Employment Development Department shall enter into any agreements necessary to carry out this section.

(j) For purposes of this section, "support obligations" means the child and related spousal support obligations that are being enforced pursuant to a plan described in Section 454 of the Social Security Act and as that section may hereafter be amended. However, to the extent "related spousal support obligation" may not be collected from unemployment compensation under federal law, those obligations shall not be included in the definition of support obligations under this section.

§ 17520. License applicants; compliance with support orders; license issuance, renewal, and suspension; review

(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 of California, the Department 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 of California, 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 Wildlife, 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, individual taxpayer identification numbers, or other uniform identification 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 the 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 the 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 their 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 their 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 does not 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)(1) 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. A 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.

(2) When 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.

(3) 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). This section does not 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 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) A 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 a 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 a 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 a 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 a 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.

§ 17521. Order to show cause or notice of motion for judicial review of district attorney's decision; appropriate court

The order to show cause or notice of motion described in subdivision (j) of Section 17520 shall be filed and heard in the superior court.

§ 17522. Delinquent support obligors; collection or lien enforcement by levy

(a) Notwithstanding any other law, if a support obligor is delinquent in the payment of support for at least 30 days and the local child support agency is enforcing the support obligation pursuant to Section 17400, the local child support agency may collect the delinquency or enforce a lien by levy served on all persons having in their possession, or who will have in their possession or under their control, credits or personal property belonging to the delinquent support obligor, or who owe any debt to the obligor at the time they receive the notice of levy.

(b) A levy may be issued by a local child support agency for a support obligation that accrued under a court order or judgment if the obligor had notice of the accrued support arrearage as provided in this section, and did not make a timely request for review.

(c) The notice requirement shall be satisfied by the local child support agency sending a statement of support arrearages to the obligor at the obligor's last known address by first-class mail, postage prepaid. The notice shall advise the obligor of the amount of the support arrearage. The notice shall advise the obligor that the obligor may have the arrearage determination reviewed by administrative procedures and state how the review may be obtained. The local child support agency shall conduct the review pursuant to this section in the same manner and timeframe provided for resolution of a complaint pursuant to Section 17800. The notice shall also advise the obligor of the right to seek a judicial determination of arrearages pursuant to Section 17526 and shall include a form to be filed with the court to request a judicial determination of arrearages. If the obligor requests an administrative review of the arrearage determination within 20 days from the date the notice was mailed to the obligor, the local child support agency may not issue the levy for a disputed amount of support until the administrative review procedure is completed.

(d) If the obligor requests a judicial determination of the arrearages within 20 days from the date the notice was mailed to the obligor, the local child support agency shall not issue the levy for a disputed amount of support until the judicial determination is complete.

(e) A person upon whom a levy has been served who possesses or controls any credits or personal property belonging to the delinquent support obligor or owing any debts to the delinquent support obligor at the time of receipt of the levy or coming into the person's possession or control within one year of receipt of the notice of levy, shall surrender the credits or personal property to the local child support agency or pay to the local child support agency the amount of any debt owing the delinquent support obligor within 10 days of service of the levy, and shall surrender the credits or personal property, or the amount of any debt owing to the delinquent support obligor coming into the person's possession or control within one year of receipt of the notice of levy, within 10 days of the date of coming into possession or control of the credits or personal property or the amount of any debt owing to the delinquent support obligor.

(f) A person who surrenders any credits or personal property or pays the debts owing the delinquent support obligor to the local child support agency pursuant to this section shall be discharged from any obligation or liability to the delinquent support obligor to the extent of the amount paid to the local child support agency as a result of the levy.

(g) When the levy is made on a deposit or credits or personal property in the possession or under the control of a bank, savings and loan association, or other financial institution as defined by Section 669A(d)(1) of Title 42 of the United States Code, the notice of levy may be delivered or mailed to a centralized location designated by the bank, savings and loan association, or other financial institution pursuant to Section 689.040 of the Code of Civil Procedure.

(h) A person who is served with a levy pursuant to this section and who fails or refuses to surrender any credits or other personal property or pay any debts owing to the delinquent support obligor shall be liable in their own person or estate to the local child support agency in an amount equal to the value of the credits or other personal property or in the amount of the levy, up to the amount specified in the levy.

(i) If an amount required to be paid pursuant to a levy under this section is not paid when due, the local child support agency may issue a warrant for enforcement of a lien and for the collection of any amount required to be paid to the local child support agency under this section. The warrant shall be directed to any sheriff, marshal, or the Department of the California Highway Patrol and shall have the same force and effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the manner and with the same force and effect as a levy and sale pursuant to a writ of execution. The local child support agency may pay or advance to the levying officer the same fees, commissions, and expenses for services under this section as are provided by law for similar services pursuant to a writ of execution, except for those fees and expenses for which a district attorney is exempt by law from paying. The local child support agency, and not the court, shall approve the fees for publication in a newspaper.

(j) The fees, commissions, expenses, and the reasonable costs associated with the sale of property levied upon by warrant or levy pursuant to this section, including, but not limited to, appraisers' fees, auctioneers' fees, and advertising fees are an obligation of the support obligor and may be collected from the obligor by virtue of the warrant or levy or in any other manner as though these items were support payments delinquent for at least 30 days.

§ 17522.5. Issuance of levy or notice to withhold; liquidation of asset by person, financial institution, or securities intermediary in possession or control of financial asset; manner of liquidation and transfer of proceeds; value of financial assets exceeding total amount of support due; instructions for liquidation by obligor

(a) Notwithstanding Section 8112 of the Commercial Code and Section 700.130 of the Code of Civil Procedure, when a local child support agency pursuant to Section 17522, or the department pursuant to Section 17454 or 17500, issues a levy upon, or requires by notice any employer, person, political

officer or entity, or depository institution to withhold the amount of, as applicable, a financial asset for the purpose of collecting a delinquent child support obligation, the person, financial institution, or securities intermediary (as defined in Section 8102 of the Commercial Code) in possession or control of the financial asset shall liquidate the financial asset in a commercially reasonable manner within 20 days of the issuance of the levy or the notice to withhold. Within five days of liquidation, the person, financial institution, or securities intermediary shall transfer to the State Disbursement Unit, established under Section 17309, the proceeds of the liquidation, less any reasonable commissions or fees, or both, which are charged in the normal course of business.

(b) If the value of the financial assets exceed the total amount of support due, the obligor may, within 10 days after the service of the levy or notice to withhold upon the person, financial institution, or securities intermediary, instruct the person, financial institution, or securities intermediary who possesses or controls the financial assets as to which financial assets are to be sold to satisfy the obligation for delinquent support. If the obligor does not provide instructions for liquidation, the person, financial institution, or securities intermediary who possesses or controls the financial assets shall liquidate the financial assets in a commercially reasonable manner and in an amount sufficient to cover the obligation for delinquent child support, and any reasonable commissions or fees, or both, which are charged in the normal course of business, beginning with the financial assets purchased most recently.

(c) For the purposes of this section, a financial asset shall include, but not be limited to, an uncertificated security, certificated security, or security entitlement (as defined in Section 8102 of the Commercial Code), security (as defined in Section 8103 of the Commercial Code), or a securities account (as defined in Section 8501 of the Commercial Code).

§ 17523. Lien for child support against personal property; perfection; priority; enforcement

(a) Notwithstanding any other provision of law, if a support obligor is delinquent in the payment of support and the local child support agency is enforcing the support obligation pursuant to Section 17400 or 17402, a lien for child support shall arise against the personal property of the support obligor in either of the following circumstances:

(1) By operation of law for all amounts of overdue support, regardless of whether the amounts have been adjudicated or otherwise determined.

(2) When either a court having continuing jurisdiction or the local child support agency determines a specific amount of arrearages is owed by the support obligor.

(b) The lien for child support shall be perfected by filing a notice of child support lien with the Secretary of State pursuant to Section 697.510 of the Code of Civil Procedure. Once filed, the child support lien shall have the same priority, force, and effect as a judgment lien on personal property pursuant to Article 3 (commencing with Section 697.510) of Chapter 2 of Division 2 of Article 9 of the Code of Civil Procedure.

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

(1) “Notice of child support lien” means a document filed with the Secretary of State that substantially complies with the requirements of Section 697.530 of the Code of Civil Procedure.

(2) “Support obligor is delinquent in payment of support” means that the support obligor has failed to make payment equal to one month’s support obligation.

(3) “Personal property” means that property that is subject to attachment by a judgment lien pursuant to Section 697.530 of the Code of Civil Procedure.

(d) Nothing in this section shall affect the priority of any of the following interests:

(1) State tax liens as set forth in Article 2 (commencing with Section 7170) of Division 7 of Title 1 of the Government Code.

(2) Liens or security interests as set forth in Article 3 (commencing with Section 697.510) of Chapter 2 of Division 2 of Article 9 of the Code of Civil Procedure.

(e) As between competing child support liens and state tax liens, a child support lien arising under this section shall have priority over a state tax lien if (1) the child support lien is filed with the Secretary of State, (2) the notice of child support lien is filed in an action or proceeding in which the obligor may become entitled to property or money judgment, or (3) the levy for child support on personal property is made, before a notice of state tax lien is filed with the Secretary of State pursuant to Section 7171 of the Government Code or filed in an action or proceeding in accordance with Section 7173 of the Government Code.

(f) A personal property lien for child support arising in another state may be enforced in the same manner and to the same extent as a personal property lien arising in this state.

§ 17523.5. Lien for child support against real property; digitized or digital electronic record

(a)(1) Notwithstanding any other law, in connection with the duty of the department and the local child support agency to promptly and effectively collect and enforce child support obligations under Title IV-D, the transmission, filing, and recording of a lien record by departmental and local child support agency staff that arises pursuant to subdivision (a) of Section 4506 of this code or Section 697.320 of the Code of Civil Procedure against the real property of a support obligor in the form of a digital or a digitized electronic record shall be permitted and governed only by this section.

(2) A facsimile signature that complies with the requirements of paragraph (2) of subdivision (b) of Section 27201 of the Government Code shall be accepted on any document relating to a lien that is filed or recorded pursuant to this section.

(3) The department and the local child support agency may use the California Child Support Enforcement System to transmit, file, and record a lien record under this section.

(b) Nothing in this section shall be construed to require a county recorder to establish an electronic recording delivery system or to enter into a contract with an entity to implement this section.

(c) For purposes of this section, the following terms have the following meanings:

(1) “Digital electronic record” means a record containing information that is created, generated, sent, communicated, received, or stored by electronic means, but not created in original paper form.

(2) “Digitized electronic record” means a scanned image of the original paper document.

§ 17524. Statement of arrearages

(a) Upon making application to the local child support agency for child support enforcement services pursuant to Section 17400, every applicant shall be requested to give the local child support agency a statement of arrearages stating whether any support arrearages are owed. If the applicant alleges arrearages are owed, the statement shall be signed under penalty of perjury.

(b) For all cases opened by the district attorney or local child support agency after December 31, 1995, the local child support agency shall enforce only arrearages declared under penalty of perjury pursuant to subdivision (a), arrearages accrued after the case was opened, or arrearages determined

by the court in the child support action. Arrearages may be determined by judgment, noticed motion, renewal of judgment, or registration of the support order.

(c) For all cases opened by the district attorney on or before December 31, 1995, the local child support agency shall enforce only arrearages that have been based upon a statement of arrearages signed under penalty of perjury or where the local child support agency has some other reasonable basis for believing the amount of claimed arrearages to be correct.

§ 17525. Notice of support delinquency; contents

(a) Whenever a state or local governmental agency issues a notice of support delinquency, the notice shall state the date upon which the amount of the delinquency was calculated, and shall notify the obligor that the amount calculated may, or may not, include accrued interest. This requirement shall not be imposed until the local child support agency has instituted the California Child Support Enforcement System implemented and maintained by the Department of Child Support Services pursuant to Section 17308. The notice shall further notify the obligor of the right to an administrative determination of arrears by requesting that the local child support agency review the arrears, but that payments on arrears continue to be due and payable unless and until the local child support agency notifies the obligor otherwise. A state agency shall not be required to suspend enforcement of any arrearages as a result of the obligor's request for an administrative determination of arrears, unless the agency receives notification of a suspension pursuant to subdivision (b) of Section 17526.

(b) For purposes of this section, "notice of support delinquency" means a notice issued to a support obligor that includes a specific statement of the amount of delinquent support due and payable.

(c) This section does not require a state or local entity to calculate the amount of a support delinquency, except as otherwise required by law.

§ 17526. Statement of arrearages; review

(a) Upon request of an obligor or obligee, the local child support agency shall review the amount of arrearages alleged in a statement of arrearages that may be submitted to the local child support agency by an applicant for child support enforcement services. The local child support agency shall complete the review in the same manner and pursuant to the same timeframes as a complaint submitted pursuant to Section 17800. In the review, the local child support agency shall consider all evidence and defenses submitted by either parent on the issues of the amount of support paid or owed.

(b) The local child support agency may, in its discretion, suspend enforcement or distribution of arrearages if it believes there is a substantial probability that the result of the administrative review will result in a finding that there are no arrearages.

(c) Any party to an action involving child support enforcement services of the local child support agency may request a judicial determination of arrearages. The party may request an administrative review of the alleged arrearages prior to requesting a judicial determination of arrearages. The local child support agency shall complete the review in the same manner and pursuant to the same timeframes specified in subdivision (a). Any motion to determine arrearages filed with the court shall include a monthly breakdown showing amounts ordered and amounts paid, in addition to any other relevant information.

(d) A county that submits a claim for reimbursement as a state-mandated local program of costs incurred with respect to the administrative review of alleged child support arrearages under this section shall be ineligible for state subventions or, to the extent permitted by federal law, state-administered federal subventions, for child support in the amount of any local costs under this section.

§ 17528. Public Employees' Retirement System; withholding overdue support obligations

(a) As authorized by subdivision (c) of Section 704.110 of the Code of Civil Procedure, the following actions shall be taken in order to enforce support obligations that are not being met:

(1) Within 18 months of implementation of the California Child Support Enforcement System (CSE), or its replacement as prescribed by former Section 10815 of the Welfare and Institutions Code, and certification of CSE or its replacement by the United States Department of Health and Human Services, the department shall compile a file of all support judgments and orders that are being enforced by local child support agencies pursuant to Section 17400 that have sums overdue by at least 60 days or by an amount equal to 60 days of support.

(2) The file shall contain the name and social security number of the person who owes overdue support, the amount of overdue support as of the date the file is created, the name of the county in which the support obligation is being enforced by the local child support agency, and any other information that is deemed necessary by the department and the Public Employees' Retirement System.

(3) The department shall provide the certified file to the Public Employees' Retirement System for the purpose of matching the names in the file with members and beneficiaries of the Public Employees' Retirement System that are entitled to receive Public Employees' Retirement System benefits. The department and the Public Employees' Retirement System shall work cooperatively to develop an interface in order to match the names in their respective electronic data processing systems. The interface required to intercept benefits that are payable periodically shall be done as soon as it is technically feasible.

(4) The department shall update the certified file no less than on a monthly basis to add new cases within the local child support agencies or existing cases that become delinquent and to delete persons who are no longer delinquent. The department shall provide the updated file no less than on a monthly basis to the Public Employees' Retirement System.

(5) Information contained in the certified file provided to the Public Employees' Retirement System by the department and the local child support agencies and information provided by the Public Employees' Retirement System to the department shall be used exclusively for child support enforcement purposes and may not be used for any other purpose.

(b) Notwithstanding any other law, the Public Employees' Retirement System shall withhold the amount certified from the benefits and refunds to be distributed to members with overdue support obligations or from benefits to be distributed to beneficiaries with overdue support obligations. If the benefits are payable periodically, the amount withheld pursuant to this section shall not exceed the amount permitted to be withheld for an earnings withholding order for support under Section 706.052 of the Code of Civil Procedure.

(c) The Public Employees' Retirement System shall forward the amounts withheld pursuant to subdivision (b) within 10 days of withholding to the department for distribution to the appropriate county.

(d) On an annual basis, the department shall notify individuals with overdue support obligations that PERS benefits or PERS contribution refunds may be intercepted for the purpose of enforcing family support obligations.

(e) No later than the time of the first withholding, the Public Employees' Retirement System shall send those persons subject to withholding the following:

(1) Notice that the person's benefits or retirement contribution refund have been reduced by payment on a support judgment pursuant to this section.

(2) A form developed by the department that the applicant shall use to request either a review by the local child support agency or a court hearing, as appropriate.

(f) The notice shall include the address and telephone number of the local child support agency that is enforcing the support obligation pursuant to Section 17400, and shall specify that the form requesting either a review by the local child support agency or a court hearing must be received by the local child support agency within 20 days of the date of the notice.

(g) The form shall include instructions that are designed to enable the member or beneficiary to obtain a review or a court hearing as appropriate on their own behalf. The form shall specify that if the member or beneficiary disputes the amount of support arrearages certified by the local child support agency pursuant to this section, the member or beneficiary may request a review by the local child support agency.

(h) The department shall develop procedures that are consistent with this section to be used by each local child support agency in conducting the requested review. The local child support agency shall complete the review in accordance with the procedures developed by the department and shall notify the member or beneficiary of the result of the review within 20 days of receiving the request for review. The notification of review results shall include a request for hearing form and shall inform the member or beneficiary that if the member or beneficiary returns the completed request for hearing form within 20 days of the date of the notice of review results, the local child support agency shall calendar the matter for court review. If the local child support agency cannot complete the review within 20 days, the local child support agency shall calendar the matter for hearing as specified in subdivision (k).

(i) The form specified in subdivision (g) shall also notify the member or beneficiary that the member or beneficiary may request a court hearing to claim an exemption of any benefit not payable periodically by returning the completed form to the local child support agency within 20 days. If the local child support agency receives a timely request for a hearing for a claim of exemption, the local child support agency shall calendar a court hearing. The amount of the exemption, if any, shall be determined by the court in accordance with the procedures set forth in Section 703.070 of the Code of Civil Procedure.

(j) If the local child support agency receives the form requesting either a review by the local child support agency or a court hearing within the 20 days specified in subdivision (f), the local child support agency shall not distribute the amount intercepted until the review by the local child support agency or the court hearing is completed. If the local child support agency determines that all or a portion of the member's or beneficiary's benefits were intercepted in error, or if the court determines that any amount of the benefits are exempt, the local child support agency shall refund any amount determined to be exempt or intercepted in excess of the correct amount to the member or beneficiary within 10 days of determination that a refund is due.

(k) A hearing properly requested pursuant to this section shall be calendared by the local child support agency. The hearing shall be held within 20 days from the date that the local child support agency receives the request for hearing. The local child support agency shall provide notice of the time and place for hearing by first-class mail no later than five days prior to the hearing.

(l) This section does not limit any existing rights of the member or beneficiary, including, but not limited to, the right to seek a determination of arrearages or other appropriate relief directly from the court. However, if the procedures of this section are not utilized by the member or beneficiary, the court may not require the local child support agency to refund any money that was distributed to the child support obligee prior to the local child support agency receiving notice of a court determination that a refund is due to the member or beneficiary.

(m) The Department of Child Support Services and the Public Employees' Retirement System shall enter into any agreement necessary to implement this section, which shall include provisions for the department to provide funding to the Public Employees' Retirement System to develop, implement, and maintain the intercept process described in this section.

(n) The Public Employees' Retirement System shall not assess service charges on members or beneficiaries in order to recover any administrative costs resulting from complying with this section.

§ 17530. Support enforcement action; allegation of error due to mistaken identity; administrative and judicial remedies; penalty

(a) Notwithstanding any other law, this section applies to any actions taken to enforce a judgment or order for support entered as a result of action filed by the local child support agency pursuant to Section 17400, 17402, or 17404, where it is alleged that the enforcement actions have been taken in error against a person who is not the support obligor named in the judgment or order.

(b) A person claiming that a support enforcement action has been taken against that person, or the person's wages or assets, in error, shall file a claim of mistaken identity with the local child support agency. The claim shall include verifiable information or documentation to establish that the person against whom the enforcement actions have been taken is not the person named in the support order or judgment. The local child support agency shall resolve a claim of mistaken identity submitted pursuant to this section in the same manner and timeframes provided for resolution of a complaint pursuant to Section 17800.

(c) If the local child support agency determines that a claim filed pursuant to this section is meritorious, or if the court enters an order pursuant to Section 17433, the agency shall immediately take the steps necessary to terminate all enforcement activities with respect to the claimant, to return to the claimant any assets seized, to terminate any levying activities or attachment or assignment orders, to release any license renewal or application being withheld pursuant to Section 17520, to return any sums paid by the claimant pursuant to the judgment or order, including sums paid to any federal, state, or local government, but excluding sums paid directly to the support obligee, and to ensure that all other enforcement agencies and entities cease further actions against the claimant. With respect to a claim filed under this section, the local child support agency shall also provide the claimant with a statement certifying that the claimant is not the support obligor named in the support order or judgment, which statement shall be prima facie evidence of the claimant's identity in any subsequent enforcement proceedings or actions with respect to that support order or judgment.

(d) If the local child support agency rejects a claim pursuant to this section, or if the agency, after finding a claim to be meritorious, fails to take any of the remedial steps provided in subdivision (c), the claimant may file an action with the superior court to establish the mistaken identity or to obtain the remedies described in subdivision (c), or both.

(e) Filing a false claim pursuant to this section shall be a misdemeanor.

§ 17531. Closure of a child support case; summary criminal history information in case; deletion or purging of file

When a local child support agency closes a child support case containing summary criminal history information, the local child support agency shall delete or purge from the file and destroy any documents or information concerning or arising from offenses for or of which the parent has been arrested, charged, or convicted, other than offenses related to the parent's having failed to provide support for minor children, no later than four years and four months, or any other timeframe that is consistent with federal regulations controlling child support records retention, after the date the local child support agency closes the case.

§ 17540. Payment of county claims for federal and state reimbursement; waiver of time limitation

(a)(1) Commencing July 1, 2000, the department shall pay only those county claims for federal or state reimbursement under this division which are filed with the department within nine months of the end of the calendar quarter in which the costs are paid. A claim filed after that time may only be paid if the claim falls within the exceptions set forth in federal law.

(2) The department may change the nine-month limitation specified in paragraph (1), as deemed necessary by the department to comply with federal changes which affect time limits for filing a claim.

(b)(1) The department may waive the time limit imposed by subdivision (a) if the department determines there was good cause for a county's failure to file a claim or claims within the time limit.

(2)(A) For purposes of this subdivision, "good cause" means circumstances which are beyond the county's control, including acts of God and documented action or inaction by the state or federal government.

(B) "Circumstances beyond the county's control" do not include neglect or failure on the part of the county or any of its offices, officers, or employees.

(C) A county shall request a waiver of the time limit imposed by this section for good cause in accordance with regulations adopted and promulgated by the department.

(3) The department's authority to waive the time limit under this subdivision shall be subject to the availability of funds and shall not apply to claims submitted more than 18 months after the end of the calendar quarter in which costs were paid.

§ 17550. Establishment of regulations by which the local child support agency may compromise parents' liability for public assistance debt in cases of separation or desertion of parent from child; conditions

(a) The Department of Child Support Services, in consultation with the State Department of Social Services, shall establish regulations by which the local child support agency, in any case of separation or desertion of a parent from a child that results in aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code being granted to the child, may compromise the obligor parent or parents' liability for public assistance debt, including interest thereon, owed to the state where the child for whom public assistance was paid is residing with the obligor parent, and all of the following conditions are met:

(1) The obligor parent establishes one of the following:

(A) The child has been adjudged a dependent of the court under Section 300 of the Welfare and Institutions Code and the child has been reunified with the obligor parent pursuant to a court order.

(B) The child received public assistance while living with a guardian or relative caregiver and the child has been returned to the custody of the obligor parent, provided that the obligor parent for whom the debt compromise is being considered was the parent with whom the child resided prior to the child's placement with the guardian or relative caregiver.

(2) The obligor parent, for whom the debt compromise is being considered, has an income less than 250 percent of the current federal poverty level.

(3) The local child support agency, pursuant to regulations set forth by the department, has determined that the compromise is necessary for the child's support.

(b) Prior to compromising an obligor parent's liability for debt incurred for either AFDC-FC payments provided to a child pursuant to Section 11400 of the Welfare and Institutions Code, or incurred for CalWORKs payments provided on behalf of a child, the local child support agency shall consult with the county child welfare department.

(c) This section does not relieve an obligor, who has not been reunified with their child, of any liability for public assistance debt.

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

(1) "Guardian" means the legal guardian of the child, who assumed care and control of the child while the child was in the guardian's control, and who is not a biological or adoptive parent.

(2) "Relative caregiver" means a relative as defined in subdivision (c) of Section 11362 of the Welfare and Institutions Code, who assumed primary responsibility for the child while the child was in the relative's care and control, and who is not a biological or adoptive parent.

(e) The department shall promulgate all necessary regulations pursuant to this section on or before October 1, 2002, including regulations that set forth guidelines to be used by the local child support agency when compromising public assistance debt.

§ 17552. Regulations concerning determinations whether or not best interests of child or nonminor require case to be referred to local child support agency for child support services in situations resulting in foster care assistance, CalWORKs or Kin-GAP payments, or other specified aid; determination factors; review; nonminor dependents

(a) The State Department of Social Services, in consultation with the Department of Child Support Services, shall promulgate regulations by which the county child welfare department, in any case of separation or desertion of a parent or parents from a child that results in foster care assistance payments under Section 11400 of, or a voluntary placement under Section 11401.1 of, or the payments for a minor child placed in the same home as a minor or nonminor dependent parent under Section 11401.4 of, the Welfare and Institution Code, or CalWORKs payments to a caretaker relative of a child who comes within the jurisdiction of the juvenile court under Section 300, 601, or 602 of the Welfare and Institutions Code, who has been removed from the parental home and placed with the caretaker relative by court order, and who is under the supervision of the county child welfare agency or probation department under Section 11250 of, or Kin-GAP payments under Article 4.5 (commencing with Section 11360) or Article 4.7 (commencing with Section 11385) of, or aid under subdivision (c) of Section 10101 of, the Welfare and Institutions Code, shall determine whether it is in the best interests of the child or nonminor to have the case referred to the local child support agency for child support services. If reunification services are not offered or are terminated, the case may be referred to the local child support agency, unless the child's permanent plan is legal guardianship with a relative who is receiving Kin-GAP and the payment of support by the parent may compromise the stability of the current placement with the related guardian, or the permanent plan is transitional foster care for the nonminor under Section 11403 of the Welfare and Institutions Code. In making the determination, the department regulations shall provide the factors the county child welfare department shall consider, including:

(1) Whether the payment of support by the parent will pose a barrier to the proposed reunification, in that the payment of support will compromise the parent's ability to meet the requirements of the parent's reunification plan.

(2) Whether the payment of support by the parent will pose a barrier to the proposed reunification in that the payment of support will compromise the parent's current or future ability to meet the financial needs of the child.

(b) The department regulations shall provide that, where the county child welfare department determines that it is not in the best interest of the child to seek a support order against the parent, the county child welfare department shall refrain from referring the case to the local child support agency. The regulations shall define those circumstances in which it is not in the best interest of the child to refer the case to the local child support agency.

(c) The department regulations shall provide, where the county child welfare department determines that it is not in the child's best interest to have the case referred to the local child support agency, the county child welfare department shall review that determination periodically to coincide with the redetermination of AFDC-FC eligibility under Section 11401.5 of, or the CalWORKs eligibility under Section 11265 of, or Kin-GAP eligibility under Article 4.5 (commencing with Section 11360) or Article 4.7 (commencing with Section 11385) of Chapter 2 of Part 3 of Division 9 of, the Welfare and Institutions Code, and shall refer the child's case to the local child support agency upon a determination that, due to a change in the child's circumstances, it is no longer contrary to the child's best interest to have the case referred to the local child support agency.

(d) The State Department of Social Services shall promulgate all necessary regulations pursuant to this section on or before October 1, 2002.

(e) Notwithstanding any other law, a nonminor dependent, as described in subdivision (v) of Section 11400 of the Welfare and Institutions Code, who is over 19 years of age, is not a child for purposes of referral to the local child support agency for collection or enforcement of child support.

(f) Notwithstanding any other law, a minor or a nonminor dependent, as defined in subdivision (v) of Section 11400 of the Welfare and Institutions Code, who has a minor child placed in the same licensed or approved facility pursuant to Section 11401.4 of the Welfare and Institutions Code is not a parent for purposes of referral to the local child support agency for collection or enforcement of child support.

§ 17555. Appropriations in annual Budget Act for purpose of augmenting funding for collection responsibilities; requirements; legislative intent

(a) Any appropriation made available in the annual Budget Act for the purposes of augmenting funding for local child support agencies in the furtherance of their revenue collection responsibilities shall be subject to all of the following requirements:

(1) Each local child support agency shall submit to the department an early intervention plan with all components to take effect upon receipt of their additional allocation as a result of this proposal.

(2) Funds shall be distributed to counties based on their performance on the following two federal performance measures:

(A) Measure 3: Collections on Current Support.

(B) Measure 4: Cases with Collections on Arrears.

(3) A local child support agency shall be required to use and ensure that 100 percent of the new funds allocated are dedicated to maintaining caseworker staffing levels in order to stabilize child support collections.

(4) At the end of each fiscal year that this augmentation is in effect, the department shall provide a report on the cost-effectiveness of this augmentation, including an assessment of caseload changes over time.

(b) It is the intent of the Legislature to review the results of this augmentation and the level of related appropriation during the legislative budget review process.

§ 17556. Annual report

On or before March 1, 2019, and annually thereafter, the department shall submit a report to the Legislature providing information on the status of all of the following:

(a) Case-to-staff ratios for each local child support agency.

(b) Collections to families and recoupment collections to county, state, and federal governmental agencies.

(c) Cost avoidance benefits.

(d) The number of families served by the child support program.

§ 17560. Arrears collection enhancement process; development of program; acceptance of offers in compromise

(a) The department shall establish and operate a statewide compromise of arrears program pursuant to which the department may accept offers in compromise of child support arrears and interest accrued thereon owed to the state for reimbursement of aid paid pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code. The program shall operate uniformly across California and shall take into consideration the needs of the children subject to the child support order and the obligor's ability to pay.

(b) If the obligor owes current child support, the offer in compromise shall require the obligor to be in compliance with the current support order for a set period of time before any arrears and interest accrued thereon may be compromised.

(c) Absent a finding of good cause, or a determination by the director that it is in the best interest of the state to do otherwise, any offer in compromise entered into pursuant to this section shall be rescinded, all compromised liabilities shall be reestablished notwithstanding any statute of limitations that otherwise may be applicable, and no portion of the amount offered in compromise may be refunded, if either of the following occurs:

(1) The department or local child support agency determines that the obligor did any of the following acts regarding the offer in compromise:

(A) Concealed from the department or local child support agency any income, assets, or other property belonging to the obligor or any reasonably anticipated receipt of income, assets, or other property.

(B) Intentionally received, withheld, destroyed, mutilated, or falsified any information, document, or record, or intentionally made any false statement, relating to the financial conditions of the obligor.

(2) The obligor fails to comply with any of the terms and conditions of the offer in compromise.

(d) Pursuant to subdivision (k) of Section 17406, in no event may the administrator, director, or director's designee within the department, accept an offer in compromise of any child support arrears owed directly to the custodial party unless that party consents to the offer in compromise in writing and

participates in the agreement. Prior to giving consent, the custodial party shall be provided with a clear written explanation of the rights with respect to child support arrears owed to the custodial party and the compromise thereof.

(e) Subject to the requirements of this section, the director shall delegate to the administrator of a local child support agency the authority to compromise an amount of child support arrears up to five thousand dollars ($5,000), and may delegate additional authority to compromise up to an amount determined by the director to support the effective administration of the offers in compromise program.

(f) For an amount to be compromised under this section, the following conditions shall exist:

(1)(A) The administrator, director or director's designee within the department determines that acceptance of an offer in compromise is in the best interest of the state and that the compromise amount equals or exceeds what the state can expect to collect for reimbursement of aid paid pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in the absence of the compromise, based on the obligor's ability to pay.

(B) Acceptance of an offer in compromise shall be deemed to be in the best interest of the state, absent a finding of good cause to the contrary, with regard to arrears that accrued as a result of a decrease in income when an obligor was a reservist or member of the National Guard, was activated to United States military service, and failed to modify the support order to reflect the reduction in income. Good cause to find that the compromise is not in the best interest of the state shall include circumstances in which the service member's failure to seek, or delay in seeking, the modification were not reasonable under the circumstances faced by the service member. The director, no later than 90 days after the effective date of the act adding this subparagraph, shall establish rules that compromise, at a minimum, the amount of support that would not have accrued had the order been modified to reflect the reduced income earned during the period of active military service.

(2) Any other terms and conditions that the director establishes that may include, but may not be limited to, paying current support in a timely manner, making lump-sum payments, and paying arrears in exchange for compromise of interest owed.

(3) The obligor shall provide evidence of income and assets, including, but not limited to, wage stubs, tax returns, and bank statements as necessary to establish all of the following:

(A) That the amount set forth in the offer in compromise of arrears owed is the most that can be expected to be paid or collected from the obligor's present assets or income.

(B) That the obligor does not have reasonable prospects of acquiring increased income or assets that would enable the obligor to satisfy a greater amount of the child support arrears than the amount offered, within a reasonable period of time.

(C) That the obligor has not withheld payment of child support in anticipation of the offers in compromise program.

(g) A determination by the administrator, director or the director's designee within the department that it would not be in the best interest of the state to accept or rescind an offer in compromise in satisfaction of child support arrears shall be final and not subject to the provisions of Chapter 5 (commencing with Section 17800) of Division 17, or subject to judicial review.

(h) Any offer in compromise entered into pursuant to this section shall be filed with the appropriate court. The local child support agency shall notify the court if the compromise is rescinded pursuant to subdivision (c).

(i) Any compromise of child support arrears pursuant to this section shall maximize to the greatest extent possible the state's share of the federal performance incentives paid pursuant to the Child Support Performance and Incentive Act of 1998[1] and shall comply with federal law.

(j) The department shall ensure uniform application of this section across the state.

§ 17561. Annual report on implementation of California Child Support Automation System; joint production by Office of the Chief Information Officer and Department of Child Support Services; contents

The Office of the Chief Information Officer and the Department of Child Support Services, beginning in 2010, shall jointly produce an annual report to be submitted on March 1, to the appropriate policy and fiscal committees of the Legislature on the ongoing implementation of the California Child Support Automation System (CCSAS), including all of the following components:

(a) A clear breakdown of funding elements for past, current, and future years.

(b) Descriptions of active functionalities and a description of their usefulness in child support collections by local child support agencies.

(c) A review of current considerations relative to federal law and policy.

(d) A policy narrative on future, planned changes to the CCSAS and how those changes will advance activities for workers, collections for the state, and payments for recipient families.

Government Code

Title 2, Division 3, Part 1, Chapter 1

Article 9. Meetings

§ 11120. Public policy; legislative finding and declaration; citation of article

It is the public policy of this state that public agencies exist to aid in the conduct of the people's business and the proceedings of public agencies be conducted openly so that the public may remain informed.

In enacting this article the Legislature finds and declares that it is the intent of the law that actions of state agencies be taken openly and that their deliberation be conducted openly.

The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

This article shall be known and may be cited as the Bagley-Keene Open Meeting Act.

§ 11121. State body defined

As used in this article, "state body" means each of the following:

(a) Every state board, or commission, or similar multimember body of the state that is created by statute or required by law to conduct official meetings and every commission created by executive order.

(b) A board, commission, committee, or similar multimember body that exercises any authority of a state body delegated to it by that state body.

(c) An advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body, if created by formal action of the state body or of any member of the state body, and if the advisory body so created consists of three or more persons.

(d) A board, commission, committee, or similar multimember body on which a member of a body that is a state body pursuant to this section serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

(e) Notwithstanding subdivision (a) of Section 11121.1, the State Bar of California, as described in Section 6001 of the Business and Professions Code. This subdivision shall become operative on April 1, 2016.

§ 11121.1. State body; exclusions

As used in this article, "state body" does not include any of the following:

(a) Except as provided in subdivision (e) of Section 11121, state agencies provided for in Article VI of the California Constitution.

(b) Districts or other local agencies whose meetings are required to be open to the public pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

(c) State agencies provided for in Article IV of the California Constitution whose meetings are required to be open to the public pursuant to the Grunsky-Burton Open Meeting Act (Article 2.2 (commencing with Section 9027) of Chapter 1.5 of Part 1 of Division 2 of Title 2).

(d) State agencies when they are conducting proceedings pursuant to Section 3596.

(e) State agencies provided for in Section 109260 of the Health and Safety Code, except as provided in Section 109390 of the Health and Safety Code.

(f) The Credit Union Advisory Committee established pursuant to Section 14380 of the Financial Code.

§ 11121.9. Provision of copy of article to members of state body

Each state body shall provide a copy of this article to each member of the state body upon his or her appointment to membership or assumption of office.

§ 11121.95. Appointees or elected officials not yet in office; conformity of conduct to article requirements

Any person appointed or elected to serve as a member of a state body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this article and shall be treated for purposes of this article as if he or she has already assumed office.

§ 11122. Action taken

As used in this article “action taken” means a collective decision made by the members of a state body, a collective commitment or promise by the members of the state body to make a positive or negative decision or an actual vote by the members of a state body when sitting as a body or entity upon a motion, proposal, resolution, order or similar action.

§ 11122.5. Meeting defined; series of communications to discuss, deliberate, or take action prohibited; exceptions

(a) As used in this article, “meeting” includes any congregation of a majority of the members of a state body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the state body to which it pertains.

(b)(1) A majority of the members of a state body shall not, outside of a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter of the state body.

(2) Paragraph (1) shall not be construed to prevent an employee or official of a state agency from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the state agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(c) The prohibitions of this article do not apply to any of the following:

(1) Individual contacts or conversations between a member of a state body and any other person that do not violate subdivision (b).

(2)(A) The attendance of a majority of the members of a state body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the state body, if a majority of the members do

not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the state body.

(B) Subparagraph (A) does not allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a state body at an open and publicized meeting organized to address a topic of state concern by a person or organization other than the state body, if a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the state body.

(4) The attendance of a majority of the members of a state body at an open and noticed meeting of another state body or of a legislative body of a local agency as defined by Section 54951, if a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the other state body.

(5) The attendance of a majority of the members of a state body at a purely social or ceremonial occasion, if a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the state body.

(6) The attendance of a majority of the members of a state body at an open and noticed meeting of a standing committee of that body, if the members of the state body who are not members of the standing committee attend only as observers.

§ 11123. Open meetings; teleconference requirements

(a) All meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article.

(b)(1) This article does not prohibit a state body from holding an open or closed meeting by teleconference for the benefit of the public and state body. The meeting or proceeding held by teleconference shall otherwise comply with all applicable requirements or laws relating to a specific type of meeting or proceeding, including the following:

(A) The teleconferencing meeting shall comply with all requirements of this article applicable to other meetings.

(B) The portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

(C) If the state body elects to conduct a meeting or proceeding by teleconference, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the rights of any party or member of the public appearing before the state body. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. The agenda shall provide an opportunity for members of the public to address the state body directly pursuant to Section 11125.7 at each teleconference location.

(D) All votes taken during a teleconferenced meeting shall be by rollcall.

(E) The portion of the teleconferenced meeting that is closed to the public may not include the consideration of any agenda item being heard pursuant to Section 11125.5.

(F) At least one member of the state body shall be physically present at the location specified in the notice of the meeting.

(2) For the purposes of this subdivision, “teleconference” means a meeting of a state body, the members of which are at different locations, connected by electronic means, through either audio or both audio and video. This section does not prohibit a state body from providing members of the public with additional locations in which the public may observe or address the state body by electronic means, through either audio or both audio and video.

(c) The state body shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

§ 11123.1. State body meetings to meet protections and prohibitions of the Americans with Disabilities Act

All meetings of a state body that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

§ 11123.5. Open meeting by teleconference; meeting minutes; public notice; location of member participating remotely; meeting agenda; primary physical meeting location; audio of meeting; failure of means of remote access

(a) In addition to the authorization to hold a meeting by teleconference pursuant to subdivision (b) of Section 11123, any state body that is an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body may hold an open meeting by teleconference as described in this section, provided the meeting complies with all of the section’s requirements and, except as set forth in this section, it also complies with all other applicable requirements of this article.

(b) A member of a state body as described in subdivision (a) who participates in a teleconference meeting from a remote location subject to this section’s requirements shall be listed in the minutes of the meeting.

(c) The state body shall provide notice to the public at least 24 hours before the meeting that identifies any member who will participate remotely by posting the notice on its Internet Web site and by emailing notice to any person who has requested notice of meetings of the state body under this article. The location of a member of a state body who will participate remotely is not required to be disclosed in the public notice or email and need not be accessible to the public. The notice of the meeting shall also identify the primary physical meeting location designated pursuant to subdivision (e).

(d) This section does not affect the requirement prescribed by this article that the state body post an agenda of a meeting at least 10 days in advance of the meeting. The agenda shall include information regarding the physical meeting location designated pursuant to subdivision (e), but is not required to disclose information regarding any remote location.

(e) A state body described in subdivision (a) shall designate the primary physical meeting location in the notice of the meeting where members of the public may physically attend the meeting and participate. A quorum of the members of the state body shall be in attendance at the primary physical meeting location, and members of the state body participating remotely shall not count towards establishing a quorum. All decisions taken during a meeting by teleconference shall be by rollcall vote. The state body shall post the agenda at the primary physical meeting location, but need not post the agenda at a remote location.

(f) When a member of a state body described in subdivision (a) participates remotely in a meeting subject to this section's requirements, the state body shall provide a means by which the public may remotely hear audio of the meeting or remotely observe the meeting, including, if available, equal access equivalent to members of the state body participating remotely. The applicable teleconference phone number or Internet Web site, or other information indicating how the public can access the meeting remotely, shall be in the 24-hour notice described in subdivision (a) that is available to the public.

(g) Upon discovering that a means of remote access required by subdivision (f) has failed during a meeting, the state body described in subdivision (a) shall end or adjourn the meeting in accordance with Section 11128.5. In addition to any other requirements that may apply, the state body shall provide notice of the meeting's end or adjournment on its Internet Web site and by email to any person who has requested notice of meetings of the state body under this article. If the meeting will be adjourned and reconvened on the same day, further notice shall be provided by an automated message on a telephone line posted on the state body's agenda, or by a similar means, that will communicate when the state body intends to reconvene the meeting and how a member of the public may hear audio of the meeting or observe the meeting.

(h) For purposes of this section:

> (1) "Participate remotely" means participation in a meeting at a location other than the physical location designated in the agenda of the meeting.
>
> (2) "Remote location" means a location other than the primary physical location designated in the agenda of a meeting.
>
> (3) "Teleconference" has the same meaning as in Section 11123.

(i) This section does not limit or affect the ability of a state body to hold a teleconference meeting under another provision of this article.

§ 11124. Conditions for attendance

No person shall be required, as a condition to attendance at a meeting of a state body, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

§ 11124.1. Audio or video recording of proceedings; inspection of state's recording; broadcast restrictions

(a) Any person attending an open and public meeting of the state body shall have the right to record the proceedings with an audio or video recorder or a still or motion picture camera in the absence of a reasonable finding by the state body that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any audio or video recording of an open and public meeting made for whatever purpose by or at the direction of the state body shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the state body.

(c) No state body shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

§ 11125. Notice of meeting

(a) The state body shall provide notice of its meeting to any person who requests that notice in writing. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting, and shall include the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall additionally include the address of the Internet site where notices required by this article are made available.

(b) The notice of a meeting of a body that is a state body shall include a specific agenda for the meeting, containing a brief description of the items of business to be transacted or discussed in either open or closed session. A brief general description of an item generally need not exceed 20 words. A description of an item to be transacted or discussed in closed session shall include a citation of the specific statutory authority under which a closed session is being held. No item shall be added to the agenda subsequent to the provision of this notice, unless otherwise permitted by this article.

(c) Notice of a meeting of a state body that complies with this section shall also constitute notice of a meeting of an advisory body of that state body, provided that the business to be discussed by the advisory body is covered by the notice of the meeting of the state body, provided that the specific time and place of the advisory body's meeting is announced during the open and public state body's meeting, and provided that the advisory body's meeting is conducted within a reasonable time of, and nearby, the meeting of the state body.

(d) A person may request, and shall be provided, notice pursuant to subdivision (a) for all meetings of a state body or for a specific meeting or meetings. In addition, at the state body's discretion, a person may request, and may be provided, notice of only those meetings of a state body at which a particular subject or subjects specified in the request will be discussed.

(e) A request for notice of more than one meeting of a state body shall be subject to the provisions of Section 14911.

(f) The notice shall be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by any person with a disability. The notice shall include information regarding how, to whom, and by when a request for any disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires these aids or services in order to participate in the public meeting.

§ 11125.1. Agendas and other writings distributed for discussion or consideration at public meetings; public records; Franchise Tax Board; inspection; availability on the Internet; closed sessions

(a) Notwithstanding Section 6255 or any other provisions of law, agendas of public meetings and other writings, when distributed to all, or a majority of all, of the members of a state body by any person in connection with a matter subject to discussion or consideration at a public meeting of the body, are disclosable public records under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be made available upon request without delay. However, this section shall not include any writing exempt from public disclosure under Section 6253.5, 6254, or 6254.7 of this code, or Section 489.1 or 583 of the Public Utilities Code.

(b) Writings that are public records under subdivision (a) and that are distributed to members of the state body prior to or during a meeting, pertaining to any item to be considered during the meeting, shall be made available for public inspection at the meeting if prepared by the state body or a member of the state body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by a person with a disability.

(c) In the case of the Franchise Tax Board, prior to that state body taking final action on any item, writings pertaining to that item that are public records under subdivision (a) that are prepared and distributed by the Franchise Tax Board staff or individual members to members of the state body prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request notice in writing pursuant to subdivision (a) of Section 11125.

(3) Made available on the Internet.

(d) Prior to the State Board of Equalization taking final action on any item that does not involve a named tax or feepayer, writings pertaining to that item that are public records under subdivision (a) that are prepared and distributed by board staff or individual members to members of the state body prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request or have requested copies of these writings.

(3) Made available on the internet.

(e) Nothing in this section shall be construed to prevent a state body from charging a fee or deposit for a copy of a public record pursuant to Section 6253, except that no surcharge shall be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The writings described in subdivision (b) are subject to the requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall not be construed to limit or delay the public's right to inspect any record required to be disclosed by that act, or to limit the public's right to inspect any record covered by that act. This section shall not be construed to be applicable to any writings solely because they are properly discussed in a closed session of a state body. Nothing in this article shall be construed to require a state body to place any paid advertisement or any other paid notice in any publication.

(f) "Writing" for purposes of this section means "writing" as defined under Section 6252.

§ 11125.2. Appointment, employment or dismissal of public employees; closed sessions; public report

Any state body shall report publicly at a subsequent public meeting any action taken, and any rollcall vote thereon, to appoint, employ, or dismiss a public employee arising out of any closed session of the state body.

§ 11125.3. Action on items of business not appearing on agenda; notice

(a) Notwithstanding Section 11125, a state body may take action on items of business not appearing on the posted agenda under any of the conditions stated below:

(1) Upon a determination by a majority vote of the state body that an emergency situation exists, as defined in Section 11125.5.

(2) Upon a determination by a two-thirds vote of the state body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there exists a need to take immediate action and that the need for action came to the attention of the state body subsequent to the agenda being posted as specified in Section 11125.

(b) Notice of the additional item to be considered shall be provided to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after a determination of the need to consider the item is made, but shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet as soon as is practicable after the decision to consider additional items at a meeting has been made.

§ 11125.4. Special meetings; authorized purposes; notice; required finding of hardship or need to protect public interest

(a) A special meeting may be called at any time by the presiding officer of the state body or by a majority of the members of the state body. A special meeting may only be called for one of the following purposes when compliance with the 10-day notice provisions of Section 11125 would impose a substantial hardship on the state body or when immediate action is required to protect the public interest:

(1) To consider “pending litigation” as that term is defined in subdivision (e) of Section 11126.

(2) To consider proposed legislation.

(3) To consider issuance of a legal opinion.

(4) To consider disciplinary action involving a state officer or employee.

(5) To consider the purchase, sale, exchange, or lease of real property.

(6) To consider license examinations and applications.

(7) To consider an action on a loan or grant provided pursuant to Division 31 (commencing with Section 50000) of the Health and Safety Code.

(8) To consider its response to a confidential final draft audit report as permitted by Section 11126.2.

(9) To provide for an interim executive officer of a state body upon the death, incapacity, or vacancy in the office of the executive officer.

(b) When a special meeting is called pursuant to one of the purposes specified in subdivision (a), the state body shall provide notice of the special meeting to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after the decision to call a special meeting has been made, but shall deliver the notice in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the special meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet within the time periods required by this section. The notice shall specify the time and place of the special meeting and the business to

be transacted. The written notice shall additionally specify the address of the Internet Web site where notices required by this article are made available. No other business shall be considered at a special meeting by the state body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the state body a written waiver of notice. The waiver may be given by telegram, facsimile transmission, or similar means. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

(c) At the commencement of any special meeting, the state body must make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 would cause a substantial hardship on the body or that immediate action is required to protect the public interest. The finding shall set forth the specific facts that constitute the hardship to the body or the impending harm to the public interest. The finding shall be adopted by a two-thirds vote of the body, or, if less than two-thirds of the members are present, a unanimous vote of those members present. The finding shall be made available on the Internet. Failure to adopt the finding terminates the meeting.

§ 11125.5. Emergency meetings

(a) In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a state body may hold an emergency meeting without complying with the 10-day notice requirement of Section 11125 or the 48-hour notice requirement of Section 11125.4.

(b) For purposes of this section, “emergency situation” means any of the following, as determined by a majority of the members of the state body during a meeting prior to the emergency meeting, or at the beginning of the emergency meeting:

(1) Work stoppage or other activity that severely impairs public health or safety, or both.

(2) Crippling disaster that severely impairs public health or safety, or both.

(c) However, newspapers of general circulation and radio or television stations that have requested notice of meetings pursuant to Section 11125 shall be notified by the presiding officer of the state body, or a designee thereof, one hour prior to the emergency meeting by telephone. Notice shall also be made available on the Internet as soon as is practicable after the decision to call the emergency meeting has been made. If telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the presiding officer of the state body, or a designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(d) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the state body, or a designee thereof, notified or attempted to notify, a copy of the rollcall vote, and any action taken at the meeting shall be posted for a minimum of 10 days in a public place, and also made available on the Internet for a minimum of 10 days, as soon after the meeting as possible.

§ 11125.7. Agenda item discussion before state body; opportunity for public address; regulation by state body; freedom of expression; equal time provisions modified for use of translator; application of provisions

(a) Except as otherwise provided in this section, the state body shall provide an opportunity for members of the public to directly address the state body on each agenda item before or during the state body’s discussion or consideration of the item. This section is not applicable if the agenda item

has already been considered by a committee composed exclusively of members of the state body at a public meeting where interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the state body. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the state body concerning that item prior to action on the item. In addition, the notice requirement of Section 11125 shall not preclude the acceptance of testimony at meetings, other than emergency meetings, from members of the public if no action is taken by the state body at the same meeting on matters brought before the body by members of the public.

(b) The state body may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public comment on particular issues and for each individual speaker.

(c)(1) Notwithstanding subdivision (b), when a state body limits time for public comment the state body shall provide at least twice the allotted time to a member of the public who utilizes a translator or other translating technology to ensure that non-English speakers receive the same opportunity to directly address the state body.

(2) Paragraph (1) shall not apply if the state body utilizes simultaneous translation equipment in a manner that allows the state body to hear the translated public testimony simultaneously.

(d) The state body shall not prohibit public criticism of the policies, programs, or services of the state body, or of the acts or omissions of the state body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

(e) This section is not applicable to any of the following:

(1) Closed sessions held pursuant to Section 11126.

(2) Decisions regarding proceedings held pursuant to Chapter 5 (commencing with Section 11500), relating to administrative adjudication, or to the conduct of those proceedings.

(3) Hearings conducted by the California Victim Compensation Board pursuant to Sections 13963 and 13963.1.

(4) Agenda items that involve decisions of the Public Utilities Commission regarding adjudicatory hearings held pursuant to Chapter 9 (commencing with Section 1701) of Part 1 of Division 1 of the Public Utilities Code. For all other agenda items, the commission shall provide members of the public, other than those who have already participated in the proceedings underlying the agenda item, an opportunity to directly address the commission before or during the commission's consideration of the item.

§ 11126. Closed sessions

(a)(1) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing.

(2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of their right to have a public hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or

special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.

(3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.

(4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

(b) For the purposes of this section, “employee” does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

(c) Nothing in this article shall be construed to do any of the following:

(1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant’s qualifications for licensure and an inquiry specifically related to the state body’s enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.

(4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(5) Prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.

(6) Prevent the Alcoholic Beverage Control Appeals Board or the Cannabis Control Appeals Panel from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(7)(A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

(B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.

(C) For purposes of this paragraph, the negotiator may be a member of the state body.

(D) For purposes of this paragraph, “lease” includes renewal or renegotiation of a lease.

(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

(8) Prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.

(11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of Division 2 of the Revenue and Taxation Code.

(12) Prevent the Corrections Standards Authority from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the Superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of Part 33 of Division 4 of Title 2 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

(15) Prevent the Department of Resources Recycling and Recovery or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

(16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt

from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(18)(A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

(B) Notwithstanding any other law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

(C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.

(D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.

(19) Prevent the California Sex Offender Management Board from holding a closed session for the purpose of discussing matters pertaining to the application of a sex offender treatment provider for certification pursuant to Sections 290.09 and 9003 of the Penal Code. Those matters may include review of an applicant's qualifications for certification.

(d)(1) Notwithstanding any other law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

(2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.

(e)(1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

(2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to

this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(B)(i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.

(ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).

(C)(i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

(ii) The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

(iii) For purposes of this subdivision, “litigation” includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent the enforcement advisory committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent the qualifications examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant’s qualifications.

(4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.

(6) Prevent a state body, as defined in subdivision (c) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(7) Prevent the State Board of Equalization from holding closed sessions for either of the following:

(A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.

(B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of the Revenue and Taxation Code.

(9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(g) This article does not prevent either of the following:

(1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(2) The Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

(h) This article does not prevent the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters relating to the development of rates and competitive strategy for plans offered pursuant to Chapter 15 (commencing with Section 21660) of Part 3 of Division 5 of Title 2.

(i) This article does not prevent the Managed Risk Medical Insurance Board from holding closed sessions when considering matters related to the development of rates and contracting strategy for entities contracting or seeking to contract with the board, entities with which the board is considering a contract, or entities with which the board is considering or enters into any other arrangement under which the board provides, receives, or arranges services or reimbursement, pursuant to Part 6.2 (commencing with Section 12693), Part 6.3 (commencing with Section 12695), Part 6.4 (commencing

with Section 12699.50), Part 6.5 (commencing with Section 12700), Part 6.6 (commencing with Section 12739.5), or Part 6.7 (commencing with Section 12739.70) of Division 2 of the Insurance Code.

(j) Nothing in this article shall be construed to prevent the board of the State Compensation Insurance Fund from holding closed sessions in the following:

(1) When considering matters related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) To the extent that matters related to audits and investigations that have not been completed would be disclosed.

(3) To the extent that an internal audit containing proprietary information would be disclosed.

(4) To the extent that the session would address the development of rates, contracting strategy, underwriting, or competitive strategy, pursuant to the powers granted to the board in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, when discussion in open session concerning those matters would prejudice the position of the State Compensation Insurance Fund.

(k) The State Compensation Insurance Fund shall comply with the procedures specified in Section 11125.4 of the Government Code with respect to any closed session or meeting authorized by subdivision (j), and in addition shall provide an opportunity for a member of the public to be heard on the issue of the appropriateness of closing the meeting or session.

§ 11126.1. Record of topics discussed and decisions made at closed sessions; availability

The state body shall designate a clerk or other officer or employee of the state body, who shall then attend each closed session of the state body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available to members of the state body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction. Such minute book may, but need not, consist of a recording of the closed session.

§ 11126.2. Closed session; response to confidential final draft audit report; public release of report

(a) Nothing in this article shall be construed to prohibit a state body that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a state body meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

§ 11126.3. Disclosure of nature of items to be discussed in closed session; scope of session; notice of meeting; announcement of pending litigation; unnecessary disclosures; disclosures at open session following closed session

(a) Prior to holding any closed session, the state body shall disclose, in an open meeting, the general nature of the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. If the

session is closed pursuant to paragraph (2) of subdivision (d) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the proceeding or disciplinary action contemplated. However, should the body determine that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced or that to do so would fail to protect the private economic and business reputation of the person or entity if the proceeding or disciplinary action is not commenced, then the state body shall notice that there will be a closed session and describe in general terms the purpose of that session. If the session is closed pursuant to subparagraph (A) of paragraph (2) of subdivision (e) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the litigation to be discussed unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(b) In the closed session, the state body may consider only those matters covered in its disclosure.

(c) The disclosure shall be made as part of the notice provided for the meeting pursuant to Section 11125 or pursuant to subdivision (a) of Section 92032 of the Education Code and of any order or notice required by Section 11129.

(d) If, after the agenda has been published in compliance with this article, any pending litigation (under subdivision (e) of Section 11126) matters arise, the postponement of which will prevent the state body from complying with any statutory, court-ordered, or other legally imposed deadline, the state body may proceed to discuss those matters in closed session and shall publicly announce in the meeting the title of, or otherwise specifically identify, the litigation to be discussed, unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. Such an announcement shall be deemed to comply fully with the requirements of this section.

(e) Nothing in this section shall require or authorize a disclosure of names or other information that would constitute an invasion of privacy or otherwise unnecessarily divulge the particular facts concerning the closed session or the disclosure of which is prohibited by state or federal law.

(f) After any closed session, the state body shall reconvene into open session prior to adjournment and shall make any reports, provide any documentation, and make any other disclosures required by Section 11125.2 of action taken in the closed session.

(g) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcement.

§ 11126.4. Closed sessions of Gambling Control Commission; information prohibited from being disclosed by law or tribal-state gaming compact; limitations; public notice

(a) Nothing in this article shall be construed to prevent the California Gambling Control Commission from holding a closed session when discussing matters involving trade secrets, nonpublic financial data, confidential or proprietary information, and other data and information, the public disclosure of which is prohibited by law or a tribal-state gaming compact.

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

(c) Before going into closed session the commission shall publicly announce the type of data or information to be discussed in closed session, which shall be recorded upon the commission minutes.

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

§ 11126.4.5. Closed sessions of Tribal Nation Grant Panel; information prohibited from being disclosed by law; limitations; public notice

(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.

§ 11126.5. Disorderly conduct of general public during meeting; clearing of room

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting the state body conducting the meeting may order the meeting room cleared and continue in session. Nothing in this section shall prohibit the state body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting. Notwithstanding any other provision of law, only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

§ 11126.7. Fees

No fees may be charged by a state body for providing a notice required by Section 11125 or for carrying out any provision of this article, except as specifically authorized pursuant to this article.

§ 11127. Application of article

Each provision of this article shall apply to every state body unless the body is specifically excepted from that provision by law or is covered by any other conflicting provision of law.

§ 11128. Time of closed session

Each closed session of a state body shall be held only during a regular or special meeting of the body.

§ 11128.5. Adjournment; declaration; notice; hour for reconvened meeting

The state body may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the clerk or secretary of the state body may declare the meeting adjourned to a stated time and place and he or

she shall cause a written notice of the adjournment to be given in the same manner as provided in Section 11125.4 for special meetings, unless that notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by law or regulation.

§ 11129. Continuance; posting notice

Any hearing being held, or noticed or ordered to be held by a state body at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the state body in the same manner and to the same extent set forth in Section 11128.5 for the adjournment of meetings. A copy of the order or notice of continuance shall be conspicuously posted on or near the door of the place where the hearing was held within 24 hours after the time of the continuance; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

§ 11130. Actions to prevent violations or determine applicability of article; validity of rules discouraging expression; audio recording of closed sessions; discovery procedures for recordings

(a) The Attorney General, the district attorney, or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this article or to determine the applicability of this article to past actions or threatened future action by members of the state body or to determine whether any rule or action by the state body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the state body to audio record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 11126, order the state body to audio record its closed sessions and preserve the audio recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c)(1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The audio recordings shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the audio recording is sought by the Attorney General, the district attorney, or the plaintiff in a civil action pursuant to this section or Section 11130.3 alleging that a violation of this article has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the audio recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this article, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) Nothing in this section shall permit discovery of communications that are protected by the attorney-client privilege.

§ 11130.3. Judicial determination action by state body in violation of §§ 11123 or 11125 null and void; action by interested person; grounds

(a) Any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of obtaining a judicial determination that an action taken by a state body in violation of Section 11123 or 11125 is null and void under this section. Any action seeking such a judicial determination shall be commenced within 90 days from the date the action was taken. Nothing in this section shall be construed to prevent a state body from curing or correcting an action challenged pursuant to this section.

(b) An action shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement related thereto.

(2) The action taken gave rise to a contractual obligation upon which a party has, in good faith, detrimentally relied.

(3) The action taken was in substantial compliance with Sections 11123 and 11125.

(4) The action taken was in connection with the collection of any tax.

§ 11130.5. Court costs and attorney fees

A court may award court costs and reasonable attorney's fees to the plaintiff in an action brought pursuant to Section 11130 or 11130.3 where it is found that a state body has violated the provisions of this article. The costs and fees shall be paid by the state body and shall not become a personal liability of any public officer or employee thereof.

A court may award court costs and reasonable attorney's fees to a defendant in any action brought pursuant to Section 11130 or 11130.3 where the defendant has prevailed in a final determination of the action and the court finds that the action was clearly frivolous and totally lacking in merit.

§ 11130.7. Violations; misdemeanor

Each member of a state body who attends a meeting of that body in violation of any provision of this article, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this article, is guilty of a misdemeanor.

§ 11131. Use of facility allowing discrimination; state agency

No state agency shall conduct any meeting, conference, or other function in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or that is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. As used in this section, “state agency” means and includes every state body, office, officer, department, division, bureau, board, council, commission, or other state agency.

§ 11131.5. Identity of victims or alleged victims of crimes, tortious sexual conduct, or child abuse; public disclosure

No notice, agenda, announcement, or report required under this article need identify any victim or alleged victim of crime, tortious sexual conduct, or child abuse unless the identity of the person has been publicly disclosed.

§ 11132. Closed session by state body prohibited

Except as expressly authorized by this article, no closed session may be held by any state body.

§ 11133. Electronic access to public meetings; suspension of physical presence requirements; accessibility; advance notice

(a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

Title 2, Division 3, Part 1, Chapter 4.5

Article 1. Preliminary Provisions

§ 11400.20. Regulations

(a) Before, on, or after July 1, 1997, an agency may adopt interim or permanent regulations to govern an adjudicative proceeding under this chapter or Chapter 5 (commencing with Section 11500). Nothing in this section authorizes an agency to adopt regulations to govern an adjudicative proceeding required to be conducted by an administrative law judge employed by the Office of Administrative Hearings, except to the extent the regulations are otherwise authorized by statute.

(b) Except as provided in Section 11351:

(1) Interim regulations need not comply with Article 5 (commencing with Section 11346) or Article 6 (commencing with Section 11349) of Chapter 3.5, but are governed by Chapter 3.5 (commencing with Section 11340) in all other respects.

(2) Interim regulations expire on December 31, 1998, unless earlier terminated or replaced by or readopted as permanent regulations under paragraph (3). If on December 31, 1998, an agency has completed proceedings to replace or readopt interim regulations and has submitted permanent regulations for review by the Office of Administrative Law, but permanent regulations have not yet been filed with the Secretary of State, the interim regulations are extended until the date permanent regulations are filed with the Secretary of State or March 31, 1999, whichever is earlier.

(3) Permanent regulations are subject to all the provisions of Chapter 3.5 (commencing with Section 11340), except that if by December 31, 1998, an agency has submitted the regulations for review by the Office of Administrative Law, the regulations are not subject to review for necessity under Section 11349.1 or 11350.

Article 3. Application of Chapter

§ 11410.40. Adoption by exempt agency

Notwithstanding any other provision of this article, by regulation, ordinance, or other appropriate action, an agency may adopt this chapter or any of its provisions for the formulation and issuance of a decision, even though the agency or decision is exempt from application of this chapter.

Article 4. Governing Procedure

§ 11415.10. Statutes and regulations; Administrative Procedure Act

(a) The governing procedure by which an agency conducts an adjudicative proceeding is determined by the statutes and regulations applicable to that proceeding. If no other governing procedure is provided by statute or regulation, an agency may conduct an adjudicative proceeding under the administrative adjudication provisions of the Administrative Procedure Act.

(b) This chapter supplements the governing procedure by which an agency conducts an adjudicative proceeding.

§ 11415.20. Controlling law

A state statute or a federal statute or regulation applicable to a particular agency or decision prevails over a conflicting or inconsistent provision of this chapter.

Article 11. Subpoenas

§ 11450.05. Application of article

(a) This article applies in an adjudicative proceeding required to be conducted under Chapter 5 (commencing with Section 11500).

(b) An agency may use the subpoena procedure provided in this article in an adjudicative proceeding not required to be conducted under Chapter 5 (commencing with Section 11500), in which case all the provisions of this article apply including, but not limited to, issuance of a subpoena at the request of a party or by the attorney of record for a party under Section 11450.20.

§ 11450.20. Issuer; service

(a) Subpoenas and subpoenas duces tecum shall be issued by the agency or presiding officer at the request of a party, or by the attorney of record for a party, in accordance with Sections 1985 to 1985.4, inclusive, of the Code of Civil Procedure.

(b) The process extends to all parts of the state and shall be served in accordance with Sections 1987 and 1988 of the Code of Civil Procedure. A subpoena or subpoena duces tecum may also be

delivered by certified mail return receipt requested or by messenger. Service by messenger shall be effected when the witness acknowledges receipt of the subpoena to the sender, by telephone, by mail, or in person, and identifies himself or herself either by reference to date of birth and driver's license number or Department of Motor Vehicles identification number, or the sender may verify receipt of the subpoena by obtaining other identifying information from the recipient. The sender shall make a written notation of the acknowledgment. A subpoena issued and acknowledged pursuant to this section has the same force and effect as a subpoena personally served. Failure to comply with a subpoena issued and acknowledged pursuant to this section may be punished as a contempt and the subpoena may so state. A party requesting a continuance based upon the failure of a witness to appear at the time and place required for the appearance or testimony pursuant to a subpoena, shall prove that the party has complied with this section. The continuance shall only be granted for a period of time that would allow personal service of the subpoena and in no event longer than that allowed by law.

(c) No witness is obliged to attend unless the witness is a resident of the state at the time of service.

§ 11450.30. Objections; protective orders

(a) A person served with a subpoena or a subpoena duces tecum may object to its terms by a motion for a protective order, including a motion to quash.

(b) The objection shall be resolved by the presiding officer on terms and conditions that the presiding officer declares. The presiding officer may make another order that is appropriate to protect the parties or the witness from unreasonable or oppressive demands, including violations of the right to privacy.

(c) A subpoena or a subpoena duces tecum issued by the agency on its own motion may be quashed by the agency.

§ 11450.50. Written notice

(a) In the case of the production of a party to the record of a proceeding or of a person for whose benefit a proceeding is prosecuted or defended, the service of a subpoena on the witness is not required if written notice requesting the witness to attend, with the time and place of the hearing, is served on the attorney of the party or person.

(b) Service of written notice to attend under this section shall be made in the manner and is subject to the conditions provided in Section 1987 of the Code of Civil Procedure for service of written notice to attend in a civil action or proceeding.

Title 2, Division 3, Part 1, Chapter 5

§ 11512. Presiding officer; participation of agency in hearing; conduct of hearing; disqualification of administrative law judge or agency member; reporter; proposed decision

(a) Every hearing in a contested case shall be presided over by an administrative law judge. The agency itself shall determine whether the administrative law judge is to hear the case alone or whether the agency itself is to hear the case with the administrative law judge.

(b) When the agency itself hears the case, the administrative law judge shall preside at the hearing, rule on the admission and exclusion of evidence, and advise the agency on matters of law; the agency itself shall exercise all other powers relating to the conduct of the hearing but may delegate any or all of them to the administrative law judge. When the administrative law judge alone hears a case, he or she shall exercise all powers relating to the conduct of the hearing. A ruling of the administrative law judge admitting or excluding evidence is subject to review in the same manner and to the same extent as the administrative law judge's proposed decision in the proceeding.

(c) An administrative law judge or agency member shall voluntarily disqualify himself or herself and withdraw from any case in which there are grounds for disqualification, including disqualification under Section 11425.40. The parties may waive the disqualification by a writing that recites the grounds for disqualification. A waiver is effective only when signed by all parties, accepted by the administrative law judge or agency member, and included in the record. Any party may request the disqualification of any administrative law judge or agency member by filing an affidavit, prior to the taking of evidence at a hearing, stating with particularity the grounds upon which it is claimed that the administrative law judge or agency member is disqualified. Where the request concerns an agency member, the issue shall be determined by the other members of the agency. Where the request concerns the administrative law judge, the issue shall be determined by the agency itself if the agency itself hears the case with the administrative law judge, otherwise the issue shall be determined by the administrative law judge. No agency member shall withdraw voluntarily or be subject to disqualification if his or her disqualification would prevent the existence of a quorum qualified to act in the particular case, except that a substitute qualified to act may be appointed by the appointing authority.

(d) The proceedings at the hearing shall be reported by a stenographic reporter. However, upon the consent of all the parties, the proceedings may be reported electronically.

(e) Whenever, after the agency itself has commenced to hear the case with an administrative law judge presiding, a quorum no longer exists, the administrative law judge who is presiding shall complete the hearing as if sitting alone and shall render a proposed decision in accordance with subdivision (b) of Section 11517.

§ 11517. Contested case; original hearing; agency or administrative law judge

(a) A contested case may be originally heard by the agency itself and subdivision (b) shall apply. Alternatively, at the discretion of the agency, an administrative law judge may originally hear the case alone and subdivision (c) shall apply.

(b) If a contested case is originally heard before an agency itself, all of the following provisions apply:

> (1) An administrative law judge shall be present during the consideration of the case and, if requested, shall assist and advise the agency in the conduct of the hearing.
>
> (2) No member of the agency who did not hear the evidence shall vote on the decision.
>
> (3) The agency shall issue its decision within 100 days of submission of the case.

(c)(1) If a contested case is originally heard by an administrative law judge alone, he or she shall prepare within 30 days after the case is submitted to him or her a proposed decision in a form that may be adopted by the agency as the final decision in the case. Failure of the administrative law judge to deliver a proposed decision within the time required does not prejudice the rights of the agency in the case. Thirty days after the receipt by the agency of the proposed decision, a copy of the proposed decision shall be filed by the agency as a public record and a copy shall be served by the agency on each party and his or her attorney. The filing and service is not an adoption of a proposed decision by the agency.

> (2) Within 100 days of receipt by the agency of the administrative law judge's proposed decision, the agency may act as prescribed in subparagraphs (A) to (E), inclusive. If the agency fails to act as prescribed in subparagraphs (A) to (E), inclusive, within 100 days of receipt of the proposed decision, the proposed decision shall be deemed adopted by the agency. The agency may do any of the following:
>
> > (A) Adopt the proposed decision in its entirety.

(B) Reduce or otherwise mitigate the proposed penalty and adopt the balance of the proposed decision.

(C) Make technical or other minor changes in the proposed decision and adopt it as the decision. Action by the agency under this paragraph is limited to a clarifying change or a change of a similar nature that does not affect the factual or legal basis of the proposed decision.

(D) Reject the proposed decision and refer the case to the same administrative law judge if reasonably available, otherwise to another administrative law judge, to take additional evidence. If the case is referred to an administrative law judge pursuant to this subparagraph, he or she shall prepare a revised proposed decision, as provided in paragraph (1), based upon the additional evidence and the transcript and other papers that are part of the record of the prior hearing. A copy of the revised proposed decision shall be furnished to each party and his or her attorney as prescribed in this subdivision.

(E) Reject the proposed decision, and decide the case upon the record, including the transcript, or upon an agreed statement of the parties, with or without taking additional evidence. By stipulation of the parties, the agency may decide the case upon the record without including the transcript. If the agency acts pursuant to this subparagraph, all of the following provisions apply:

(i) A copy of the record shall be made available to the parties. The agency may require payment of fees covering direct costs of making the copy.

(ii) The agency itself shall not decide any case provided for in this subdivision without affording the parties the opportunity to present either oral or written argument before the agency itself. If additional oral evidence is introduced before the agency itself, no agency member may vote unless the member heard the additional oral evidence.

(iii) The authority of the agency itself to decide the case under this subdivision includes authority to decide some but not all issues in the case.

(iv) If the agency elects to proceed under this subparagraph, the agency shall issue its final decision not later than 100 days after rejection of the proposed decision. If the agency elects to proceed under this subparagraph, and has ordered a transcript of the proceedings before the administrative law judge, the agency shall issue its final decision not later than 100 days after receipt of the transcript. If the agency finds that a further delay is required by special circumstance, it shall issue an order delaying the decision for no more than 30 days and specifying the reasons therefor. The order shall be subject to judicial review pursuant to Section 11523.

(d) The decision of the agency shall be filed immediately by the agency as a public record and a copy shall be served by the agency on each party and his or her attorney.

§ 11521. Reconsideration

(a) The agency itself may order a reconsideration of all or part of the case on its own motion or on petition of any party. The agency shall notify a petitioner of the time limits for petitioning for reconsideration. The power to order a reconsideration shall expire 30 days after the delivery or mailing of a decision to a respondent, or on the date set by the agency itself as the effective date of the decision if that date occurs prior to the expiration of the 30-day period or at the termination of a stay of not to exceed 30 days which the agency may grant for the purpose of filing an application for reconsideration. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of any of the applicable periods, an agency may grant a stay of that expiration for no more

than 10 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied.

(b) The case may be reconsidered by the agency itself on all the pertinent parts of the record and such additional evidence and argument as may be permitted, or may be assigned to an administrative law judge. A reconsideration assigned to an administrative law judge shall be subject to the procedure provided in Section 11517. If oral evidence is introduced before the agency itself, no agency member may vote unless he or she heard the evidence.

Title 2, Division 3, Part 2, Chapter 1

Article 2. Powers and Duties

§ 12010. Supervision of executive and ministerial officers

The Governor shall supervise the official conduct of all executive and ministerial officers.

§ 12010.5. Executive agencies; distribution of deputies and employees selected by civil-service-exempt officers

Notwithstanding any other provision of statutory law, the Governor shall determine the distribution in the executive agencies of deputies or employees selected pursuant to subdivision (g) of Section 4 of Article VII of the California Constitution by civil-service-exempt officers appointed by the Governor pursuant to subdivision (f) of Section 4 of Article VII of the California Constitution, except deputies or employees subject to the consent or confirmation of the Senate.

§ 12010.6. Executive agencies; civil-service-exempt officers and employees; positions vacated by civil service employees

(a) The purpose of this section is to increase the Governor's managerial flexibility without increasing costs. It is the intent of the Legislature that positions designated as exempt from civil service by this section shall be filled by a Governor's appointment only after they are vacated by civil service employees.

(b) The Governor may designate as exempt from civil service positions in the executive agencies over which the Governor has line responsibility and which have civil-service-exempt officers and employees appointed pursuant to subdivision (f) or (g) of Section 4 of Article VII of the California Constitution; provided that the designations shall be limited to positions covered by these subdivisions and shall not cause the total number of positions exempted under these subdivisions to exceed one-half of 1 percent of the number of full-time equivalent positions in these agencies collectively.

(c) The Governor may appoint a person to a position designated as exempt from civil service pursuant to this section only after the position is no longer held by a civil service employee.

(d) Positions designated by the Governor as exempt from civil service pursuant to this section shall be limited to those designated as managerial positions under Section 3513 by the Department of Human Resources.

(e) The authority to designate positions as exempt from civil service shall not result in the displacement of civil service employees and shall not result in hiring additional employees into positions not authorized in the Budget Act.

(f) The Department of Human Resources shall report to the Joint Legislative Audit Committee by January 31 of each year the current percentage of civil-service-exempt officers and employees in state service.

§ 12011. Filling of offices; performance of duties; remedies

The Governor shall see that all offices are filled and their duties performed. If default occurs, the Governor shall apply such remedy as the law allows. If the remedy is imperfect, the Governor shall so advise the Legislature at its next session.

§ 12011.5. Judicial vacancies; State Bar evaluation of candidates and appointees; demographic data of applicants; collection and release

(a) In the event of a vacancy in a judicial office to be filled by appointment of the Governor, or in the event that a declaration of candidacy is not filed by a judge and the Governor is required under subdivision (d) of Section 16 of Article VI of the California Constitution to nominate a candidate, the Governor shall first submit to a designated agency of the State Bar of California the names of all potential appointees or nominees for the judicial office for evaluation of their judicial qualifications.

(b) The membership of the designated agency of the State Bar responsible for evaluation of judicial candidates shall consist of attorney members and public members with the ratio of public members to attorney members determined, to the extent practical, by the ratio established in Section 6013.5 of the Business and Professions Code. It is the intent of this subdivision that the designated agency of the State Bar responsible for evaluation of judicial candidates shall be broadly representative of the ethnic, gender, and racial diversity of the population of California and composed in accordance with Sections 11140 and 11141. The further intent of this subdivision is to establish a selection process for membership on the designated agency of the State Bar responsible for evaluation of judicial candidates under which no member of that agency shall provide inappropriate, multiple representation for purposes of this subdivision. Each member of the designated agency of the State Bar responsible for evaluation of judicial candidates shall complete a minimum of 60 minutes of training in the areas of fairness and bias in the judicial appointments process at an orientation for new members. If the member serves more than one term, the member shall complete an additional 60 minutes of that training during the member's service on the designated agency of the State Bar responsible for evaluation of judicial candidates.

(c) Upon receipt from the Governor of the names of candidates for judicial office and their completed personal data questionnaires, the State Bar shall use appropriate confidential procedures to evaluate and determine the qualifications of each candidate with regard to the candidate's ability to discharge the judicial duties of the office to which the appointment or nomination shall be made. Within 90 days of submission by the Governor of the name of a potential appointee for judicial office, the State Bar shall report, in confidence, to the Governor its recommendation whether the candidate is exceptionally well qualified, well qualified, qualified, or not qualified and the reasons therefor, and may report, in confidence, other information as the State Bar deems pertinent to the qualifications of the candidate.

(d) In determining the qualifications of a candidate for judicial office, the State Bar shall consider, among other appropriate factors, the candidate's industry, judicial temperament, honesty, objectivity, community respect, integrity, health, ability, and legal experience. The State Bar shall consider legal experience broadly, including, but not limited to, litigation and nonlitigation experience, legal work for a business or nonprofit entity, experience as a law professor or other academic position, legal work in any of the three branches of government, and legal work in dispute resolution.

(e) The State Bar shall establish and promulgate rules and procedures regarding the investigation of the qualifications of candidates for judicial office by the designated agency. These rules and procedures shall establish appropriate, confidential methods for disclosing to the candidate the subject matter of substantial and credible adverse allegations received regarding the candidate's health, physical or mental condition, or moral turpitude that, unless rebutted, would be determinative of the candidate's unsuitability for judicial office. No provision of this section shall be construed as requiring that a rule or procedure be adopted that permits the disclosure to the candidate of information from

which the candidate may infer the source, and no information shall either be disclosed to the candidate nor be obtainable by any process that would jeopardize the confidentiality of communications from persons whose opinion has been sought on the candidate's qualifications.

(f) All communications, written, verbal, or otherwise, of and to the Governor, the Governor's authorized agents or employees, including, but not limited to, the Governor's Legal Affairs Secretary and Appointments Secretary, or of and to the State Bar in furtherance of the purposes of this section are absolutely privileged from disclosure and confidential, and any communication made in the discretion of the Governor or the State Bar with a candidate or person providing information in furtherance of the purposes of this section shall not constitute a waiver of the privilege or a breach of confidentiality.

(g) If the Governor has appointed a person to a trial court who has been found not qualified by the designated agency, the State Bar may make public this fact after due notice to the appointee of its intention to do so, but that notice or disclosure shall not constitute a waiver of privilege or breach of confidentiality with respect to communications of or to the State Bar concerning the qualifications of the appointee.

(h) If the Governor has nominated or appointed a person to the Supreme Court or court of appeal in accordance with subdivision (d) of Section 16 of Article VI of the California Constitution, the Commission on Judicial Appointments may invite, or the State Bar's governing board or its designated agency may submit to the commission, its recommendation, and the reasons therefor, but that disclosure shall not constitute a waiver of privilege or breach of confidentiality with respect to communications of or to the State Bar concerning the qualifications of the nominee or appointee.

(i) A person or entity shall not be liable for an injury caused by an act or failure to act, be it negligent, intentional, discretionary, or otherwise, in the furtherance of the purposes of this section, including, but not limited to, providing or receiving information, making recommendations, and giving reasons therefor. As used in this section, the term "State Bar" means its governing board and members thereof, the designated agency of the State Bar and members thereof, and employees and agents of the State Bar.

(j) At any time prior to the receipt of the report from the State Bar specified in subdivision (c) the Governor may withdraw the name of a person submitted to the State Bar for evaluation pursuant to this section.

(k) A candidate for judicial office shall not be appointed until the State Bar has reported to the Governor pursuant to this section, or until 90 days have elapsed after submission of the candidate's name to the State Bar, whichever occurs earlier. The requirement of this subdivision shall not apply to a vacancy in judicial office occurring within the 90 days preceding the expiration of the Governor's term of office, provided, however, that with respect to those vacancies and with respect to nominations pursuant to subdivision (d) of Section 16 of Article VI of the California Constitution, the Governor shall be required to submit any candidate's name to the State Bar in order to provide an opportunity, if time permits, to make an evaluation.

(l) Nothing in this section shall be construed as imposing an additional requirement for an appointment or nomination to judicial office, nor shall anything in this section be construed as adding additional qualifications for the office of a judge.

(m) The Board of Governors of the State Bar shall not conduct or participate in, or authorize a committee, agency, employee, or commission of the State Bar to conduct or participate in, an evaluation, review, or report on the qualifications, integrity, diligence, or judicial ability of any specific justice of a court provided for in Section 2 or 3 of Article VI of the California Constitution without prior review and statutory authorization by the Legislature, except an evaluation, review, or report on potential judicial appointees or nominees as authorized by this section.

The provisions of this subdivision shall not be construed to prohibit a member of the State Bar from conducting or participating in an evaluation, review, or report in the member's individual capacity.

(n)(1) Notwithstanding any other provision of this section, but subject to paragraph (2), on or before March 1 of each year for the prior calendar year, all of the following shall occur:

(A) The Governor shall collect and release, on an aggregate statewide basis, all of the following:

(i) Demographic data provided by all judicial applicants relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation.

(ii) Demographic data relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation as provided by all judicial applicants, both as to those judicial applicants who have been and those who have not been submitted to the State Bar for evaluation.

(iii) Demographic data relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation of all judicial appointments or nominations as provided by the judicial appointee or nominee.

(B) The designated agency of the State Bar responsible for evaluation of judicial candidates shall collect and release both of the following on an aggregate statewide basis:

(i) Statewide demographic data provided by all judicial applicants reviewed relative to ethnicity, race, disability, veteran status, gender, gender identity, sexual orientation, and areas of legal practice and employment.

(ii) The statewide summary of the recommendations of the designated agency of the State Bar by ethnicity, race, disability, veteran status, gender, gender identity, sexual orientation, and areas of legal practice and employment.

(C) The Administrative Office of the Courts shall collect and release the demographic data provided by justices and judges described in Article VI of the California Constitution relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation by specific jurisdiction.

(2) For purposes of subparagraph (A) of paragraph (1), in the year following a general election or recall election that will result in a new Governor taking office prior to March 1, the departing Governor shall provide all of the demographic data collected for the year by that Governor pursuant to this subdivision to the incoming Governor. The incoming Governor shall then be responsible for releasing the provided demographic data, and the demographic data collected by that incoming Governor, if any, prior to the March 1 deadline imposed pursuant to this subdivision.

(3) Demographic data disclosed or released pursuant to this subdivision shall disclose only aggregated statistical data and shall not identify any individual applicant, justice, or judge.

(4) The State Bar and the Administrative Office of the Courts shall use the following ethnic and racial categories: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Islander, White, some other race, and more than one race, as those categories are defined by the United States Census Bureau for the 2010 Census for reporting purposes.

(5) Demographic data disclosed or released pursuant to this subdivision shall also indicate the percentage of respondents who declined to respond.

(6) For purposes of this subdivision, the collection of demographic data relative to disability and veteran status shall be required only for judicial applicants, candidates, appointees, nominees, justices, and judges who apply, or are reviewed, appointed, nominated, or elected, on or after January 1, 2014. The release of this demographic data shall begin in 2015.

(7) For purposes of this subdivision, the following terms have the following meanings:

(A) “Disability” includes mental disability and physical disability, as defined in subdivisions (j) and (m) of Section 12926.

(B) “Veteran status” has the same meaning as specified in Section 101(2) of Title 38 of the United States Code.

(o) The Governor and members of judicial selection advisory committees are encouraged to give particular consideration to candidates from diverse backgrounds and cultures reflecting the demographics of California, including candidates with demographic characteristics underrepresented among existing judges and justices.

(p) If any provision of this section other than a provision relating to or providing for confidentiality or privilege from disclosure of any communication or matter, or the application of the provision to any person or circumstances, is held invalid, the remainder of this section, to the extent it can be given effect, or the application of the provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this section are severable. If any other act of the Legislature conflicts with the provisions of this section, this section shall prevail.

§ 12012. Communication with other states and United States

The Governor is the sole official organ of communication between the government of this State and the government of any other State or of the United States.

§ 12012.1. Transfer of offender to foreign country; approval

Whenever a treaty is in force providing for the transfer of offenders between the United States and a foreign country, the Governor or the Governor’s designee is authorized to give the approval of the state to a transfer as provided in the treaty, upon the application of a person under the jurisdiction of the Department of Corrections, the Department of the Youth Authority, and the State Department of Health Services.

§ 12012.3. Governor’s Tribal Advisor; appointment; qualifications

(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

(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 a 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 the Governor 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 an allocation system for lottery devices on an 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

(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 in 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 the Governor 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 an 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 the Secretary's 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 entered into in accordance with Indian Gaming Regulatory Act of 1988

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 compacts; La Posta Indian Reservation; Santa Ysabel Reservation

(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 Diegueño 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 Diegueño Mission Indians of the Santa Ysabel Reservation, California, executed on September 8, 2003, is hereby ratified.

§ 12012.40. Ratification of amendments to certain tribal-state gaming compacts; impact of CEQA upon projects

(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 and amendments of August 23, 2004; terms; projects; deposit of revenue contributions

(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. Agua Caliente Band of Cahuilla Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund

(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. Agua Caliente Band of Cahuilla Indians; memorandum of agreement

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. San Manuel Band of Mission Indians; sovereignty to negotiate; revenue contributions

(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. San Manuel Band of Mission Indians; letter of agreement

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. Morongo Band of Mission Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund

(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. Morongo Band of Mission Indians; memorandum of agreement

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. Pechanga Band of Luiseño Mission Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund

(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 Luiseño 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. Pechanga Band of Luiseño Indians; memorandum of agreement

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

§ 12012.51. Sycuan Band of the Kumeyaay Nation; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund or as provided

(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. Sycuan Band of the Kumeyaay Nation; memorandum of agreement

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. Yurok Tribe; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund

(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. Shingle Springs Band of Miwok Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act; revenue contributions under compact deposited in General Fund

(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. Habematolel Pomo of Upper Lake; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Pinoleville Pomo Nation; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Federated Indians of Graton Rancheria; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Coyote Valley Band of Pomo Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Shingle Springs Band of Miwok Indians; ratification of amendment to tribal-state gaming compact executed on Nov. 15, 2012; tribal actions not subject to California Environmental Quality Act

(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 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 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 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; creation in the State Treasury as a special purpose trust fund; appropriation from trust fund to the California Gambling Control Commission; accrual of interest; termination of 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.

§ 12012.60. Fort Independence Indian Community of Paiute Indians; ratification of gaming compact; projects for purposes of California Environmental Quality Act

(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. Ramona Band of Cahuilla; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 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 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 with the 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. Viejas Band of Kumeyaay; ratification of tribal-state gaming compact amendment; tribal actions not subject to California Environmental Quality Act

(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. Jackson Rancheria Band of Miwuk Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Santa Ynez Band of Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. United Auburn Indian Community; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 United Auburn Indian Community, executed 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. Sycuan Band of the Kumeyaay Nation; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Pala Band of Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Jackson Rancheria Band of Miwuk Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Barona Band of Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Viejas Band of Kumeyaay Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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.

§ 12012.73. Yurok Tribe of the Yurok Reservation; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 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.

§ 12012.74. Pechanga Band of Luiseño Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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

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. Buena Vista Rancheria of Me-Wuk Indians of California; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Jamul Indian Village of California; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Yocha Dehe Wintun Nation; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 Yocha Dehe Wintun Nation, 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.

§ 12012.79. Agua Caliente Band of Cahuilla Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. San Manuel Band of Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Wilton Rancheria; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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.

(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. Morongo Band of Mission Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. San Manuel Band of Mission Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Federated Indians of Graton Rancheria; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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

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. United Auburn Indian Community; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Tuolumne Band of Me-Wuk Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Cabazon Band of Mission Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Tule River Indian Tribe of California; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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; definitions; reporting amount of deficiency; appropriation limitations; distribution of moneys

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. Quechan Tribe of the Fort Yuma Indian Reservation; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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.

§ 12012.92. Dry Creek Rancheria Band of Pomo Indians; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Elk Valley Rancheria, California; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Santa Ynez Band of Mission Indians; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Susanville Indian Rancheria; ratification of amendment to tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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, city and county, 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; determination whether revenue estimates are anticipated to exceed estimated expenditures, etc.; application of funds to payments required to be made by limited gaming tribes

(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 certain tribal-state gaming compacts; tribal actions not subject to California Environmental Quality Act

(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; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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. Hoopa Valley Tribe; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 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.

§ 12012.101. Ratification of specified tribal-state gaming compacts executed August 3, 2020; tribal actions not subject to California Environmental Quality Act

(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 Ione Band of Miwok Indians, executed on August 3, 2020.

(2) The compact between the State of California and the Mooretown Rancheria of Maidu Indians of California, executed on August 3, 2020.

(3) The compact between the State of California and the Paskenta Band of Nomlaki Indians, executed on August 3, 2020.

(4) The compact between the State of California and the Shingle Springs Band of Miwok Indians, executed on August 3, 2020.

(5) The compact between the State of California and the Tolowa Dee-ni' Nation, executed on August 3, 2020.

(6) The compact between the State of California and the Tule River Indian Tribe of California, executed on August 3, 2020.

(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 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.

§ 12012.102. Ratification of specified tribal-state gaming compacts executed April 19, 2021; tribal actions not subject to California Environmental Quality Act

(a) Both of 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 Santa Rosa Indian Community of the Santa Rosa Rancheria, executed on April 19, 2021.

(2) The compact between the State of California and the Middletown Rancheria of Pomo Indians of California, executed on April 19, 2021.

(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 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 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 ratified by this section.

(E) The on-reservation impacts of compliance with the terms of a 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.

§ 12012.103. Picayune Rancheria of Chukchansi Indians of California; ratification of tribal-state gaming compact; tribal actions not subject to California Environmental Quality Act

(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 Picayune Rancheria of Chukchansi Indians of California, executed on August 10, 2021, 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, 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.

§ 12013. Legal proceedings; appearance of Attorney General; additional counsel

The Governor may direct the Attorney General to appear on behalf of the state and may employ such additional counsel as the Governor deems expedient whenever a suit or legal proceeding is pending:

(a) Against the state.

(b) Which may affect the title of the state to property.

(c) Which may result in a claim against the state.

§ 12014. Inquiry into corporate affairs or management

The Governor may require the Attorney General or the district attorney of any county to inquire into the affairs or management of any corporation existing under the laws of this State.

§ 12015. Legislative intent; services, supplies and assistance furnished Governor-elect

The Legislature declares it to be the purpose of this article to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a Governor and the inauguration of a new Governor. The interest of the state requires that such transitions be accomplished so as to assure continuity in the conduct of the affairs of the state government. Any disruption occasioned by the transfer of the executive power could produce results detrimental to the safety and well-being of the state and its people. Accordingly, it is the intent of the Legislature that appropriate actions be authorized and taken to avoid or minimize any disruption. In addition to the specific provisions contained in this article directed toward that purpose, it is the intent of the Legislature that all officers of the state government so conduct the affairs of the state government for which they exercise responsibility and authority as: (1) to be mindful of problems occasioned by transitions in the office of Governor, (2) to take appropriate lawful steps to avoid or minimize disruptions that might be occasioned by the transfer of the executive power, and (3) otherwise to promote orderly transitions in the office of Governor.

Every state agency shall furnish to the Governor-elect any information, assistance, supplies, transportation, and facilities necessary in connection with the preparation of the annual state budget for submission to the Legislature.

The Director of Finance, after consultation with the Governor-elect, shall appoint such persons as necessary to assist the Governor-elect in the preparation of the annual state budget and the assumption of the other duties of the Governor.

In the case where the Governor-elect is the Governor, there shall be no expenditures of funds for the provision of services and facilities.

§ 12015.5. Assistance to Governor leaving office in conclusion of matters arising out of official duties of his office

The Governor may appoint for a period not to exceed 60 calendar days after the conclusion of the Governor’s term of office persons to assist the Governor in concluding matters arising out of the Governor’s official duties during the Governor’s last term.

§ 12017. Reprieves, pardons and commutations; report to Legislature

At each session the Governor shall report to the Legislature each reprieve, pardon, and commutation granted, stating the name of the convict, the crime of which the convict was convicted, the sentence, its date, the date of the pardon, reprieve, or commutation, and the reasons for granting the same.

§ 12018. Designation of single state agency to be responsible for each federal program

Except as otherwise provided by statute, the Governor may designate which single state agency shall be responsible for each federal program in which federal money is given to the state with the requirement that it be handled by a single state agency.

Whenever the Governor designates an agency pursuant to this section, the Governor shall notify the Joint Legislative Budget Committee of the agency designated and the federal program for which that agency was designated.

§ 12019. Duties of Director of e-Government; interactive Internet-based information site for information on publicly assisted or financed housing; facilitation of consumer inquiries and collection of consumer data; inventory and updating of information; scope; disclaimers

(a) The Director of e-Government in the office of the Governor shall direct the development of, and shall make operational by July 1, 2003, an interactive Internet-based information site and inventory of all publicly assisted or publicly financed multiunit low-income rental housing in the state, where data are available. This site and inventory shall be referred to as the California Affordable Housing Connection. It is the intent of the Legislature that a technology center within a California institution of higher education develop a site and that state agencies allow access to relevant digital data for the development of the site. It is further the intent of the Legislature that the Internet site be a resource to individuals and agencies interested in locating affordable housing for low-income persons and families.

(b) The interactive site shall contain specified information on publicly assisted or financed housing, including, but not limited to, housing assisted through the United States Department of Housing and Urban Development, the United States Department of Agriculture's Rural Housing Service, the California Housing Finance Agency, the California Tax Credit Allocation Committee, the California Department of Housing and Community Development, and local housing and redevelopment agencies as data are available. The site shall be designed with the capacity to be updated by state and local housing entities as new data are available. It is the intent of the Legislature that those entities, to the extent feasible, enter new data as often as it becomes available.

(c)(1) The inventory information shall include, but not be limited to, (A) the name, address, number of units, and contact information of housing properties, and (B) subsidy program information, including program description, eligibility requirements, estimated rent levels, and application information.

(2) The information shall be organized to facilitate consumer inquiries based on geographic location and other individual or household factors. Consumer data gathered through the Internet interaction or interview process shall include, but not be limited to, the number of persons in the household, household income, heads of household and household members 62 years of age or older or with a disability, number of dependents and child care payments, family caretaking and medical expenses, the size of a desired apartment, such as efficiency or one or two bedrooms, and the city or ZIP Code for desired housing, including the opportunity to specify both urban and rural geographic preferences.

(d) The interactive site shall have the capacity to list housing options according to the degree that known program attributes match the consumer characteristics submitted to the site.

(e) To the extent that data are available, the site shall provide information on the accessibility of the housing included in the inventory. The site shall also utilize technology that facilitates access to the site for persons with disabilities.

(f) Information on the site shall be made available in English and Spanish.

(g) The site shall have disclaimers that include, but are not limited to, all of the following:

(1) That the listing of housing programs or properties is a factual representation, and not an approval of the quality or physical characteristics of specific housing properties.

(2) That there is the potential of waiting lists for the properties and programs listed and that consumers or agencies should contact housing providers directly to inquire about availability of units.

(3) That all consumer information entered into the California Affordable Housing Connection by users shall remain confidential and shall not be used for any other purpose.

(h) The Director of e-Government shall also designate or request the technology center within a California institution of higher education chosen to develop the site to maintain and update the information contained in the inventory at least on a biannual basis, as new data become available, such as when affordable housing properties are added to California's housing stock or previous properties no longer participate in affordable housing programs. It is the intent of the Legislature that the relevant state departments cooperate with the California institution of higher education by providing existing housing data pertinent to the Internet site.

(i) After data is compiled pursuant to this section for purposes of creating and maintaining an inventory, this data shall be available to the state at no cost.

(j) Two years following commencement of the development of the site pursuant to this section, the Director of e-Government shall provide a report to the Legislature detailing the participation of agencies in the California Affordable Housing Connection and a summary of the development of the site.

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. Tribal Nation Grant Fund; establishment; administration; use of moneys; deposit money into fund

(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. Tribal Nation Grant Fund Program; application for grant; eligible purposes or projects; prohibited uses

(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; contents

(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. Duties of staff; prohibited activities

(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. Preventing disclosure of confidential information; closed sessions

(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. Tribal Nation Grant Panel; members; appointment; advisor's duties; compensation

(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. Duties of panel; annual meetings; distribution of available moneys; determination if moneys used in manner inconsistent with described purpose or project; use of technical experts

(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. Deadline established for use of grant

(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. Applicants' duties

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. Annual report on Internet Web site

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 to Legislature; contents

(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. Activities authorized and required by this article funded by Indian Gaming Special Distribution Fund

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. Application of tribal-state gaming compacts

Actions taken under this article shall be consistent with the provisions of tribal-state gaming compacts.

Title 9, Chapter 7

Article 3. Conflict of Interest Codes

§ 87300. Agency; adoption and promulgation; effect of violation

Every agency shall adopt and promulgate a Conflict of Interest Code pursuant to the provisions of this article. A Conflict of Interest Code shall have the force of law and any violation of a Conflict of Interest Code by a designated employee shall be deemed a violation of this chapter.

§ 87302. Required provisions; exemptions

Each conflict of interest code shall contain the following provisions:

(a) Specific enumeration of the positions within the agency, other than those specified in Section 87200, that involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable. An investment, business position, interest in real property, or source of income shall be made reportable by the conflict of interest code if the business entity in which the investment or business position is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the designated employee's position.

(b) Requirements that each designated employee, other than those specified in Section 87200, file statements at times and under circumstances described in this section, disclosing reportable investments, business positions, interests in real property, and income. The information disclosed with respect to reportable investments, interests in real property, and income shall be the same as the information required by Sections 87206 and 87207. The first statement filed under a conflict of interest code by a designated employee shall disclose any reportable investments, business positions, interests in real property, and income. An initial statement shall be filed by each designated employee within 30 days after the effective date of the conflict of interest code, disclosing investments, business positions, and interests in real property held on the effective date of the conflict of interest code and income received during the 12 months before the effective date of the conflict of interest code. Thereafter, each new designated employee shall file a statement within 30 days after assuming office, or, if subject to State Senate confirmation, 30 days after being appointed or nominated, disclosing investments, business positions, and interests in real property held on, and income received during the 12 months before, the date of assuming office or the date of being appointed or nominated, respectively. Each designated employee shall file an annual statement, at the time specified in the conflict of interest code, disclosing reportable investments, business positions, interest in real property, and income held or received at any time during the previous calendar year or since the date the designated employee took

office if during the calendar year. Every designated employee who leaves office shall file, within 30 days of leaving office, a statement disclosing reportable investments, business positions, interests in real property, and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

(c) Specific provisions setting forth any circumstances under which designated employees or categories of designated employees must disqualify themselves from making, participating in the making, or using their official position to influence the making of any decision. Disqualification shall be required by the Conflict of Interest Code when the designated employee has a financial interest as defined in Section 87103, which it is reasonably foreseeable may be affected materially by the decision. A designated employee shall not be required to disqualify the employee's own self with respect to any matter that could not legally be acted upon or decided without the designated employee's participation.

(d) For any position enumerated pursuant to subdivision (a), an individual who resigns the position within 12 months following initial appointment or within 30 days of the date of a notice mailed by the filing officer of the individual's filing obligation, whichever is earlier, is not deemed to assume or leave office, provided that during the period between appointment and resignation, the individual does not make, participate in making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position. Within 30 days of the date of a notice mailed by the filing officer, the individual shall do both of the following:

(1) File a written resignation with the appointing power.

(2) File a written statement with the filing officer on a form prescribed by the commission and signed under the penalty of perjury stating that the individual, during the period between appointment and resignation, did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

Part 1, Title 7, Chapter 9

§ 186. Short title

This act may be cited as the “California Control of Profits of Organized Crime Act.”

§ 186.1. Legislative findings, declaration and intent

The Legislature hereby finds and declares that an effective means of punishing and deterring criminal activities of organized crime is through the forfeiture of profits acquired and accumulated as a result of such criminal activities. It is the intent of the Legislature that the “California Control of Profits of Organized Crime Act” be used by prosecutors to punish and deter only such activities.

§ 186.2. Definitions

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.

§ 186.3. Assets subject to forfeiture

(a) In any case in which a person is alleged to have been engaged in a pattern of criminal profiteering activity, upon a conviction of the underlying offense, the assets listed in subdivisions (b) and (c) shall be subject to forfeiture upon proof of the provisions of subdivision (d) of Section 186.5.

(b) Any property interest whether tangible or intangible, acquired through a pattern of criminal profiteering activity.

(c) All proceeds of a pattern of criminal profiteering activity, which property shall include all things of value that may have been received in exchange for the proceeds immediately derived from the pattern of criminal profiteering activity.

§ 186.4. Petition of forfeiture; filing; service of notice; lis pendens; judgment

(a) The prosecuting agency shall, in conjunction with the criminal proceeding, file a petition of forfeiture with the superior court of the county in which the defendant has been charged with the underlying criminal offense, which shall allege that the defendant has engaged in a pattern of criminal profiteering activity, including the acts or threats chargeable as crimes and the property forfeitable pursuant to Section 186.3. The prosecuting agency shall make service of process of a notice regarding

that petition upon every individual who may have a property interest in the alleged proceeds, which notice shall state that any interested party may file a verified claim with the superior court stating the amount of their claimed interest and an affirmation or denial of the prosecuting agency's allegation. If the notices cannot be given by registered mail or personal delivery, the notices shall be published for at least three successive weeks in a newspaper of general circulation in the county where the property is located. If the property alleged to be subject to forfeiture is real property, the prosecuting agency shall, at the time of filing the petition of forfeiture, record a lis pendens in each county in which the real property is situated which specifically identifies the real property alleged to be subject to forfeiture. The judgment of forfeiture shall not affect the interest in real property of any third party which was acquired prior to the recording of the lis pendens.

(b) All notices shall set forth the time within which a claim of interest in the property seized is required to be filed pursuant to Section 186.5.

§ 186.5. Claims of interest in property or proceeds; admission or denial; forfeiture hearing

(a) Any person claiming an interest in the property or proceeds may, at any time within 30 days from the date of the first publication of the notice of seizure, or within 30 days after receipt of actual notice, file with the superior court of the county in which the action is pending a verified claim stating his or her interest in the property or proceeds. A verified copy of the claim shall be given by the claimant to the Attorney General or district attorney, as appropriate.

(b)(1) If, at the end of the time set forth in subdivision (a), an interested person, other than the defendant, has not filed a claim, the court, upon motion, shall declare that the person has defaulted upon his or her alleged interest, and it shall be subject to forfeiture upon proof of the provisions of subdivision (d).

> (2) The defendant may admit or deny that the property is subject to forfeiture pursuant to the provisions of this chapter. If the defendant fails to admit or deny or to file a claim of interest in the property or proceeds, the court shall enter a response of denial on behalf of the defendant.

(c)(1) The forfeiture proceeding shall be set for hearing in the superior court in which the underlying criminal offense will be tried.

> (2) If the defendant is found guilty of the underlying offense, the issue of forfeiture shall be promptly tried, either before the same jury or before a new jury in the discretion of the court, unless waived by the consent of all parties.

(d) At the forfeiture hearing, the prosecuting agency shall have the burden of establishing beyond a reasonable doubt that the defendant was engaged in a pattern of criminal profiteering activity and that the property alleged in the petition comes within the provisions of subdivision (b) or (c) of Section 186.3.

§ 186.6. Orders to preserve status quo of property; injunctive relief; appointment of receiver; bond or undertaking; other interests protected

(a) Concurrent with, or subsequent to, the filing of the petition, the prosecuting agency may move the superior court for the following pendente lite orders to preserve the status quo of the property alleged in the petition of forfeiture:

> (1) An injunction to restrain all interested parties and enjoin them from transferring, encumbering, hypothecating or otherwise disposing of that property.
>
> (2) Appointment of a receiver to take possession of, care for, manage, and operate the assets and properties so that such property may be maintained and preserved.

(b) No preliminary injunction may be granted or receiver appointed without notice to the interested parties and a hearing to determine that such an order is necessary to preserve the property, pending the outcome of the criminal proceedings, and that there is probable cause to believe that the property alleged in the forfeiture proceedings are proceeds or property interests forfeitable under Section 186.3. However, a temporary restraining order may issue pending that hearing pursuant to the provisions of Section 527 of the Code of Civil Procedure.

(c) Notwithstanding any other provision of law, the court in granting these motions may order a surety bond or undertaking to preserve the property interests of the interested parties.

(d) The court shall, in making its orders, seek to protect the interests of those who may be involved in the same enterprise as the defendant, but who were not involved in the commission of the criminal profiteering activity.

§ 186.7. Findings and orders of disposition; security interests and liens; evaluation and sale of property

(a) If the trier of fact at the forfeiture hearing finds that the alleged property or proceeds is forfeitable pursuant to Section 186.3 and the defendant was engaged in a pattern of criminal profiteering activity, the court shall declare that property or proceeds forfeited to the state or local governmental entity, subject to distribution as provided in Section 186.8. No property solely owned by a bona fide purchaser for value shall be subject to forfeiture.

(b) If the trier of fact at the forfeiture hearing finds that the alleged property is forfeitable pursuant to Section 186.3 but does not find that a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract acquired that interest with actual knowledge that the property was to be used for a purpose for which forfeiture is permitted, and the amount due to that person is less than the appraised value of the property, that person may pay to the state or the local governmental entity which initiated the forfeiture proceeding, the amount of the registered owner's equity, which shall be deemed to be the difference between the appraised value and the amount of the lien, mortgage, security interest, or interest under a conditional sales contract. Upon that payment, the state or local governmental entity shall relinquish all claims to the property. If the holder of the interest elects not to make that payment to the state or local governmental entity, the property shall be deemed forfeited to the state or local governmental entity and the ownership certificate shall be forwarded. The appraised value shall be determined as of the date judgment is entered either by agreement between the legal owner and the governmental entity involved, or if they cannot agree, then by a court-appointed appraiser for the county in which the action is brought. A person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract shall be paid the appraised value of his or her interest.

(c) If the amount due to a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract is less than the value of the property and the person elects not to make payment to the governmental entity, the property shall be sold at public auction by the Department of General Services or by the local governmental entity which shall provide notice of that sale by one publication in a newspaper published and circulated in the city, community, or locality where the sale is to take place.

(d) Notwithstanding subdivision (c), a county may dispose of any real property forfeited to the county pursuant to this chapter pursuant to Section 25538.5 of the Government Code.

§ 186.8. Disposition of money forfeited or sale proceeds; deposit into certain accounts

Notwithstanding that no response or claim has been filed pursuant to Section 186.5, in all cases where property is forfeited pursuant to this chapter and, if necessary, sold by the Department of

General Services or local governmental entity, the money forfeited or the proceeds of sale shall be distributed by the state or local governmental entity as follows:

(a) To the bona fide or innocent purchaser, conditional sales vendor, or holder of a valid lien, mortgage, or security interest, if any, up to the amount of his or her interest in the property or proceeds, when the court declaring the forfeiture orders a distribution to that person. The court shall endeavor to discover all those lienholders and protect their interests and may, at its discretion, order the proceeds placed in escrow for up to an additional 60 days to ensure that all valid claims are received and processed.

(b) To the Department of General Services or local governmental entity for all expenditures made or incurred by it in connection with the sale of the property, including expenditures for any necessary repairs, storage, or transportation of any property seized under this chapter.

(c) To the General Fund of the state or a general fund of a local governmental entity, whichever prosecutes.

(d) In any case involving a violation of subdivision (b) of Section 311.2, or Section 311.3 or 311.4, in lieu of the distribution of the proceeds provided for by subdivisions (b) and (c), the proceeds shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, of the county that filed the petition of forfeiture. If the county does not have a children's trust fund, the funds shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969 of the Welfare and Institutions Code.

(e) In any case involving crimes against the state beverage container recycling program, in lieu of the distribution of proceeds provided in subdivision (c), the proceeds shall be deposited in the penalty account established pursuant to subdivision (d) of Section 14580 of the Public Resources Code, except that a portion of the proceeds equivalent to the cost of prosecution in the case shall be distributed to the local prosecuting entity that filed the petition of forfeiture.

(f)(1) In any case described in paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, in lieu of the distribution provided for in subdivision (c), the proceeds shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs under Section 13837. Fifty percent of the funds deposited in the Victim-Witness Assistance Fund pursuant to this subdivision shall be granted to community-based organizations that serve minor victims of human trafficking.

> (2) Notwithstanding paragraph (1), any proceeds specified in paragraph (1) that would otherwise be distributed to the General Fund of the state under subdivision (c) pursuant to a paragraph in subdivision (a) of Section 186.2 other than paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, shall, except as otherwise required by law, continue to be distributed to the General Fund of the state as specified in subdivision (c).

Part 1, Title 9, Chapter 9

§ 319. Definition

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. Sports trading card grab bag

(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 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 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; Major League Sporting Event Raffle

(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 Sections 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 as 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 sport team's internet website 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 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 tickets; publishing offers to insure

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 State 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 device 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.

§ 327. Endless chain schemes

Every person who contrives, prepares, sets up, proposes, or operates any endless chain is guilty of a public offense, and is punishable by imprisonment in the county jail not exceeding one year or in state prison for 16 months, two, or three years.

As used in this section, an “endless chain” means any scheme for the disposal or distribution of property whereby a participant pays a valuable consideration for the chance to receive compensation for introducing one or more additional persons into participation in the scheme or for the chance to receive compensation when a person introduced by the participant introduces a new participant. Compensation, as used in this section, does not mean or include payment based upon sales made to persons who are not participants in the scheme and who are not purchasing in order to participate in the scheme.

§ 328. Printed materials for lotteries legally conducted outside state

Nothing in this chapter shall make unlawful the printing or other production of any advertisements for, or any ticket, chance, or share in a lottery conducted in any other state or nation where such lottery is not prohibited by the laws of such state or nation; or the sale of such materials by the manufacturer thereof to any person or entity conducting or participating in the conduct of such a lottery in any such state or nation. This section does not authorize any advertisement within California relating to lotteries, or the sale or resale within California of lottery tickets, chances, or shares to individuals, or acts otherwise in violation of any laws of the state.

§ 329. Evidence; elements of proof

Upon a trial for the violation of any of the provisions of this chapter, it is not necessary to prove the existence of any lottery in which any lottery ticket purports to have been issued, or to prove the actual signing of any such ticket or share, or pretended ticket or share, of any pretended lottery, nor that any lottery ticket, share, or interest was signed or issued by the authority of any manager, or of any person assuming to have authority as manager; but in all cases proof of the sale, furnishing, bartering, or procuring of any ticket, share, or interest therein, or of any instrument purporting to be a ticket, or part or share of any such ticket, is evidence that such share or interest was signed and issued according to the purport thereof.

Part 1, Title 9, Chapter 10

§ 330. Prohibited games; 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; card dice; dice of more than six faces; possession or permitting within building; punishment; subsequent offenses; offenses involving multiple machines or locations

(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 of 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 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.

§ 330b. Slot machines or devices; manufacture, repair, ownership, possession, sale, transportation, etc. prohibited; interstate commerce; tribal gaming; definition; punishment; subsequent offenses; offenses involving multiple machines or locations

(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 of 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 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.

(3) 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.

(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; treatment as slot machine; 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, possession, sale, transportation, etc. prohibited; punishment; subsequent offenses; offenses involving multiple machines or locations; 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 or 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 defined

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; 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 and 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 and devices; exemption of music, vending, and amusement 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 and devices; exemption of machines on vessels in interstate or foreign commerce

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. Slot machines; antique not operated for gambling purposes; return of seized machine

(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. Sale, transportation, storage and manufacture of gambling devices for transportation in interstate or foreign commerce; violations; penalty

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 therefor 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 and devices; exemptions for trade shows and visual productions

(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. Banking game; banked game; 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. Owner or tenant permitting gambling in house

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. Three card monte and other games or bets; fraudulently obtaining money or property from another person; punishment

(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; neglect or refusal to attend

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. Use, manufacture, or sale of hidden device to diminish chance, or any other fraudulent means of winning at concession; owning or operation of game of razzle-dazzle

(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; seizure; notice of intention to destroy; waiting period; destruction; jurisdiction of recovery actions; disposal of seized money

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. Allowing minors to gamble in drinking place

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 as payment for food and beverage served on gaming floor

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 bets, wagers, or betting pools; exclusions

(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. Public officers; asking or receiving protection money; licensing or voting for ordinance permitting conduct of prohibited games

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. Bookmaking or pool selling; keeping or occupying place with paraphernalia for recording wagers, etc.; stake holding; recording wagers; permitting unlawful use of room or enclosure; making or accepting wagers; prior convictions; punishment; 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. Sporting events; offering or attempting to bribe player; punishment

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 dollars

§ 337c. Sporting events; player accepting or attempting to accept bribe; punishment

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 that fine and imprisonment.

§ 337d. Sporting events; offer or attempt to bribe official; punishment

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 events; official receiving or attempting to receive bribe; punishment

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; stimulating or depressing horse by drug or device; entering drugged horse in race; entering horse under fictitious name; 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; drugs within racing inclosure; prohibition; exception; approval and supervision of use

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 or exhibition animals; administration of poison, drugs, etc., or use of device 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. Transmittal of racing information to gamblers

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.

§ 337k. Nonparimutuel wagering on horse races; prohibition on advertising; punishment

(a) It is unlawful for any person to advertise, or to facilitate the advertisement of, nonparimutuel wagering on horse races.

(b) Violation of this section is an infraction punishable by a fine of five hundred dollars ($500). A second conviction for a violation of this section is a misdemeanor punishable by a fine of up to ten thousand dollars ($10,000).

§ 337s. Draw poker; prohibition in counties over four million population; assent of electors

(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 use of counterfeit chips, counterfeit debit instruments, or other counterfeit wagering instruments; other 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.

Part 1, Title 9, Chapter 10.5

§ 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. Touting; punishment

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; use of name of official; punishment

Any person who in the commission of touting falsely uses the name of any official of the California Horse Racing Board, its inspectors or attachés, 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 tracks; refusal to leave as offense

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. Credentials or licenses; revocation for 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. Credentials or licenses; unauthorized possession; forgery or simulation; punishment

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 or she has previously been convicted of any offense under this chapter, he or she shall be imprisoned pursuant to subdivision (h) of Section 1170.

§ 337.8. Credentials; use for touting; punishment

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; coordination; secretary and chief investigator of Horse Racing Board designated peace officers

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.

Public Contract Code

Division 2, Part 2, Chapter 2

Article 4. Contracts for Services

§ 10335. Application of article; approval of contracts; legal counsel services

(a) This article shall apply to all contracts, including amendments, entered into by any state agency for services to be rendered to the state, whether or not the services involve the furnishing or use of equipment, materials, or supplies or are performed by an independent contractor. Except as provided in Sections 10295.6 and 10351, and paragraphs (8) and (9) of subdivision (b) of Section 10340, all contracts subject to this article are of no effect unless and until approved by the department. Each contract shall be transmitted with all papers, estimates, and recommendations concerning it to the department and, if approved by the department, shall be effective from the date of approval. This article shall apply to any state agency that by general or specific statute is expressly or impliedly authorized to enter into the transactions referred to in this section. This article shall not apply to contracts for the construction, alteration, improvement, repair, or maintenance of real or personal property, contracts for services subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, to contracts that are listed as exceptions in Section 10295, contracts of less than five thousand dollars ($5,000) in amount, contracts of less than five thousand dollars ($5,000) where only per diem or travel expenses, or a combination thereof, are to be paid, contracts between state agencies, or contracts between a state agency and local agency or federal agency.

(b) In exercising its authority under this article with respect to contracts for the services of legal counsel, other than the Attorney General, entered into by any state agency that is subject to Section 11042 or Section 11043 of the Government Code, the department, as a condition of approval of the contract, shall require the state agency to demonstrate that the consent of the Attorney General to the employment of the other counsel has been granted pursuant to Section 11040 of the Government Code. This consent shall not be construed in a manner that would authorize the Attorney General to establish a separate program for reviewing and approving contracts in the place of, or in addition to, the program administered by the department pursuant to this article.

(c) Until January 1, 2001, the department shall maintain a list of contracts approved pursuant to subdivision (b). This list shall be filed quarterly with the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget. The list shall be limited to contracts with a consideration in excess of twenty thousand dollars ($20,000) during the life of the contract and shall include sufficient information to identify the provider of legal services, the length of each contract, applicable hourly rates, and the need for the services. The department shall add a contract that meets these conditions to the list within 10 days after approval. A copy of the list shall be made available to any requester. The department may charge a fee to cover the cost of supplying the list as provided in Section 7922.530 of the Government Code.

(d) Contracts subject to the approval of the department shall also have the department's approval for a modification or amendment thereto, with the following exceptions:

(1) An amendment to a contract that only extends the original time for completion of performance for a period of one year or less is exempt. If the original contract was subject to approval by the department, one fully executed copy including transmittal document, explaining the reason for the extension, shall be sent to the legal office of the department. A contract may only be amended once under this exemption.

(2) Contracts let or awarded on the basis of a law requiring competitive bidding may be modified or amended only if the contract so provides or if authorized by the law requiring competitive bidding.

(3) If an amendment to a contract has the effect of giving the contract as amended an increase in monetary amount, or an agreement by the state to indemnify or save harmless any person, the amendment shall be approved by the department.

Welfare and Institutions Code

Division 4, Part 3, Chapter 8

§ 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; program contents

(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. Program design and development; office duties

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. State agency coordination; state programs account for 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.

California Code of Regulations Title 4, Division 18
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), 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" means all employees of the Commission except those designated as an advocate of the Commission.

(c) "Advocate of the Commission" means any employee so designated pursuant to subsection (a) of Section 12056.

(d) "Authorized player" means any natural person associated with a particular TPPPS business license, including a subcontractor or independent contractor, whose duties include the play in a controlled game on behalf of the TPPPS business license. All TPPPS supervisor licensees must be authorized players. A TPPPS worker licensee may be an authorized player. A TPPPS owner type licensee, if a natural person, may be an authorized player.

(e) "BCIA" means the Bureau of Criminal Information and Analysis in the California Department of Justice.

(f) "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.

(g) "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.

(h) "California game" means a controlled game that features a player-dealer position, as described in Penal Code section 330.11.

(i) "Chief of the Bureau" or "Chief" means the Chief as provided in Business and Professions Code section 19805, subdivision (d), or his or her designee.

(j) "Cardroom business license" means a license issued to a gambling enterprise as defined in Business and Professions Code section 19805, subdivision (m), or owner licensee as defined in Business and Professions Code section 19805, subdivision (ad), and is the license certificate held pursuant to Business and Professions Code section 19851, as applicable.

(k) "Cardroom employee type license" means a key employee license or a Commission work permit.

(l) “Cardroom endorsee license” means a license issued to any person required to be licensed pursuant to Business and Professions Code sections 19852 or 19853 and is the endorsement on the license certificate pursuant to Business and Professions Code section 19851, subdivision (b).

(m) “Cardroom category license” means a cardroom owner type license or a cardroom employee type license.

(n) “Cardroom owner type license” means all cardroom business licenses and all cardroom endorsee licenses, and has the same meaning as “gambling license” and “state gambling license” in Business and Professions Code section 19805, subdivision (p).

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

(p) “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.

(q) “Deadly weapon” means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 16430.

(r) “Dealer's bank” means any and all monies a dealer has on deposit with the cardroom business licensee or is assigned from the cage bank for chip trays.

(s) “Designated agent” means a person appointed by an applicant, licensee, or holder of a work permit to serve as their representative.

(t) “Drop” means any and all player collection fees received from patrons or TPPPS business licensees by a cardroom business licensee to play in controlled games, not including tournament fees, jackpot collections, or payments under a TPPPS contract.

(u) “Employee category license” means a cardroom employee type license or a TPPPS employee type license.

(v) “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.

(w) “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 is designated by the Commission.

(x) “Fiscal year” means the annual period used by a licensee for financial reporting purposes.

(y) “Gambling Control Act” or “Act” or “GCA” means Chapter 5 (commencing with section 19800) of Division 8 of the Business and Professions Code.

(z) “Gaming activity” has the same meaning as defined in Title 11, CCR, Section 2010, subsection (f).

(aa) “GCA hearing” means an evidentiary hearing referred to as “the meeting” pursuant to Business and Professions Code sections 19870 and 19871.

(ab) “Initial license” means the same as provided in Business and Professions Code section 19805; and, for the purposes of this division also includes:

(1) The following licenses:

(A) Initial cardroom business license;

(B) Initial cardroom endorsee license;

(C) Initial key employee license;

(D) Initial Commission work permit;

(E) Initial TPPPS business license;

(F) Initial TPPPS endorsee license;

(G) Initial TPPPS supervisor license; or,

(H) Initial TPPPS worker license.

(2) The following license types:

(A) Initial cardroom owner type license;

(B) Initial cardroom employee type license;

(C) Initial TPPPS owner type license; or,

(D) Initial TPPPS employee type license.

(3) The following license categories:

(A) Initial cardroom category license;

(B) Initial TPPPS category license;

(C) Initial owner category license; or,

(D) Initial employee category license.

(ac) “Interim license” means a license issued by the Commission for some interim period which includes:

(1) An interim renewal license issued pursuant to Section 12035; and,

(2) An interim owner category license issued pursuant to Article 4 of Chapter 2.

(ad) “Interim renewal license” means an interim license issued by the Commission to an applicant for renewal of a license, work permit, or other approval involving a finding of suitability when the applicant’s application is pending consideration at an evidentiary hearing or the licensee or holder of a work permit has a pending accusation.

(ae) “Jackpot” means a gaming activity where the prize is awarded based on specified criteria occurring in the play of a controlled game.

(af) “Key employee license” means the same as provided in Business and Professions Code sections 19805, subdivision (y).

(ag) “Licensee” means any person who is licensed, or endorsed on a license, by the Commission pursuant to the Act or any regulation adopted pursuant to the Act.

(ah) “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.

(ai) “Owner category license” means a cardroom owner type license or TPPPS owner type license.

(aj) “Player's bank” means any and all monies a patron or a TPPPS business license has on deposit with the cardroom business licensee.

(ak) “Registrant” means a person having a valid registration issued by the Commission.

(al) “Renewal license” means the same as provided in Business and Professions Code section 19805; and, for the purposes of this division also includes:

(1) The following licenses:

(A) Renewal cardroom business license;

(B) Renewal cardroom endorsee license;

(C) Renewal key employee license;

(D) Renewal Commission work permit;

(E) Renewal TPPPS business license;

(F) Renewal TPPPS endorsee license;

(G) Renewal TPPPS supervisor license; or,

(H) Renewal TPPPS worker license.

(2) The following license types:

(A) Renewal cardroom owner type license;

(B) Renewal cardroom employee type license;

(C) Renewal TPPPS owner type license; or,

(D) Renewal TPPPS employee type license.

(3) The following license categories:

(A) Renewal cardroom category license;

(B) Renewal TPPPS category license;

(C) Renewal owner category license; or,

(D) Renewal employee category license.

(am) “Surrender” means to voluntarily give up all legal rights and interests in a license, permit, registration, finding of suitability, or approval.

(an) “Temporary license” means a preliminary license or Commission work permit issued to an applicant prior to action on an initial license application, with appropriate conditions, limitations or restrictions determined on a case-by-case basis and, for the purposes of this division also includes:

(1) The following licenses:

(A) Temporary cardroom business license;

(B) Temporary cardroom endorsee license;

(C) Temporary key employee license;

(D) Temporary Commission work permit;

(E) Temporary TPPPS business license;

(F) Temporary TPPPS endorsee license;

(G) Temporary TPPPS supervisor license; or,

(H) Temporary TPPPS worker license.

(2) The following license types:

(A) Temporary cardroom owner type license;

(B) Temporary cardroom employee type license;

(C) Temporary TPPPS owner type license; or,

(D) Temporary TPPPS employee type license.

(3) The following license categories:

(A) Temporary cardroom category license;

(B) Temporary TPPPS category license;

(C) Temporary owner category license; or,

(D) Temporary employee category license.

(ao) “Third-party proposition player services” or “TPPPS” means services provided to a cardroom business licensee under any written agreement between a cardroom business licensee and a business organization that engages the services of employees, independent contractors, or both, and includes the play as a participant in any California game. This also includes the services of any supervisors or other employees to facilitate the provision of services.

(ap) “TPPPS business license” means a license issued to a sole proprietor, corporation, partnership, limited liability company, or other business entity for the purpose of providing third-party proposition player services in a gambling establishment.

(aq) “TPPPS contract” means a written contract, the terms of which have been reviewed and approved by the Bureau, between a cardroom business licensee and a TPPPS business licensee acting as an independent contractor for the provision of third-party proposition player services in the gambling establishment.

(ar) “TPPPS employee type license” means a TPPPS supervisor license, or a TPPPS worker license.

(as) “TPPPS endorsee license” includes a license issued to any of the following:

(1) Any person specified in Business and Professions Code section 19852, subdivisions (a) through (g) in relation to a TPPPS business licensee;

(2) Each person who receives, or is to receive, any percentage share of the revenue earned by the owner from third party proposition player services;

(3) Any 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 TPPPS owner or third-party proposition player services, and;

(4) Any TPPPS funding source.

(at) “TPPPS funding source” means any person, or their successor in interest, that provides financing to any TPPPS owner type licensee, for use by a TPPPS business licensee in which the person is not licensed including but not limited to loans, advances, or any other thing of value including without limitation credit and chips. TPPPS 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 $100,000,000 in securities, loans, or other investment instruments of issuers that are not affiliated with the entity:

(1) Any federally-regulated or state-regulated bank or savings association or other federally- 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 whose equity owners each meet the criteria of this subsection.

(au) “TPPPS category license” means a TPPPS owner type license and TPPPS employee type license.

(av) “TPPPS owner type license” means a TPPPS business license and a TPPPS endorsee license.”

(aw) “TPPPS supervisor license” means a license issued to any natural person employed in a supervisory capacity by a TPPPS business licensee, or who has any supervisorial responsibilities identified in a job duty statement or otherwise empowered to make discretionary decisions that regulate TPPPS operations, including, without limitation, the authority to, on behalf of the TPPPS business licensee, to authorize or approve the distribution of currency, chips, or other wagering instruments to authorized players engaged in the provision of third-party proposition player services in a gambling establishment.

(ax) “TPPPS worker license” means a license issued to any natural person employed or hired by a TPPPS business licensee, including a subcontractor or independent contractor, whose duties include being at a gambling establishment, but who does not have any supervisorial responsibilities identified in a job duty statement or otherwise empowered to make discretionary decisions that regulate TPPPS operations, including, without limitation, the authority to, on behalf of the TPPPS business licensee, to authorize or approve the distribution of currency, chips, or other wagering instruments to players engaged in the provision of third-party proposition player services in a gambling establishment.

(ay) “Work permit” means the same as provided in Business and Professions Code section 19805, subdivision (ak), and for the purposes of this division includes the following:

(1) “Local work permit” means a work permit issued by a city, county, or city and county, pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Business and Professions Code section 19912.

(2) “Commission work permit” means a work permit issued by the Commission pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Business and Professions Code section 19912.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853, 19854, and 19869, Business and Professions Code; and Section 7, Government Code. Reference: Sections 7.5, 19800, 19805, 19811, and 19816, 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 business licensee. 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 prior to 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 owner category 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 licensee or holder of a Commission work permit must 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-CH1-01 (New 05/20), 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: Sections 19811, 19823, 19824, 19853(a)(3), 19864 and 19984, Business and Professions Code. Reference: Sections 19850 and 19852, Business and Professions Code.

§ 12005. Prohibited Player-Dealer Participation.

(a) A person cannot hire or finance, including but not limited to providing loans, advances, or any other thing of value, the hiring of employees or independent contractors, or both, whose job duties include the play as a participant in any California game without an approved TPPPS contract.

(b) A person cannot play as a participant in a California game as an employee or independent contractor except as authorized in an approved TPPPS contract.

(c) A person cannot play as a participant in a California game pursuant to any oral or implied agreement with a cardroom business licensee

(d) Any Commission license or other approval may be subject to revocation or discipline for a violation of this section. Any application to the Commission for a license or other approval may be subject to denial for a violation of this section.

Note: Authority cited: Sections 19811, 19841(o), and 19984, Business and Professions Code. Reference: Sections 19801, 19841(o), 19853, 19920, 19943 and 19984(b), 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 must be made by first class mail, registered mail, or certified mail, addressed to the residence address, address of record, or mailing address of the applicant, licensee, holder of a work permit, or designated agent, as last reported to the Commission.

(b) Notwithstanding subsection (a), notice and other written communication may be provided exclusively via email, to the email address of the applicant, licensee, or designated agent as last reported to the Commission where they provide the Commission written authorization including, for instance in a completed and returned Notice of Defense, CGCC-CH1-03 (New 05/20) received under subparagraph (E) of paragraph (2) of subsection (c) of Section 12052 or at an earlier point from the Commission staff.

(c) Service is effective upon mailing or transmission of the notice or communication.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Sections 19811, 19824 and 19840, 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) apply when an application is submitted to the Bureau for investigation until the Bureau report is submitted 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) apply when the Bureau report is submitted 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 will 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, or his, her, or its designated agent, 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) Communications between an advisor of the Commission and a member of the Commission.

(7) 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 or 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 will 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; and,

(C) The Bureau will 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 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 must 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 will contain any information or document(s) conveyed and will 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; and 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; and 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 will 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 entitled “Subpoena,” CGCC-CH1-02 (New 05/20), 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 must 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 must 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 must 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 must 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, or his, her, or its designated agent on the applicant's behalf, to withdraw a submitted application may only be made prior to the Bureau report being submitted to the Commission. The request must be made in writing to the Bureau. Upon receipt of the request to withdraw, Bureau staff will send written confirmation of receipt to the applicant. The Bureau will stay any investigation of the applicant being conducted under Business and Professions Code section 19868. The Executive Director will, 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 will be refunded by the Bureau.

(d) If a request for withdrawal is granted with prejudice, the applicant will 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 will proceed with the investigation of the applicant and provide a recommendation pursuant to Business and Professions Code section 19826.

(f) An applicant who has a withdrawal request granted for his, her or its application will not have a right to an evidentiary hearing pursuant to Section 12056.

(g) If a request for withdrawal of an application for an initial license is made to the Bureau and the Commission grants the request, any temporary or interim license issued to the applicant will be cancelled by the Executive Director.

Note: Authority cited: Sections 19801, 19811, 19823, 19824, 19840, 19841, 19869, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, 19912, 19951, and 19984, Business and Professions Code.

§ 12017. Abandonment of Applications.

(a)(1) At any time before the Bureau report is submitted 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 on the applicant's behalf 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 will 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 submitted to the Commission and the Bureau 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 will 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) At any time after the Bureau report is submitted to the Commission, 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 unused portion of a background investigation deposit will be made.

(e) An applicant who has his, her, or its application deemed abandoned will not have a right to an evidentiary hearing pursuant to Section 12056.

(f) If an application is deemed abandoned, any temporary or interim license issued to the applicant will be cancelled by the Executive Director. If the abandonment was pursuant to subsection (a) of Section 12017, the Bureau must provide notification to the Commission at the conclusion of the 30 calendar day notice period if no response has been received from the applicant.

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 will issue an interim renewal license to an applicant for renewal of a license, work permit, or other approval involving a finding of suitability 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 Commission will issue a new interim renewal license if the hearing process has not been, or will not be, concluded by the expiration date of the current interim renewal license and the interim renewal license holder submits the items identified in paragraphs (1) and (2):

(1) A completed application of the same type as the application pending evidentiary hearing to the Bureau with the appropriate:

(A) Form;

(B) Renewal timeframe;

(C) Fees and costs;

(D) Supplemental forms if required; and

(E) Related requirements.

(2) An update to the Commission, in coordination where possible with the complainant as specified under subsection (a) of Section 12056, on the status of the hearing and provide a justification for the delay in concluding the hearing during the term of the first interim renewal license period.

(3) Failure to provide a justification for the delay supported by good cause under paragraph (2) may result in the Commission, in the interests of justice and judicial economy, setting a time for a GCA hearing, including retracting an application referred to an APA hearing and referring it to a GCA hearing pursuant to Section 12054(a)(2).

(c) The following conditions apply to all interim renewal licenses issued under subsection (a):

(1) An interim renewal license will 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 will be valid for a period of two years from the date the previous license, work permit, or other approval involving a finding of suitability, as well as an interim renewal license, expires, or until a decision is final under Section 12066, whichever is earlier, and is not subject to renewal.

(3) The holder of an interim renewal license must pay all applicable annual fees associated with that license.

(d) The issue date of the most recently granted interim renewal license will serve as the issue date for any initial or renewal license, work permit, or other approval granted thereafter.

(e) 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.

(f) 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.

§ 12040. Mandatory and Discretionary Grounds for Denial

(a) An application for an initial or renewal license:

(1) Will be denied if the Commission finds that the applicant has not satisfied the requirements of Business and Professions Code section 19857; or,

(2) Will be denied if the Commission finds that any of the provisions of Business and Professions Code section 19859 apply to the applicant.

(3) May be denied if the Commission finds the applicant has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations pursuant to subdivision (a) of Business and Professions Code section 19982.

(b) An application for a cardroom owner type license:

(1) Will be denied if the Commission finds that Business and Professions Code section 19858 is applicable.

(2) Will be denied if the Commission finds that the applicable local gambling ordinance does not conform to the requirements of Business and Professions Code section 19860.

(3) May be denied if the Commission finds that the applicant meets any of the criteria for license denial set forth in subdivision (a) of Business and Professions Code section 19862.

(c) An application for a TPPPS category license:

(1) May be denied if the Commission finds the applicant has violated one or more of the contract criteria set forth in paragraphs (5), (11), or (20) of subsection (b) of Section 12270 or paragraphs (1) and (3) of subsection (c) of Section 12270.

(2) May be denied if the Commission finds the applicant has failed to comply with one or more of the contract criteria set forth in paragraphs (8), (9), (15), (16), (17), (18) and (21) of subsection (b) of Section 12270, or in paragraph (2) of subsection (c) or subsection (e) of Section 12270.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19982 and 19984, Business and Professions Code. Reference: Sections 19811, 19850, 19854(b), 19857, 19858, 19859, 19860, 19861, 19862, 19911, 19912, 19914, 19982 and 19984, Business and Professions Code.

Article 2. Procedures for Hearings and Meetings on Applications.

§ 12050. Bureau Recommendation and Information.

(a) When the Bureau report is submitted 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 will provide to the applicant a copy of the following as relevant to the application:

(A) The Bureau report which will 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 (7) of subsection (d) of Section 12012.

(b) The Commissioners, or Administrative Law Judge sitting on behalf of the Commission at an APA hearing, will consider, but are not bound by, any recommendations made by the Bureau or Commission staff.

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; Notice; 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 will be given notice of the meeting at which the application is scheduled to be heard. Notice will be given pursuant to Section 12006.

(1) If the application is scheduled at a non-evidentiary hearing meeting under Section 12054, the notice will be provided at least 10 calendar days prior to the meeting date and will 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 received by the Commission and Bureau with sufficient time for consideration may result in the documents not being considered or the consideration of the application being continued, at the Commission's discretion. Less than 72 hours in advance of the noticed meeting's scheduled start time is presumed to be insufficient time for consideration.

(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 will 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-CH1-03 (New 05/20), 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 a default decision or a hearing without applicant participation in accordance with Section 12057.

(d) Any application for a license, work permit, registration, or other approval involving a 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 or retract an evidentiary hearing in accordance with Section 12056 and, for a renewal application, issue an interim renewal license pursuant to Section 12035. The Commission will 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 that in the case of renewal applications, 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 accusation with the Commission pursuant to Business and Professions Code section 19930 prior to Commission action on a renewal application, the Commission will issue an interim renewal license pursuant to Section 12035.

(8) Issue a default decision pursuant to Section 12057.

(9) Consider a request for reconsideration pursuant to Section 12064.

(b) An applicant does not have a right to an evidentiary hearing pursuant to Section 12056 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), and that decision is final when issued, unless the Commission specifies otherwise.

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 will be presented by the complainant, which is selected by the Executive Director or the Commission, and may be either the Bureau or an advocate of the Commission. If an advocate of the Commission is selected, the determination will include a list of employees of the Commission who will 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 will 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.

(d) Where an application has been referred to a GCA hearing or an APA hearing, the Commission retains the authority to retract the referral, pursuant to paragraph (2) of subsection (a) of Section 12054, and refer the application to a GCA hearing or APA hearing pursuant to subsection (a) of Section 12056, or hear the matter at a Section 12054 meeting.

(e) An APA or GCA hearing is sufficient to meet the hearing requirement of Business and Professions Code section 19914.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19825, 19868, 19870, 19871, 19876, and 19914, Business and Professions Code; and Section 11512, Government Code.

§ 12057. Default Decisions and Uncontested Applications.

(a) When an applicant fails to submit a completed Notice of Defense, CGCC-CH1-03 (New 05/20) according to the timelines on the form, affirmatively waives his, her, or its right to an evidentiary hearing, or he, she, or it fails to appear at an evidentiary hearing, the Commission will, based on the interests of justice and judicial economy:

(1) Issue a default decision after the consideration of the Bureau report, any supplemental reports by the Bureau, and any other documents or testimony provided or which may be provided to the Commission before the decision is issued;

(2) Hold a GCA hearing without applicant participation;

(3) When an applicant fails to appear at an evidentiary hearing, reschedule any GCA hearing on the applicant's application; or,

(4) Act on the application as identified in subsection (a) of Section 12054.

(b) Notice of consideration of a default decision or a hearing without applicant participation under subsections (b) and (c) need not comply with the 60 or 90 day notice provisions of Section 12060, subsections (a) and (b).

(c) A default decision may be considered and approved at a Section 12054 meeting or at a GCA hearing.

(d) Default decisions may be reconsidered in accordance with Section 12064 regardless of whether the decision was considered at a Section 12054 meeting or at an evidentiary hearing.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19824.5, 19825, 19856, 19868, 19870, 19871 and 19876, Business and Professions Code; and Section 11512, Government Code.

§ 12058. APA Hearing.

(a) When the Commission elects to hold an APA hearing the Commission will 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 will 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 will 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 will 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 will proceed as indicated in the notice, unless and until the Executive Director or Commission approves the retraction of referral to an APA hearing.

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; and Sections 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 will 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.

(b) When the Commission has elected to hold a GCA hearing, the Executive Director will 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 and her or his support staff will have no communication with the Commission or Commission staff upon the merits of an application prior to the evidentiary hearing. The Executive Director will designate a presiding officer which will 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 will provide to the applicant, subject to subsection (b) of Section 12056, at least 45 calendar days prior to the GCA hearing, and the applicant must 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 will rule on the admissibility of evidence and on any objections raised except for objections raised under subsection (g). A ruling by the presiding officer is 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 will 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) Stipulations for undisputed facts and/or the admission of evidence including without limitation the Bureau's report;

(E) Authorizing offsite livestreaming appearances for parties or witnesses if good cause has been presented and only if the process for offsite livestreaming has been approved by the Executive Director; and,

(F) 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 will 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 always on the applicant 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. Lay representatives may assist the applicant but are not authorized to serve as an attorney as otherwise defined and regulated by state law.

(k) Except as otherwise provided in subsection (g), the complainant and applicant will 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 behalf, the applicant may be called and examined, under oath, as if under cross-examination.

(l) Oral evidence will 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 will 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; and Section 11512, Government Code.

§ 12062. Issuance of GCA Hearing Decisions.

(a) Within 75 calendar days of the conclusion of a GCA hearing, the Commission will issue its decision, which will comply with Business and Professions Code section 19870, and will be served pursuant to Section 12006 and, in the case of a gambling license, on any associated or endorsed owner or owner-licensee.

(b) All decisions of the Commission issued pursuant to this section will specify an effective date and may include further directions as to any stay provisions or orders to divest.

(c) 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. A request for reconsideration must be:

(1) Made in writing to the Commission, copied to the complainant. The Bureau may provide a written response to the Commission within 10 calendar days of receipt of the request; and,

(2) Received by the Commission and complainant within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is earlier.

(b) A request for reconsideration must 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 Commission will place the request on the Commission's agenda within 60 calendar days of its receipt. The applicant and complainant will 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 and complainant, whether present at that meeting or not, will 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 will be at the sole discretion of the Commission.

(f) When the Commission grants reconsideration, the decision is stayed pending further action on the application, including but not limited to affirming its decision, or vacating the initial decision and issuing a reconsidered decision.

(g) The Commission may stay the effective date of the decision for a period it deems appropriate when the Commission denies a request for 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; and 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 re-issuing its decision or the date specified in the decision upon issuance of a reconsidered decision.

(3) If a request for reconsideration has been denied under Section 12064,

(A) Immediately upon the denial of the request; or,

(B) Upon the expiration of any stay granted pursuant to subsection (g) of Section 12064.

(c) A decision of the Commission denying an application or imposing conditions on a license will 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 will 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; and 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 must be complied with, and the following will 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 must resign according to the date specified in the Commission's decision and must 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 must remove that person from office according to the date specified in the Commission's decision and must 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 must terminate its relationship with that person pursuant to the date specified in the decision and must 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, must 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 must resign according to the date specified in the Commission's decision and must 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 must remove that person from office according to the date specified in the Commission's decision and must 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 must terminate its relationship with that person pursuant to the date specified in the decision and must notify the Commission in writing.

(4) Any denied applicant subject to paragraphs (1) or (2) of this subsection and the limited liability company that is licensed, registered, or found suitable by the Commission, must comply with Business and Professions Code section 19892, if applicable.

(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 must resign as a partner according to the date specified in the Commission's decision and must 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 must comply with Business and Professions Code section 19892 and must 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 must 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 must notify the Commission in writing.

(2) The business entity must remove the denied applicant from any principal role in the business entity and must notify the Commission in writing.

(e) Where the decision does not specify a time for removal and there is no other controlling statutory or regulatory timeframe under paragraph (2) of subsection (a), paragraph (2) of subsection (b), or paragraph (2) of subsection (d), the specified person must be removed no later than 60 days after the effective date of the decision.

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.

Article 3. Designated Agent.

§ 12080. Requirements.

(a) An applicant, licensee, or holder of a Commission work permit may designate a natural person(s) to serve as their designated agent(s) pursuant to Title 11, Cal. Code Regs., Section 2030, using the Appointment of Designated Agent, CGCC-CH1-04 (New 05/20), which is attached in Appendix A to this chapter.

(b) A natural person(s) must be authorized as the applicant’s, licensee’s, or holder of a Commission work permit’s designated agent before representing the applicant, licensee, or holder of a Commission work permit before the Commission.

(c) A designated agent must provide the following, if applicable:

(1) The designated agent's California State Bar number indicating a current license in good standing; or,

(2) The designated agent's California Board of Accountancy number indicating a current license in good standing.

(d) If the designated agent provided a license number pursuant to subsection (c), then the designated agent must provide written notification to the Bureau within 5 business days of any change in the licensee's standing or any disciplinary action.

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, 19853, and 19984, Business and Professions Code. Reference: Sections 19841, 19853 and 19984, Business and Professions Code.

§ 12082. Standards of Representation.

(a) A designated agent is expected to act in accordance with the scope of authority given to them by the applicant, licensee, or holder of a Commission work permit until:

(1) The applicant, licensee, or holder of a Commission work permit provides the Bureau with a superseding designation; or,

(2) The designated agent provides the applicant, licensee, or holder of a Commission work permit with a notification of withdrawal as designated agent with a copy simultaneously sent to the Bureau.

(b) If a designated agent provides payment to the Bureau on behalf of an applicant or licensee of an owner category license for a fee required pursuant to Sections 12252 or 12368, the applicant for or licensee of an owner category license must provide reimbursement to the designated agent. Documentation showing that the applicant for or licensee of an owner category license provided reimbursement must be provided to the Bureau within 60 calendar days of payment being submitted or prior to the applicant or licensee appearing before the Commission at any public meeting, whichever occurs first.

Note: Authority cited: Sections 19826, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19841, and 19984, Business and Professions Code.

Chapter 2. Licenses and Work Permits.

Article 1. Definitions and General Provisions.

§ 12100. Definitions.

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.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 10, 19800, 19805, 19811, 19854 and 19951(b)(2), Business and Professions Code.

§ 12102. General Provisions.

(a) An initial or renewal license referenced in this chapter will be valid for a period of two years.

(b) No applicant can receive a TPPPS business license if that applicant holds a cardroom business license. No applicant can receive a cardroom business license if that applicant holds a TPPPS business license.

(c) A cardroom owner type licensee may also perform the functions of a key employee or holder of a Commission work permit at a gambling establishment to which they are licensed, and a key employee licensee may also perform the functions of the holder of a Commission work permit.

(d) A TPPPS owner type licensee may also perform the functions of a TPPPS supervisor licensee or TPPPS worker licensee, and a TPPPS supervisor licensee may also perform the functions of a TPPPS worker licensee.

(e) A license or work permit, including any temporary or interim license, may not be transferred to another person.

(f) Upon issuance of an employee category license, the licensee may work within the scope of their license for any cardroom business licensee or TPPPS business licensee, as appropriate, pursuant to the notification requirements of Section 12110.

(g) Any individual who is not an employee of a cardroom business licensee or TPPPS business licensee but who is operating in any position that would otherwise require licensure under the Gambling Control Act or Commission regulations must apply for and be approved for an employee category license consistent with the licensing requirements of an employee. This would include, but not be limited to players, surveillance personnel, casino cage personnel, compliance personnel, dealers, floor persons, game attendants, chip runners, internal security, internal accounting, persons with the authority to make decisions on behalf of a cardroom business licensee or TPPPS business licensee, and persons providing supervision of any licensee or holder of a work permit employed by a cardroom business licensee or TPPPS business licensee, and any person authorized to provide direction to any licensee or holder of a work permit, including, for example, receiving reports or determining schedules regardless of whether their job duties include a requirement to physically enter a gambling establishment.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852, 19853, 19876(a), and 19984, Business and Professions Code. Reference: Sections 19850, 19851, 19855, 19873, 19876(a), 19881, 19891, and 19984, Business and Professions Code.

§ 12104. TPPPS Certificate.

(a) The Commission will issue a license certificate to each approved TPPPS business licensee.

(b) The Commission will endorse upon each certificate the names of all other owners affiliated with the TPPPS business licensee.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19855 and 19984, Business and Professions Code.

§ 12106. Badges.

(a) Each initial, renewal, temporary, or interim employee category license or TPPPS owner type license issued by the Commission to a natural person will be accompanied by a badge. Additionally, any cardroom owner type licensee who has duties in the gambling establishment will have a badge issued to them. A badge issued by the Commission will contain all of the following on its front:

(1) A photograph of the holder;

(2) The first name of the holder;

(3) The license or Commission work permit number;

(4) The expiration date of the license or Commission work permit; and,

(5) The type of initial, renewal, temporary, or interim license or Commission work permit the badge is being issued for.

(b) A badge issued by the Commission will contain the full name of the holder on its back.

(c) When required to be worn, a Commission issued badge must be worn by the person to whom it was issued in a prominently visible and conspicuous manner.

(d)(1) A cardroom employee type licensee must wear their badge at all times while on duty in the gambling establishment and in a location allowing for public view, and if not must maintain the badge within the gambling establishment or on their person;

(2) A cardroom owner type licensee must wear their badge at all times while on duty in the gambling establishment and in a location allowing for public view if performing the duties of a cardroom employee type licensee, and if not must maintain the badge within the gambling establishment or on their person; and,

(3) A TPPPS category licensee must wear their badge whenever present in any gambling establishment which has an approved TPPPS contract with a TPPPS business licensee that is owned by or employs the licensee, including when not on duty.

(e) A licensee or holder of a Commission work permit must present their badge upon request, without delay or interference, to the employee's employer or supervisor, a representative of the Commission or Bureau, or anyone requesting to verify that the license or Commission work permit is valid.

(f) A badge must not be altered in any manner nor may the content of the badge be obstructed from view.

(g) A badge that has expired or is determined to be invalid, pursuant to any applicable provision of the Act or this division, cannot be used to gain employment or perform any duties which require a valid license or work permit badge. An expired or invalid Commission issued badge must be surrendered to the Bureau within 30 calendar days unless requested sooner.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841, 19850, 19851, 19852, 19853 19854, 19876 and 19984, Business and Professions Code. Reference: Sections 19850, 19851, 19854, 19855, 19864, 19876, 19912, 19914 and 19984, Business and Professions Code.

§ 12108. Replacement of a Badge.

(a) The Bureau will provide a replacement badge to a licensee if all of the following conditions are met:

(1) The requestor has a current valid initial, renewal, temporary, or interim license or Commission work permit.

(2) A completed Badge Replacement Request, CGCC-CH2-01 (Rev. 09/21), which is attached in Appendix A to this chapter, is submitted.

(b) The Bureau must notify a requestor in writing within five business days of receipt of a request, if a request or resubmitted request is deficient and identify what specific additional information is required.

(c) A replacement badge will be provided within 10 business days after the completed request is received.

(d) A replacement badge provided pursuant to this section will only be valid until the expiration date of the current license or Commission work permit.

(e) Upon the receipt of a replacement badge, the previous badge becomes invalid and may not be used thereafter.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841, 19854, 19912, and 19984, Business and Professions Code. Reference: 19801, 19824, 19826, 19854, and 19984, Business and Professions Code.

§ 12110. Change in Employment Status.

(a) An employee category licensee will be eligible to accept employment from a different or additional owner category licensee if:

(1) The new or additional employment requires the same license for which the employee category licensee is currently authorized; and,

(2) The employee category licensee notifies the Bureau within 10 business days of starting the new employment by completing a Notification of Employment Change, CGCC-CH2-02 (New 05/20), which is attached in Appendix A to this chapter.

(b) When an employee category licensee ceases to be employed by a cardroom business licensee or TPPPS business licensee, both the employee category licensee and the cardroom business licensee or TPPPS business licensee must provide notice to the Bureau within 10 business days of the conclusion of employment.

(1) The employee category licensee must provide notification by completing a Notification of Employment Change, CGCC-CH2-02 (New 05/20), referenced in subsection (a). This does not require an employee category licensee to submit notification twice if a new employment notification is already required.

(2) The cardroom business licensee or TPPPS business licensee must provide notification by completing a Notification of Employee Separation, CGCC-CH2-03 (New 05/20), which is attached in Appendix A to this chapter.

(c) Notification pursuant to this section does not change the effective period of an employee category license.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841, 19854, 19912, and 19984, Business and Professions Code. Reference: Sections 10, 19824(f), 19826, 19850, 19851, 19854, 19855, 19864, 19912(d), and 19984, Business and Professions Code.

Article 2. Initial and Renewal Licenses and Work Permits.

§ 12112. Initial License Applications; Required Forms.

A person applying for Commission approval must submit the following to the Bureau:

(a) A completed Application for Employee Category License, CGCC-CH2-04 (Rev. 10/21) or Application for Owner Category License, CGCC-CH2-05 (Rev. 10/21), which are attached in Appendix A to this chapter.

(b) Any applicable completed supplemental information forms, all of which are attached in Appendix A to this chapter:

(1) Business Entity: Supplemental Information, CGCC-CH2-06 (Rev. 12/21).

(2) Individual Owner/Principal: Supplemental Information, CGCC-CH2-07 (Rev. 12/21).

(3) Key Employee or TPPPS Supervisor: Supplemental Information, CGCC-CH2-08 (Rev. 03/21).

(4) Trust: Supplemental Information, CGCC-CH2-09 (Rev. 12/21).

(5) Commission Work Permit or TPPPS Worker: Supplemental Information, CGCC-CH2-10 (Rev. 03/21).

(6) Supplemental Information: Schedules, CGCC-CH2-11 (New 05/20).

(7) Spousal Information, CGCC-CH2-12 (Rev. 03/21).

(8) Request for Copy of Personal Income or Fiduciary Tax Return, FTB 3516 (REV 08/2015) C1 PAGE 1.

(9) Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Tax Return, FTB 3516 (REV 08/2015) C1 PAGE 2.

(c) An Authorization to Release Information, CGCC-CH2-13 (New 05/20), which is attached in Appendix A to this chapter.

(d) One of the following:

(1) If a resident of the State of California, a completed Request for Live Scan Service [California Department of Justice Form, BCIA 8016 (Rev. 04/2020)], including the ATI Number; or,

(2) If not a resident of the State of California, two copies of the Applicant Fingerprint Card, FD-258.

(e) An Appointment of Designated Agent, CGCC-CH1-04 (New 05/20).

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19850, 19912 and 19984, Business and Professions Code. Reference: Sections 19801, 19811, 19824, 19826, 19841, 19850, 19851, 19852, 19855, 19864, 19865, 19866, 19867, 19868, 19878, 19880(d), 19883, 19890(e), 19893, 19912, 19951, 19982 and 19984, Business and Professions Code.

§ 12114. Renewal License Applications; Required Forms.

(a) An applicant must file a complete application for a renewal license or Commission work permit with the Bureau no later than 120 calendar days prior to the expiration of the current license or Commission work permit. To be considered 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.

(b) If a complete application for a renewal cardroom owner type license is filed less than 110 calendar days prior to the expiration date of the current license, the application of the cardroom business licensee and each cardroom endorsee licensee required pursuant to subsection (d) will be determined to be untimely and delinquent.

(c) For the purposes of this section, a “complete application” must consist of all of the following:

(1) A completed Application for Employee Category License, CGCC-CH2-04 (Rev. 10/21) or Application for Owner Category License, CGCC-CH2-05 (Rev. 10/21), as referred to in paragraph (1) of subsection (a) of Section 12112;

(2) Any applicable investigation deposit specified in Title 11, CCR, Section 2037. However, if, after a review of an application for renewal, the Bureau determines that further investigation is needed, the applicant must 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.

(3) A two by two inch color passport-style photograph taken no more than 30 calendar days before submission of the application if the application is for a natural person.

(4) One of the following:

(A) If a resident of the State of California, a Request for Live Scan Service [California Department of Justice Form, BCIA 8016 (Rev. 04/2020)], including the ATI Number; or,

(B) If not a resident of the State of California, two Applicant Fingerprint Cards, FD-258.

(5) If the application is an Application for Owner Category License, CGCC-CH2-05 (Rev. 10/21), then a completed copy of the Spousal Information, CGCC-CH2-12 (Rev. 03/21).

(d) Each person who is required to be hold a cardroom endorsee license or TPPPS endorsee license must complete and execute a separate application for renewal of that person's license. All applications for renewal of a cardroom endorsee license or TPPPS endorsee license must be submitted to the Bureau together with the cardroom business license or TPPPS business license application in a single package, as provided in subsections (a) through (c), inclusive.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19851, 19854, 19951 and 19984, Business and Professions Code. Reference: Sections 19811, 19823, 19824, 19826, 19841, 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19876, 19912, 19951, and 19984, Business and Professions Code.

§ 12116. Processing Timelines for Applications.

(a) Initial and renewal license and work permit applications submitted pursuant to this chapter will be processed within the following timeframes:

(1) The Bureau will notify the applicant in writing within ten business days after the receipt of an application that the application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identify what specific additional information is required. For the purposes of this section, “complete application” means complete applicable form(s) required pursuant to Section 12112 or Section 12114, as appropriate.

(2) The Bureau will review any submitted supplemental information form(s) and notify the applicant of any deficiencies, or deem the supplemental information form(s) complete. 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.

(b) The Bureau will submit its Bureau report concerning the application to the Commission:

(1) For an initial application, as specified in Business and Professions Code section 19868; or,

(2) For a renewal application, no later than 45 calendar days prior to the expiration of the current license or Commission work permit.

(c) If the Bureau and the Commission cannot complete their review and approval of a renewal application prior to the expiration of the existing license or Commission work permit due to the late submittal of the renewal application, the license or Commission work permit will expire, unless the license or work permit has been extended or an interim license has been issued. If the license or Commission work permit expires:

(1) A cardroom business licensee must cease all gambling operations upon expiration of the license and gambling operations may not resume until a valid license has been issued by the Commission;

(2) A TPPPS business licensee must cease all participation in any controlled game upon expiration of the license and participation may not resume until a valid license has been issued by the Commission; and,

(3) An individual is unable to serve in any capacity that requires licensure or a Commission work permit and may not resume until a valid license or Commission work permit has been issued.

(d) If a complete renewal application, including all required fees and deposits, has not been submitted within 10 calendar days after the expiration date of the current cardroom business license, the cardroom business license will be deemed abandoned and will be subject to the provisions of subsection (b) of Section 12142.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19851, 19854, 19912, 19951, and 19984, Business and Professions Code. Reference: Sections 19811, 19823, 19824, 19826, 19841, 19850, 19951, 19852, 19854,19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19876, 19880(d), 19883, 19890(e), 19893, 19912, 19951, 19982, and 19984, Business and Professions Code.

§ 12118. Objection to Local Work Permits.

(a) Commission denial of an application for any reason set forth in Section 12040 constitutes grounds for Bureau objection to the issuance of a local work permit by a city, county, or city and county, pursuant to Business and Professions Code section 19912.

(b) An individual, whose local work permit has been denied by the city, county, or city and county, based upon Bureau objection, may submit, a written request to the Executive Director for an evidentiary hearing to consider the Bureau's objection.

(c) The Executive Director will schedule a GCA hearing, pursuant to subsection (a) of Section 12060 with the following modifications:

(1) The complainant will always be the Bureau.

(2) In place of the Bureau report, the Bureau will have the burden to establish that its basis for objection was reasonable.

(3) Subsection (i) of Section 12060 does not apply. Instead, the burden of proof will be on the Bureau.

(d) The Commission may revoke a Commission work permit or require a local jurisdiction to revoke a local work permit in accordance with Section 19914. The hearing under Business and Professions Code section 19914 will be any evidentiary hearing conducted by either the Commission or by any other governmental agency. Any evidentiary hearing conducted by another governmental agency does not require Commission or Bureau participation and need not be pursuant to Business and Professions Code section 19914, but must make a finding that the holder of the work permit has done at least one of the items provided in subdivision (a) of Business and Professions Code section 19914.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19912, and 19914, Business and Professions Code. Reference: Sections 19811, 19816, 19824, 19912. and 19914, Business and Professions Code.

§ 12120. Findings of Suitability Associated with a Tribal Compact

Applications for findings of suitability received pursuant to Tribal-State gaming compact section 6.5.6 and comparable sections of new or amended compacts for Tribal gaming employees in key employee positions, Tribal gaming resource suppliers and financial sources, will be processed as initial

or renewal licenses consistent with Section 12040. As identified by the Tribes' licensing requirements under Tribal-State gaming compact section 6.4.7(iv) and comparable sections of newer or amended compacts, the Commission will not require an application for a finding of suitability from shareholders of a gaming resource supplier or financial source who own ten percent or less of a corporation.

Note: Authority cited: Sections 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code; and Section 12012.25, Government Code.

Article 3. Temporary Licenses and Work Permits.

§ 12122. General Provisions.

(a) A temporary license will be associated with an application for an initial license.

(b) A temporary license issued in accordance with this article does not create a property right in its holder.

(c) A temporary license will be valid for a period as follows:

(1)(A) For a temporary Commission work permit, the effective period will be no more than 120 calendar days.

(B) If the Commission work permit is not issued within the effective period of the temporary Commission work permit, a new temporary Commission work permit will be issued with no additional fee.

(2) For a temporary license, excluding temporary Commission work permits, the effective period will be no more than two years.

(d) Upon issuance or denial of a license or Commission work permit by the Commission, the temporary license will become void and cannot be used thereafter.

(e) The denial of an application for a temporary license or the cancellation of a temporary license will not suspend the processing and review of the initial application.

(f) An applicant does not have any right to an evidentiary hearing pursuant to Section 12056 for a cancelled or conditioned temporary license.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, and 19912, Business and Professions Code. Reference: Sections 10, 19801(j), 19811, 19910, and 19912, Business and Professions Code.

§ 12124. Temporary Employee Category Licenses.

(a)The Executive Director will issue a temporary employee category license if all of the following requirements are met:

(1) The applicant selected the appropriate temporary request box on the application form, and has submitted the applicable nonrefundable temporary fees.

(2) 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 license, discloses any of the mandatory grounds for disqualification specified under Section 12040;

(3) The applicant has not, 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 involves gambling or gambling-related activities.

(D) A misdemeanor involving violations of the Act.

(4) The applicant has not had an application denied or a license, permit, registration, or finding of suitability revoked by the Commission.

(5) The applicant is not otherwise disqualified under the Act, Commission regulations, or other provisions of law from holding any license or Commission work permit.

(6) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary license or Commission 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.

(7) The applicant has not had a previous application, within a 1-year period immediately preceding the submission of a request for a temporary employee category license, deemed abandoned by the Commission pursuant to subsection (c) of Section 12017 and the abandoned application had an associated Bureau report that included a recommendation of denial.

(b)(1) For applicants requesting a temporary key employee category license or TPPPS supervisor license, the Bureau will provide a recommendation to the Commission within 15 business days following the filing of a complete application if the applicant currently holds a valid Commission work permit, or TPPPS worker license; or,

(2) For applicants requesting a temporary employee category license where the applicant does not currently hold a valid Commission work permit, or TPPPS worker license, the Bureau will provide a recommendation to the Commission within 15 business days following the Bureau's receipt of the results of a Request for Live Scan Service or two Applicant Fingerprint Cards, FD-258, as appropriate.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19912, and 19984, Business and Professions Code. Reference: Sections 19805(x), 19811, 19816, 19823, 19824(f), 19850, 19855, 19856, 19857, 19859, 19866, 19870, 19912, and 19984, Business and Professions Code.

§ 12126. Temporary Owner Category License.

(a) The Commission will not issue a temporary owner category license to an applicant if the Commission finds any of the following:

(1) The application in its entirety, or the results of the investigation of the application reported by the Bureau to the Commission disclosed any mandatory grounds for disqualification specified in Section 12040;

(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 gambling or gambling-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.

(3) The applicant is disqualified under the Act, Commission regulations, or other provisions of law from holding a license or work permit; or,

(4) The applicant does not hold any required business license, permit, or other approval.

(b) The Bureau will recommend to the Commission that a temporary owner category license be granted or denied. The Bureau will, at a minimum include in its recommendation to the Commission the following information:

(1) A copy of the transactional document associated with the application;

(2) Any information from the Bureau's review related to items identified under subsection (a);

(3) A brief history of the gambling establishment or TPPPS business license to include any past and current ownership;

(4) A copy of any lease agreement;

(5) Any articles of incorporation, articles of organization, certificate of limited partnership, partnership agreement, statement of partnership authority, or operating agreement associated with the application;

(6) The Bureau's review of the transaction document associated with the application;

(7) A cursory financial review of the applicant's source of funds for any associated purchase agreement;

(8) Copies of the applicant's application and supplemental information; and,

(9) Any areas of concern of an applicant as it relates to possible violations of law or regulations associated with existing licenses to include, but not limited to, past or current accusation or other disciplinary action as well as any license conditions, restrictions, or limitations imposed by the Bureau or Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19883, and 19984, Business and Professions Code. Reference: Sections 19811, 19823, 19824(f), 19850, 19855, 19856, 19857, 19859, 19866, 19883, and 19984, Business and Professions Code.

§ 12128. Cancellation or Conditioning of Temporary Licenses.

(a) Any temporary license issued in accordance with this article will be cancelled or conditioned, as provided in subsection (a) and (b), if at any time, any of the following apply:

(1) The Commission determines that it has received reliable information that the holder of the temporary license is ineligible under paragraphs (2) or (3) subsection (a) of Section 12124, has failed to reveal any fact material to the holder's qualification for a temporary license, or has supplied information to the Bureau or Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of a temporary license.

(2) The applicant's initial license application is referred by a vote of the Commission to an evidentiary hearing, and the Commission directs the Executive Director to cancel or condition the temporary license.

(3) The temporary license is for a temporary TPPPS category license, and the applicant:

(A) Buys or sells chips other than to or from the cardroom business licensee, except for exchanging with a patron one denomination of chips for chips of another denomination.

(B) Lends money or chips to gambling establishment patrons, except for exchanging with a patron one denomination of chips for chips of another denomination.

(C) Makes a wager that was not specifically authorized by the Bureau approved game rules.

(D) Provided TPPPS at a gambling establishment without a Bureau-approved contract on and after April 30, 2004.

(4) The temporary license is for a TPPPS owner type license or a TPPPS supervisor license and the applicant:

(A) Knowingly permitted one or more TPPPS category licensee to commit any act described in paragraph (3).

(B) Knew, or failed to implement reasonable oversight procedures that would have apprised the TPPPS business licensee, that one or more employees was in violation of the Act or Commission regulations, and failed or refused to take action to prevent the recurrence of the violation(s).

(b) If any of the circumstances set forth in subsection (a) apply, and the temporary license is a temporary employee category license, then the license must be summarily cancelled and the Executive Director will immediately do all of the following:

(1) Notify the temporary licensee, any owner category licensee that the temporary license holder is currently associated with, the local law enforcement agency, and the Bureau, in writing, of the cancellation of the temporary license and the grounds thereof.

(2) Require the cardroom business licensee, the TPPPS business licensee or any applicable hiring authority to terminate, immediately, any employment of the holder covered by the cancelled temporary license.

(3) Notify the temporary licensee that he or she is required to surrender their badge to the Bureau not more than ten calendar days following the date that the notice of cancellation was mailed or a greater time as specified by the Executive Director in the notice.

(c) If any of the circumstances set forth in subsection (a) applies, and the temporary license is a temporary owner category license, then the following conditions will immediately be applied to the temporary license:

(1) The holder of the temporary license must be barred from participation, in any way, in the conduct of the business including attendance at any meeting or communication related to the conduct of the business.

(2) Any proceeds derived from the operation of the business that would otherwise be payable to the holder of the temporary license must be held in an escrow account and not disbursed until the license application has received Commission approval. This paragraph does 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.

(3) 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 regarding temporary licenses.

(d) An applicant does not have any right to an evidentiary hearing pursuant to Section 12056 for a cancelled or conditioned temporary license.

Note: Authority cited: Sections 19811, 19816, 19823, 19824, 19840, 19841, 19883 and 19984, Business and Professions Code. Reference: Sections 10, 19801, 19805(x), 19816, 19824(f) and 19850, 19855, 19856, 19857, 19859, 19866, 19870, 19883, 19912(a) and (d), and 19984, Business and Professions Code.

§ 12130. TPPPS Registration.

(a) For the purposes of this section:

(1) "TPPPS registrant" means a person having a valid TPPPS registration.

(2) "TPPPS registration" means a registration for an owner or employee of a provider of third-party proposition player services that was issued by the Commission prior to the effective date of this regulation.

(b) TPPPS registrations approved by the Commission prior to the effective date of this regulation will remain in effect until the conclusion of their term of approval. No request for the renewal of a TPPPS registration will be accepted by the Bureau after July 1, 2021.

(c) Renewal TPPPS registration will be issued for a period of one year.

(d) A TPPPS registration includes all conditions of a temporary license provided in subsections (a), (b), and subsections (d) and (e) of Section 12122.

(e) If a TPPPS registrant is a corporation, partnership, limited liability company, 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 request and obtain registration as an owner listed on the business entity's registration certificate.

(f) If the request is for a TPPPS supervisor or TPPPS worker registration, the provider of third-party proposition player services that will employ the TPPPS registrant must be currently registered or licensed to provide third-party proposition player services under this chapter.

(g) To request renewal, a TPPPS registrant must submit to the Bureau, no later than 120 calendar days prior to the expiration of the current TPPPS registration, a letter requesting renewal and a processing fee of $500.

(h) The Bureau will notify the TPPPS registrant in writing within 20 working days of receiving the renewal request, that the request or resubmitted request is complete and accepted for filing, or that the request or resubmitted request is deficient. If a request for a TPPPS registration is incomplete, the Bureau will request in writing any information needed in order to complete the request. The TPPPS registrant will be permitted 30 calendar days in which to furnish the information. If the TPPPS registrant fails to respond to the request, the renewal request will be deemed abandoned and no further action will be taken on it.

(i) Upon determination that a request for renewal of TPPPS registration is complete, the request will be processed by the Bureau within 60 calendar days and the Executive Director will either issue the

TPPPS registration and badge applied for or will notify the TPPPS registrant of denial and the grounds therefore under Section 12040.

(j) TPPPS registrants that have been summoned for licensure by the Bureau will be automatically converted to temporary licenses at the expiration of the current TPPPS registration.

(k) Except as provided for in this section, any person holding a TPPPS registration is subject to the requirements of the equivalent license (example, a TPPPS player registrant or TPPPS other employee registrant is subject to all requirements of a TPPPS worker license).

(l) This Section will be automatically repealed on January 1, 2023.

Note: Authority cited: Sections 19811, 19823, 19825, 19826, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19816 and 19951(a), Business and Professions Code.

Article 4. Interim Owner Category License

§ 12132. Article Definitions.

(a) Except as otherwise provided in Section 12002, subsection (b) of Section 12100 and in subsection (b) of this section, the definitions in Business and Professions Code section 19805 govern the construction of this article.

(b) As used in this article:

(1) “Applicant” means a new owner or individual in control of an ownership interest of a cardroom business licensee or TPPPS business licensee, who submits an application to the Bureau for an interim owner category license pursuant to Section 12136

(2) “Interim owner category license” means a license issued by the Commission which permits the interim operation of a cardroom business licensee or TPPPS business licensee following a qualifying event, during which time the Bureau processes and the Commission considers an application for a regular 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 cardroom business licensee or TPPPS business licensee 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 for sole proprietors or in the control of the ownership interest for non-natural persons of a cardroom business license or TPPPS business licensee and prevents the cardroom business license or TPPPS business licensee from conducting gambling operations or the provision of third-party proposition player services because the new owner or individual(s) in control does not hold a valid license. A qualifying event does not include any planned or negotiated transaction where a current licensee retains the capacity and authority to continue gambling operations or the provision of third-party proposition player services until approval of the transaction and issuance of any license by the Commission (e.g., a sale, the transfer of shares, incorporation, etc.).

(5) “Regular license” means an initial cardroom owner type license or initial TPPPS owner type license, as appropriate, issued by the Commission pursuant to Section 12112.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853, 19870, and 19984, Business and Professions Code. Reference: Sections 19816, 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869, 19870(b), and 19984, Business and Professions Code.

§ 12134. General Provisions.

(a) Subject to the provisions of the Act, this division and Title 11, Division 3, of the California Code of Regulations, a cardroom business licensee may continue gambling operations or a TPPPS business license may continue to provide third-party proposition player services following a qualifying event only if an owner or a licensed person affiliated with the cardroom business licensee or TPPPS business licensee has control of the gambling operations or the provision of third-party proposition player services, as applicable, the Commission and Bureau are 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 owner category license to the Bureau as provided in Section 12136. Gambling operations or the provision of third-party proposition player services, as applicable, must be immediately terminated if the Commission denies an applicant's request for an interim owner category 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 owner category license for that cardroom business licensee or TPPPS business licensee.

(b) If, as a result of a qualifying event, a new owner intends to sell his or her interest in the cardroom business licensee or TPPPS business licensee without someone obtaining an interim or regular owner category license, he or she must provide written notification to the Bureau of that intent within 30 calendar days of that qualifying event.

(c) If, during the term of an interim owner category license, the Bureau determines that the holder of that license may be 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 owner category license was issued, the Bureau must notify the Commission and the holder of the interim license. The matter will be set for Commission consideration at a non-evidentiary hearing meeting, which may be no sooner than 45 calendar days after the Bureau's notice. The Bureau will present the information related to its notice at the non-evidentiary hearing meeting. The interim license holder may address the Commission by way of an oral or written statement, or both, at the Commission meeting. The Commission may act to cancel the interim owner category license.

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

(e) Neither an applicant for an interim owner category license nor the holder of an interim owner category license has the right to an evidentiary hearing in the event the applicant is approved with conditions, denied or cancelled.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853, 19870, and 19984, Business and Professions Code. Reference: Sections 19816, 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869, 19870(b), and 19984, Business and Professions Code.

§ 12136. Applications and Required Forms.

(a) In order to be considered for an interim owner category 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:

(1) A complete application for an owner category license pursuant to Section 12112;

(2) A signed written request for an interim owner category license that describes the qualifying event and identifies the key employee licensee or TPPPS supervisor licensee, as appropriate, who will control and oversee gambling operations or the provision of third-party proposition player services; and,

(3) A copy of any document that evidences the succession to the owner's interest in the cardroom business licensee or TPPPS business license, which may include, as applicable, any of the following:

(A) In the case of the death of an owner, a copy of the death certificate;

(B) In the case of the incapacity of an owner, a copy of any document that evidences the owner's incapacity and the appointment of a conservator; or,

(C) In the case of insolvency, foreclosure or receivership of a cardroom business license or TPPPS business license, 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.

(b) The time period for submission specified in subsection (a) 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.

(c) A signed written request for a renewal interim owner category license may be submitted 60 calendar days prior to the expiration of the interim owner category license if the Bureau has not yet submitted to the Commission its Bureau report for the initial owner category licenses and no temporary owner category license has been issued.

(d) If the required items of paragraph (a) are not submitted within the time period for submission, the cardroom business licensee must immediately cease all gambling operations or the TPPPS business licensee must immediately cease the provision of proposition player services.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853, 19870, and 19984, Business and Professions Code. Reference: Sections 19816, 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869, 19870(b), and 19984, Business and Professions Code.

§ 12138. Criteria.

(a) A request for an interim owner category license will be ancillary to and concurrent with an application for a regular license. The application for a regular license will be processed in accordance with Section 12112. The request for an interim owner category license will be processed as follows:

(1) The maximum time within which the Bureau may notify the applicant in writing that a request for an interim owner category 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 will 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 owner category license will be considered abandoned and no further action will be taken on the request. A cardroom business licensee or TPPPS business licensee must immediately terminate gambling operations or the provision of third-party proposition player services if a request for an interim owner category license is abandoned by the applicant and no other person has applied for or been granted an interim, temporary or regular license for that cardroom business licensee or TPPPS business licensee.

(2) Once the Bureau determines that a request for an interim owner category license is complete, the matter will be set for consideration at a noticed Commission meeting. The Bureau will provide their review to the Commission no later than 40 calendar days after receipt

of the request. Pursuant to the provisions of the Act and this division, the Commission will grant or deny the request for an interim owner category license within 60 calendar days after receipt of the request. A request for an interim owner category license will be denied by the Commission if the applicant is disqualified for any reason set forth in section 19859 of the Business and Professions Code.

(b) All of the following criteria will apply to a request for an interim owner category licensee:

(1) In the event a regular license is issued to an applicant prior to action by the Commission on any related request for an interim owner category license, the request for an interim owner category license will be abandoned.

(2) Denial of a request for an interim owner category license, or cancellation of an interim owner category license, will not suspend or otherwise affect the processing and review of the related application for a regular license.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853, 19870, and 19984, Business and Professions Code. Reference: Sections 19816, 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869, 19870(b), and 19984, Business and Professions Code.

§ 12140. Conditions.

All of the following conditions apply to an interim owner category license granted by the Commission:

(a) Upon issuance or denial of a regular license, any related interim owner category license will become invalid.

(b) The term of an interim owner category license will be determined by the Commission and will be based in part on the time necessary to process and consider the application for a regular license, but in no event will the term be longer than two years. The Commission may issue a renewal interim owner category license if the application process has not been, or will not be, concluded by the expiration date of the interim owner category license.

(c) Issuance of an interim owner category license does not prejudice or obligate the Commission to grant a regular license. Issuance of a regular owner category 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 owner category license, and final approval of the Commission pursuant to Sections 12112 and 12040.

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

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

(f) The holder of the interim owner category license must maintain a key employee licensee or TPPPS supervisor licensee who will control and oversee gambling operations or the provision of third-party proposition player services at all times. The holder of an interim owner category license must provide the Bureau with the name of any new key employee licensee or TPPPS supervisor licensee appointed pursuant to paragraph (2) of subsection (a) of Section 12136 within 30 calendar days following the appointment of that key employee licensee or TPPPS supervisor licensee. Within 30 calendar days of its occurrence, the holder of an interim owner category license must provide the Bureau with the name of any person who provides any service or property to the cardroom business licensee or TPPPS business licensee under any arrangement whereby the person receives payment

based on the earnings, profits or receipts of the cardroom business licensee or TPPPS business licensee.

(g) The holder of an interim owner category license must pay all applicable annual fees associated with the license.

(h) The holder of an interim owner category license must comply with the provisions of the Act, this division and Title 11, Division 3, of the California Code of Regulations.

(i) During the term of an interim owner category license, any proceeds derived from the operation of the gambling enterprise that would otherwise be payable to a new owner must be held in an escrow account and not disbursed until the disposition of ownership interest has been resolved and received Commission approval and all owner category licensees have been approved by the Commission for a regular license pursuant to Section 12112. This paragraph does 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.

(j) 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 owner category license.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853, 19870, and 19984, Business and Professions Code. Reference: Sections 19816, 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869, 19870(b), and 19984, Business and Professions Code.

Article 5. Surrender or Abandonment of Cardroom Business License.

§ 12142. Cardroom Business License; Surrender; Abandonment.

(a) A cardroom business licensee may propose to surrender their cardroom business license at any time prior to expiration. In order to propose the surrender of a cardroom business license, the cardroom business licensee must submit a written request to the Commission, with a copy to the Bureau. A proposed surrender will be agendized for consideration at the next available Commission meeting. Each proposed surrender will 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 cardroom business licensee is currently under investigation or if disciplinary action has been initiated.

(b) A cardroom business 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 cardroom business licensee associated with that cardroom business license is no longer eligible to conduct any gambling operation under that license.

(3) Business and Professions Code section 19963 precludes that gambling establishment 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.

§ 12144. Cardroom Business License: Prior Surrender or Abandonment.

(a) A cardroom business 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 January 6, 2011, will 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 must notify the Commission, in writing, within 30 calendar days of the effective date of this section of the intent to apply for reinstatement of the license.

(3) The applicant must submit a complete application for an initial cardroom business license pursuant to Section 12112, and all documentation required by subsection (b) within 12 months of the effective date of this section.

(b) The following documentation is required of any applicant applying to reinstate a cardroom business 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 cardroom business 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 must 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 may be issued to any applicant under this section.

(f) A cardroom business license meeting the qualifications of subsection (a) will be considered abandoned if the time limits imposed by paragraphs (2) and (3) of subsection (a) are not met. An abandoned license will be subject to the provisions of subsection (b) of Section 12142.

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.

Chapter 3. Conditions of Operation for TPPPS Businesses.

Article 1. General Provisions.

§ 12250. 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) 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 an authorized player.

(11) “Primary database” or “database” means a collection and storage of all electronic playing book information.

(12) “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.

(13) “Session of play” as used in Section 12260 means the time period when a TPPPS business licensee operates an authorized 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.

(14) “Synchronization” or “synch” means the process of uploading information from a terminal to a primary database.

(15) “System” means a group of interdependent components that interact regularly to perform a task.

(16) “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.

§ 12252. TPPPS Annual Fee.

(a) No later than September 1 of each year, each TPPPS business licensee must submit to the Bureau the annual fee set forth in subsection (b) of this section, based on the total number of TPPPS endorsee licensees and TPPPS employee type licensees affiliated with the TPPPS business licensee on the immediately preceding August 1.

(b) Each TPPPS business licensee must pay the annual sum of two thousand eight hundred dollars ($2800) for each TPPPS endorsee licensee and each TPPPS employee type licensee.

(c) The annual fee may be paid in installments. The TPPPS business licensee 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 must 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.

(d) Refunds will not be available in the event of a subsequent decrease in the number of TPPPS endorsee licensees or TPPPS employee type licensees upon which the annual fee payment was based.

(e)(1) Following assessment of the annual fee, if the TPPPS business licensee increases the number of its TPPPS endorsee licensees and TPPPS employee type licensees above the number upon which the annual fee assessment was based, the TPPPS business license must submit to the Bureau the additional per player annual fee set forth in subsection (b) within 30 calendar days of employment or transfer of ownership.

(2) Upon the first issuance of a TPPPS business license, be it either a temporary TPPPS business license or an initial TPPPS business license, the TPPPS business licensee must submit to the Bureau the annual fee appropriate for its TPPPS endorsee licensees and any TPPPS employee type licensees. The TPPPS certificate will not be issued until the Bureau has received the annual fees or is approved for installment payments.

(3) Annual fees due under this subsection will be prorated on a monthly basis.

(4) 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 upon submission of the installment request, 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.

(f) Any renewal application for the TPPPS business licensee will not be approved by the Commission until any delinquent annual fees have been paid in full.

(g) No application for a contract may be approved by the Bureau until any delinquent annual fees have been paid in full.

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19841 and 19984, Business and Professions Code.

§ 12254. Emergency Orders.

TPPPS category licensees will 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.

§ 12256. Transfers and Sales.

(a) If any TPPPS owner type licensee wishes to sell in whole or in part any ownership interest to any unlicensed person, the TPPPS owner type licensee must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPPPS owner licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, must accompany the application for licensing.

(b) The effective date of the sale must be at least 90 calendar days after receipt of the application for a TPPPS owner license, or such other shorter time period as will 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 licensed person must be submitted in writing to the Commission within ten calendar days of the final transaction.

(d) The TPPPS business licensee must notify the Bureau in writing within ten calendar days of any change to its ownership structure.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, and 19984, Business and Professions Code.

Article 2. Playing Books

§ 12260. General Provisions.

(a) Nothing in this article prohibits a TPPPS business 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 TPPPS business licensee is responsible to ensure that there is no data leakage or data contamination between the playing book database and an unauthorized source.

(b) A TPPPS business licensee is responsible for assuring that its authorized 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 TPPPS business licensee, or a TPPPS supervisor licensee designated by the TPPPS business licensee, 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 TPPPS business licensee 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 authorized 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 authorized player, including TPPPS owner licensees and TPPPS worker licensees, when acting as authorized players;

(8) The table number assigned by the cardroom business licensee;

(9) The specific Bureau identification number of the Bureau-approved controlled game played;

(10) The name of the TPPPS business licensee;

(11) The date and time of completion for the session of play;

(12) The signature of the authorized player whose activity has been recorded and the signature of a TPPPS supervisor licensee. Each signature must include a declaration regarding that authorized 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 TPPPS supervisor licensee is not present to sign, the funds must be deposited into a TPPPS business licensee 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 authorized 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 TPPPS business licensee must be licensed as TPPPS workers 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 business licensee.

(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) TPPPS 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, CGCC-CH3-01 (Rev. 09/21), attached in Appendix A to this chapter, must be completed and submitted to the Bureau along with the following:

(1) An initial or amendment 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 TPPPS business licensee 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 TPPPS business licensee 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 TPPPS business licensee to request approval pursuant to subsection (b).

(e) An approved playing book form may be used at any gambling establishment where the TPPPS business licensee operates.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19841, 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 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 TPPPS business licensee, 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, CGCC-CH3-01 (Rev. 09/21), referenced in subsection (b) of Section 12261, must be completed and submitted to the Bureau along with the following:

(1) An initial application processing fee of $1200 or an amendment application processing fee of $94 per system, as applicable.

(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. TPPPS Contracts

§ 12270. TPPPS Contract Criteria.

(a) All TPPPS 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 TPPPS contract.

(b) Each TPPPS contract will 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 TPPPS contract; expiration date must 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 authorized player from each TPPPS business licensee may 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 TPPPS business licensee.

(8) That proposition player services must 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 licensing under Chapter 2.

(10) That the TPPPS business licensee must provide the cardroom business licensee with a copy of its TPPPS certificate, and that the cardroom business licensee must maintain the

TPPPS certificate on file, together with a copy of the TPPPS contract applying to that establishment.

(11) That an authorized player may not provide proposition player services in a gambling establishment where he or she holds a cardroom owner type license, or is operating with a cardroom employee type license.

(12) That collection fees charged by the cardroom business licensee for participation in any controlled game must be the same as those charged to other participants assuming the player dealer position during the play of the game.

(13) Any agreement between the TPPPS business licensee and the cardroom business licensee for TPPPS business licensees or TPPPS supervisors licensees to inspect or receive a copy of surveillance recordings of tables at which proposition player services are provided under the TPPPS 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 TPPPS contract for any purpose between the cardroom business licensee and any licensee covered by the TPPPS contract. If there is no financial consideration that passes under the TPPPS contract, a statement to that effect must be included.

(15) That any legal dispute between the TPPPS business licensee and the cardroom business licensee, including any exclusion of a licensed TPPPS category licensee covered by the contract with the cardroom business licensee must be reported in writing within ten calendar days by the TPPPS business licensee and the cardroom business licensee to both the Commission and the Bureau.

(16) That the TPPPS business licensee and the cardroom business licensee must report in writing within ten calendar days to both the Commission and the Bureau the identity of any temporary TPPPS category licensee whose activities are covered by the TPPPS 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 cardroom business licensee, 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 cardroom business licensee by a TPPPS category licensee must be reported in writing within five days of the incident by the TPPPS business licensee and the cardroom business licensee to the Commission and Bureau.

(18) That the criteria for granting any rebates by authorized players to patrons be fully disclosed in the TPPPS contract; and that neither the cardroom business licensee nor any cardroom employee type licensee may have any role in rebates. If there are no criteria for granting rebates, a statement to that effect must be included.

(19) That any tipping arrangements must be specified in the TPPPS contract and that percentage tips may not be given. If there are no tipping arrangements, a statement to that effect must be included.

(20) That the TPPPS business licensee may reimburse the cardroom business licensee in specified amounts for equipment such as surveillance cameras and monitors, or cards, shuffling machines, and dice. Neither the TPPPS business licensee nor its cardroom employee type licensees may purchase, lease, or control such equipment. If there is no arrangement to reimburse the cardroom business licensee for equipment, a statement to that effect must 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 12276 before the addition or modification takes effect.

(c)(1) Except as expressly authorized by this subsection, a TPPPS contract may not include any provision authorizing payment to or receipt by the cardroom business licensee, or a designee thereof, of any share of the profits or revenues of the TPPPS business licensee. Any payments made by a licensee to the cardroom business licensee for a purpose determined by agreement with the cardroom business licensee must be specifically authorized by the TPPPS contract. All payments must be specified in the TPPPS contract. The TPPPS contract must identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the TPPPS contract must include a detailed list, excluding specific costs, of the items provided or received in each of these categories.

(2) In no event may a TPPPS contract provide for any payment based on a percentage or fraction of the TPPPS business licensee's gross profits or wagers made or the number of players. All payments must be fixed and may only be made for services and facilities requested by, and provided to, the cardroom business licensee, and for a reasonable share of the cost of advertising with respect to gaming at the gambling establishment in which the TPPPS business licensee participates.

(3) No contract provision may authorize any payments for services or facilities that are substantially disproportionate to the value of the services or facilities provided. No TPPPS contract may include any charge, direct or indirect, for the value of an exclusive right to conduct proposition play within all or a portion of the cardroom business licensee. No payment other than the collection fee for play, may be required for play at any table, including, without limitation, reservation of a seat.

(d) The TPPPS contract may not contain any provision that limits contact with officials or employees of the Commission or Bureau. The TPPPS contract must prohibit a TPPPS owner type licensee and the cardroom business licensee from retaliating against any licensee on account of contact with an official or employee of the Commission or Bureau or any other public official or agency.

(e) A TPPPS contract must be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the cardroom business licensee from having any interest, whether direct or indirect, in funds wagered, lost, or won. No TPPPS contract may be approved that would permit the cardroom business licensee to bank any game in the gambling establishment.

(f) Each TPPPS contract approved by the Bureau must contain a provision authorizing the Commission, after receiving the findings and recommendation of the Bureau, to terminate the TPPPS contract for any material violation of any term required by this section.

(g) A TPPPS business licensee may contract with more than one cardroom business licensee at the same time; a cardroom business licensee may contract with more than one TPPPS business licensee at the same time. This subsection is not intended to prohibit a TPPPS contract in which a cardroom business licensee and a TPPPS business licensee agree that one TPPPS business licensee will be the exclusive provider of proposition player services to that cardroom business licensee.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

§ 12272. Review and Approval of TPPPS Contracts.

(a)(1) Proposition player services must not be provided except pursuant to a written TPPPS contract approved in advance by the Bureau. Provision of proposition player services by any person

subject to licensing under Chapter 2, or engagement of proposition player services by a cardroom owner type licensee, without a TPPPS contract as required by this section is a violation of this section. The Bureau must approve a TPPPS contract only if all the following requirements have been satisfied:

(A)The TPPPS contract is consistent with this regulation and the Act.

(B)The TPPPS 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 TPPPS 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 TPPPS contract will not undermine public trust that the controlled gambling operations covered by the TPPPS contract will be conducted honestly, by reason of the existence or perception of any collusive arrangement between any party to the TPPPS contract and the cardroom owner type licensee or TPPPS business endorsee licensee or otherwise.

(2) A complete application for TPPPS contract approval must include all of the following:

(A) A completed Application for Contract Approval to Provide Proposition Player Services, CGCC-CH3-02 (Rev. 09/21) referenced in paragraph (2).

(B) A completed Appointment of Designated Agent, CGCC-CH1-04 (New 05/20).

(C) An executed copy of the TPPPS contract that specifically addresses all of the requirements of Section 12270.

(D) A $57 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 TPPPS contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the TPPPS contract will be refunded and an itemized accounting will be provided to the TPPPS business licensee, or TPPPS business licensee's designee.

(3) The Bureau must 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 must 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 TPPPS contract must be completed within 90 days of receiving a completed application and notice thereof must be sent via United States mail to the applicant or the applicant's designee within ten days of the Bureau's decision. Notice of disapproval of the TPPPS contract or amendments must specify the cause.

(b) An executed copy of the currently effective TPPPS contract, and all amendment(s) thereto, and a copy of all Bureau notices that approved the TPPPS contract and any amendment must be maintained at the gambling establishment and must be provided for review or copying upon request by any representative of the Commission or Bureau.

(c) The term of any TPPPS contract may not exceed two years and may not be extended or renewed without the prior approval of the Bureau. No amendment changing any of the TPPPS contract terms referred to in Section 12270, other than paragraphs (3), (4), and (6) of subsection (b) thereof,

may become effective during the term of a TPPPS contract without the prior written approval of the Bureau. If any amendment is made to a TPPPS contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12270, both parties to the TPPPS contract must notify the Commission and Bureau in writing of the amendment within ten days of the execution thereof by the parties to the TPPPS contract.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

§ 12274. Expedited Review and Approval of TPPPS Contracts.

(a) In lieu of the procedure specified in Section 12272, the Bureau must provide an expedited review process of an application for TPPPS 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 TPPPS contract that was previously approved by the Bureau and that has been terminated in whole or in part.

(2) The proposed TPPPS contract is between the cardroom business licensee and a different TPPPS business licensee than the previous TPPPS contract under which proposition player services were provided in the gambling establishment.

(3) The terms of the proposed TPPPS contract are substantially identical to the TPPPS 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 TPPPS contract approval is submitted as an expedited TPPPS contract request and the Bureau determines that it does not meet the criteria, the TPPPS business licensee or designee and the cardroom business licensee must be notified within three business days of the Bureau's decision. Any TPPPS contract that is not processed through the expedited review and approval process must be treated as a new TPPPS contract request and reviewed and approved or disapproved as otherwise provided by subdivision (a) of Section 12272.

(c) The Bureau will complete the expedited review and approval of a TPPPS contract within five (5) business days of receiving all of the following:

(1) A completed Application for Contract Approval to Provide Proposition Player Services, CGCC-CH3-02 (Rev. 09/21), referenced paragraph (2) of subsection (a) of Section 12272.

(2) A completed Appointment of Designated Agent, CGCC-CH1-04 (New 05/20).

(3) An executed copy of the TPPPS contract that specifically addresses all the requirements of Section 12270.

(4) A $57 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.

§ 12276. Review and Approval of Amendments to TPPPS Contracts.

(a) Requests to review and approve an amendment to a TPPPS contract must be submitted with an application for approval [see Section 12272 (a)(2)(A)] along with an executed copy of the TPPPS

contract, a $57 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 must be refunded and an itemized accounting must be provided to the TPPPS business licensee or the TPPPS business licensee's designee.

(b) No amendment changing any of the TPPPS contract terms referred to in Section 12270, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a TPPPS contract without the prior written approval of the Bureau. If any amendment is made to a TPPPS contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12270, both parties to the TPPPS contract must notify the Bureau in writing of the amendment within 10 days of the execution thereof by the parties to the TPPPS contract.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

§ 12278. Extension of TPPPS 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, CGCC-CH3-02 (Rev. 09/21), referenced in paragraph (2) of subsection (a) of Section 12272.

(2) A $57 application fee. (3) An executed copy of the TPPPS contract.

(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 TPPPS contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the TPPPS contract will be refunded and an itemized accounting will be provided to the TPPPS business licensee, or TPPPS business licensee's designee.

(b) The application must be submitted to the Bureau no later than 90 days prior to the date that the current TPPPS contract is scheduled to expire.

(c) As soon as is practicable after determining that any application for approval of a TPPPS contract extension is complete and that the TPPPS contract extension appears to qualify for approval, but in no event more than 75 days from receipt of the application, the Bureau must submit the TPPPS contract extension to the Commission for review and comment. The Commission may provide the Bureau with comments, if any, within 15 days of receipt of the TPPPS contract extension.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

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 TPPPS business licensee must develop written procedures which:

(1) Establish a dollar threshold for notification to the TPPPS business licensee 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 TPPPS business licensee.

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 TPPPS licensee 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 may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a TPPPS contract.

(c) The cardroom business 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 TPPPS contract may, concerning any table assigned for play by the contracted TPPPS business licensee, contain a provision precluding players of any other TPPPS business licensee from playing at that table during the periods of play assigned by the TPPPS contract for the contracted TPPPS business licensee.

(e) The cardroom business licensee is not precluded from assigning a seat at the table to a TPPPS business 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 thereunder. 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 (c) of Section 12309 must be submitted with the application for initial registration, and annually thereafter with each application for renewal at least 30 calendar days prior to the anniversary date of initial registration. For class B registration, no fee will be required for initial registration or renewal. Applications for renewal of class B registration must be submitted annually at least 30 calendar 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 will be as specified in paragraph (2) of subsection (c) of Section 12309, 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 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; Fees.

(a) Applications for registration under Section 12301(b) must be submitted on the Application for Registration of Manufacturers or Distributors of Gambling Equipment BGC-025 (Rev. 09/21), which is hereby attached in Appendix A to this chapter.

(b) Quarterly Report, BGC-40 (Rev. 04/13), which is hereby attached in Appendix A to this chapter, may but need not be used for submission of reports required by Section 12303.

(c) For a gambling equipment manufacturer or distributor registration, the fee is as follows:

(1) For an initial and renewal registration as a Class A equipment manufacturer or distributor, the fee is $32.

(2) For an initial and renewal registration as an “antique collector,” within the meaning of paragraph (1) of subsection (b) of Section 12300 and subparagraph (B) of paragraph (10) of subsection (b) of Section 12301, the fee is $32.

(3) For a Class B equipment manufacturer or distributor registration, no fee is required.

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 cardroom business licensee or TPPPS business licensee with a reported gross revenue of $10 million or more for the preceding fiscal year.

(2) “Group II licensee” means a cardroom business licensee or TPPPS business 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 cardroom business licensee or TPPPS business 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 cardroom business licensee or TPPPS business 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 cardroom business licensee for administering a jackpot.

(6) “Licensee” means cardroom business licensee or TPPPS business licensee, as appropriate.

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 must:

(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 cardroom business licensee or TPPPS business licensee.

(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 cardroom business licensee, 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 must 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 must be submitted with an initial license 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 must prepare financial statements covering all financial activities of that cardroom business licensee or TPPPS business licensee, as applicable, for each fiscal year, in accordance with generally accepted accounting principles, unless otherwise provided in this section. If a cardroom owner type 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 must engage an independent accountant licensed by the California Board of Accountancy to audit the Group I licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee must engage an independent accountant licensed by the California Board of Accountancy to, at a minimum, review the Group II licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The Group II 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 must 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 Group III licensee is unable to produce the financial statements, it must engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the Group III 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 Group III licensee may elect to engage an independent accountant licensed by the California Board of Accountancy to compile or perform a review of the Group III 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 must prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the Group IV licensee is unable to produce the financial statements, it must do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the Group IV 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 Group IV 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 Group IV licensee may elect to engage an independent accountant licensed by the California Board of Accountancy to compile or review the Group IV 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 must submit copies of the annual financial statements to the with the independent auditor’s or accountant’s report issued to meet the requirements under this section 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 Cardroom Business Licensees.

(a) A cardroom business licensee 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 cardroom business licensee, regardless of gross revenue, must 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 must be available for inspection at any time as requested by the Bureau.

(c) Nothing in this section will be deemed to waive or to suspend the requirement that a cardroom business licensee 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 cardroom business licensee must 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 cardroom business licensee's policies and procedures, un-deposited checks issued by the cardroom business licensee to a patron, and un-deposited checks drawn on a cardroom business licensee's account.

(b) Records of the date and amount of any unclaimed property sent or reported to the State Controller must be kept by the cardroom business 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. [Reserved]

Chapter 7. Conditions of Operation for Gambling Establishments.

Article 1. General Provisions.

§ 12360. Chapter 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) “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.

(2) “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

(3) “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 cardroom business licensee, or the integrity of gambling operations.

(4) “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.

(5) “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.

(6) “House rules” means a set of written policies and procedures, established by a cardroom business licensee, which set general parameters under which that cardroom business licensee operates the play of controlled games.

(7) “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:

(A) Maintaining order and security;

(B) Excluding underage patrons;

(C) Responding to incidents involving patrons or others;

(D) Detecting, reporting and deterring suspected illegal activity; and

(E) Completing incident reports.

(8) “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 cardroom business 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 cardroom business licensee may also have an internal removal list to bar certain individuals from entering the specific gambling establishment only.

(b) A cardroom business licensee or government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) (“requestor”) may submit, on Request for Statewide Involuntary Exclusion of an Individual, CGCC-CH7-01 (New 05/20), 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 will 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, may 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 cardroom business licensee or governmental official for statewide involuntary exclusion of an individual, the Executive Director will 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 will issue a notice of exclusion to the individual. Such notice will 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 will be effective upon perfection of notice and will 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 will 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 will be issued 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 will be preponderance of the evidence that the individual poses a threat either to the public, cardroom employee type licensees, 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 will 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 will be in writing, will state any term-length for the exclusion if other than lifetime, will be sent by certified mail or personal service to the individual and the governmental agency or cardroom business licensee which requested the individual be placed on the statewide involuntary exclusion list, and will 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 cannot 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 must 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, cardroom employee type licensees, the gambling industry, or should otherwise not be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). This statement must 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 will 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 will 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 will include an order removing the individual's name from the list, and will so notify the Bureau. The Bureau will amend the exclusion database and send notification to all gambling establishments and to the requestor.

(n) Judicial review of the Commission's decision will be in accordance with Code of Civil Procedure, section 1094.5.

(o) The statewide involuntary exclusion list will 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) Cardroom business licensees must 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 cardroom business 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 cardroom business licensee, 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 cardroom business 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) A cardroom business licensee must 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 Notice of Relocation, CGCC-CH7-02 (New 05/20), 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) must 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 cardroom business licensee must 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 cardroom business licensee's fully executed rental or lease agreement for, or evidence of the cardroom business licensee's ownership of, the proposed new location.

(B) A copy of the cardroom business licensee's fire safety and evacuation plan for the proposed new location, prepared in compliance with Section 12370.

(C) A copy of the cardroom business 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 cardroom business 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, must be submitted at the same time as the documents specified in subparagraphs (A) through (C), inclusive, or, if not available, must be submitted upon availability and prior to the commencement of gambling operations.

(E) Documentary evidence of the issuance to the cardroom business 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 cardroom business licensee must, 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 cardroom business 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 cardroom business licensee must provide the Bureau with proof of submission of the notice to the neighboring jurisdiction. The copy of the notice submitted to a neighboring jurisdiction must be accompanied by a written statement from the cardroom business licensee which, at a minimum, must 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 a cardroom business 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 cardroom business licensee may not be relocated without Commission review. The Bureau must 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 will 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 a cardroom business 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 will be required and the Bureau may proceed as if paragraph (2) of subsection (b) did not apply.

(d)(1) The Bureau must 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 must be provided to the Commission, as well as any follow-up reports. The Bureau's site visit report must 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 will issue a notice to the cardroom business licensee to correct the deficiency. The notice must describe each deficiency and specify a reasonable time in which the deficiency is to be corrected. The commencement of gambling operations will 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 cardroom business licensee and each cardroom endorsee licensee will 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) will constitute a separate violation.

(g) Failure to timely provide notice to the Bureau as required by subsection (b) will 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.

§ 12368. Cardroom Business License Annual Fee.

(a) The current year's annual fee required by Business and Professions Code section 19951 will be based on the criteria in paragraph (1) or (2) of this subsection, whichever is greater. The current year's annual fee will be due and payable to the Bureau by the cardroom business licensee no later than 120 calendar days following the end of the cardroom business licensee's preceding fiscal year, unless an installment payment plan is approved pursuant to subsection (b).

(1) The annual fee specified in subdivision (c) of section 19951 will be based on the number of permanent tables authorized by the cardroom business license at the close of the cardroom business licensee's preceding fiscal year.

(2) The annual fee specified in subdivision (d) of section 19951 will be based on the cardroom business licensee's gross revenues for the preceding fiscal year.

(b)(1) The cardroom business licensee may submit an installment payment written request no later than the end of the cardroom business licensee's preceding fiscal year.

(2) The Bureau must approve or deny the request within 30 calendar days of receipt.

(3) If approved, the annual fee must be paid as follows:

(A) A payment of one-third, rounded up to the nearest whole dollar, due 120 calendar days following the end of the cardroom business licensee's preceding fiscal year.

(B) A payment of one-third, rounded up to the nearest whole dollar, due 180 calendar days following the end of the cardroom business licensee's preceding fiscal year.

(C) A payment of the balance due 240 calendar days following the end of the cardroom business licensee's preceding fiscal year.

(c) Each cardroom business licensee must submit, with their whole payment, or first installment payment, of the annual fee specified in this section, a completed Cardroom Business License: Annual Fee Calculation, form CGCC-CH7-03 (New 05/20), which is hereby attached in Appendix A to this chapter.

(d) 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.

(e) If the full amount, or any installment payment, of the annual fee has not been received by the Bureau within 90 calendar days after the payment due date, and the cardroom business license has been deemed surrendered pursuant to Business and Professions Code section 19955, the license will be subject to the provisions of subsection (b) of Section 12142 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.

§ 12369. Prohibited Player-Dealer Participation; Exclusion.

In order to promote the purposes of the Act to provide for effective regulation of gambling enterprises, owner licensees must notify the Commission and Bureau of, and may exclude from the gambling establishment, any person(s) that the cardroom business licensee reasonably believes is conducting prohibited player-dealer participation, pursuant to Section 12005, within the gambling establishment. A cardroom business licensee acting under this section must notify the Commission and Bureau in writing of any such person(s) and of any such exclusion, including the identity of the excluded individuals and entity if known, within ten business days following the exclusion. Upon receiving such notice, the Commission will notify the person(s) in writing of the license requirement of Chapter 2 and may notify some or all cardroom business licensees of the name of the unlicensed person(s), if known, and may condition any subsequent license of the person with a 60 to 90 day suspension of licensure or require the payment of a civil penalty under Business and Professions Code section 19930, subdivision (c), or both.

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. 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 must 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 for a cardroom business license under Chapter 2 of this Division must 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 12112.

(c) Each cardroom business licensee must 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 cardroom business 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 cardroom business licensee must 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 must include the following documentation, as applicable:

(1) If the responsible local authority provides reviews, the cardroom business licensee must 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) may 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 cardroom business licensee must send the fire safety and evacuation plan to the State Fire Marshal, and must send to the Bureau documentation showing that the State Fire Marshal has approved the fire safety and evacuation plan.

(f) Failure by a cardroom business 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 12144, 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 must identify and comply with all state and local requirements and must implement all applicable provisions of Article 3 of this chapter. Each cardroom business licensee must 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 for a cardroom business license under Chapter 2 of this Division must 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 12112.

(3) Each cardroom business licensee must 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 cardroom business 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 cardroom business licensee must 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 cardroom business licensee must 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 will review the cardroom business 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 cardroom business 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 must be cured.

(e)(1) Each cardroom business licensee must, 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 must 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 cardroom business licensee, or the cardroom business licensee's designate, must 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 must be documented as provided in paragraph (1).

(f) Failure by a cardroom business 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 12144, 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 Cardroom Business Licensees.

§ 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 cardroom business 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 cardroom business 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 a cardroom business licensee authorized to operate one to five tables.

(2) “Tier II licensee,” means a cardroom business licensee authorized to operate six to ten tables.

(3) “Tier III licensee,” means a cardroom business licensee authorized to operate eleven to thirty tables.

(4) “Tier IV licensee,” means a cardroom business licensee authorized to operate thirty-one to sixty tables.

(5) “Tier V licensee,” means a cardroom business 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 will be deemed to be applicable to all cardroom business 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 cardroom business licensees must have written policies and procedures that meet or exceed the MICS contained in this article.

(b) A cardroom business licensee's policies and procedures must 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 will be required.

(d) On request, copies of a cardroom business licensee's policies and procedures must 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 cardroom business licensee pursuant to this chapter must 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), cardroom business licensees in Tiers II through and including V must assign the overall responsibility for establishing, periodically reviewing, monitoring, and testing for compliance with their MICS policies and procedures to a specific cardroom endorsee licensee or key employee licensee and must document the assignment in the cardroom business licensee's policies and procedures. Tests for compliance with MICS policies and procedures must be performed at least annually, and may be performed by a cardroom business 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 cardroom business licensee. The results of the tests, and a detailed record of the efforts to correct any noncompliance found as a result of the tests, must be documented and the documentation retained by the cardroom business licensee.

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 must meet or exceed the following standards for the drop and collection of the drop for non-electronic gambling tables:

(1) Drop collection fees must be deposited into a secure container, known as a “drop box,” that must be securely attached to the gambling table. A drop box must 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 must be deposited into a separate drop box, or otherwise segregated, and accounted for separately.

(3) Drop boxes must 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 must 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 must 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 must 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 must 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, must be afforded security sufficient to protect the drop box and its contents and must 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 cardroom business licensee must establish and schedule the time(s) for the collection of drop boxes and must 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 cardroom business licensee when circumstances warrant a reasonable deviation from the established schedule.

(8) The drop collection must 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 must include the following standards for drop collection:

(1) All drop boxes, whether in use or not, must be removed from the gambling table as provided in subsection (a) by at least one employee of the gambling establishment who holds a valid cardroom category license, accompanied by at least one member of the security department or its equivalent. The employee of the gambling establishment may 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 cardroom category license and who are each assigned to a different department.

(3) The names of the individuals performing the drop collection must be documented either by software or in writing and, when documented in writing, those individuals who performed the collection must 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 must include standards for drop collection that provide for the designation of at least one employee of the gambling establishment who holds a valid cardroom category license to video monitor the drop box collection process and that the entire drop collection process be continuously recorded by video surveillance.

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 must meet or exceed the following standards for count room functions:

(1) The cardroom business licensee must 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 cardroom business licensee must designate an individual or individuals, each holding a valid cardroom category license, who must be responsible for performing the drop count. The opening, counting and recording of the contents of a drop box must be performed in the presence of and by the designated individual(s).

(3)(A) Drop box counts must be permanently recorded, in ink or another form approved by the cardroom business 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 are permitted. Corrections must 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 must 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) will require the completion of a revised or amended count sheet, which must 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, must be continuously recorded by video surveillance.

(5) The contents of a drop box may 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 must 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 must 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 must:

(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 must 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 must include the following standards for count room functions:

(1) The number of individuals designated by the cardroom business licensee, pursuant to paragraph (2) of subsection (a), to perform the drop count cannot 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 cardroom business licensee's computer system.

(2) The designated individuals performing the count must 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 must count the chips received and verify the accuracy of the count and count sheets.

(4) Count sheets verified pursuant to paragraph (3) above must, 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 must 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 must include the following standards for count room functions:

(1) The count room must 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 must 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 cardroom category license must be designated to video monitor the count process and the entire count process must be continuously recorded by video surveillance.

(3) Immediately prior to the opening of a drop box, the door to the count room must be secured. Except as otherwise authorized by the cardroom business licensee's policies and procedures, no person may 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 must include standards for count room functions that require the drop count to be performed by not less than three individuals designated by the cardroom business 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.

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 must meet or exceed the following standards for cages:

(1) The cardroom business licensee must maintain within the gambling establishment at least one separate and secure area at a fixed location that is designated as a cage. A cage must 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 cardroom business licensee must 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 must 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 cardroom business 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, must 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 cardroom category license may be granted access to a cage or cage area for the purpose of performing their duties.

(4) A log must 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 must 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 must balance his or her imprest to the imprest amount. The recordable cage transactions and reconciliations must be posted and reconciled to the general ledger at least monthly.

(B) The reconciliation of each cage and cashiers' bank must be documented on a cage accountability form that must 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 cardroom category licensee on the gambling floor. Cardroom category licensees may not permit TPPPS category licensees 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 may 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 cardroom business 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.), will be subject to and comply with all provisions of this article applicable to the operation and functions of cages for the cardroom business licensee's tier.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V must 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 must include the following standards for a cage:

(1) A cage must 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 cardroom category licensees. The design and construction of a cage must 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 must 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 must 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 cardroom business licensee must 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 must 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 must 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 must 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.

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 must 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 must be secured in a receptacle, drawer, or compartment with a locking mechanism securing the contents. The receptacle, drawer, or compartment must remain locked at all times, except when being accessed by assigned cardroom category licensees in the performance of their duties. If a keyed lock or locking mechanism is used, the key must not be left in the lock when the drawer or compartment is not being accessed. All keys, combinations, and access codes are 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, must 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 cardroom employee type licensee 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) Cardroom owner type licensees and key employee supervisor licensees whose duties include the supervision or oversight of cardroom employee type licensees 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 must be located so that it is clearly visible for security and surveillance purposes. The cabinet must be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396. The camera coverage must 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 must 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 may be commingled with or kept in the same receptacle with a floor bank. Neither the cabinet nor any other drawer, compartment, or receptacle therein, may be used to hold, store, keep, or safeguard any personal property or possession of any cardroom employee type licensee, 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 must be individually balanced not less than daily and the imprest amount verified. Any shortages or overages must be documented in an exception report and included in the appropriate cage bank reconciliation.

(6) The cardroom business licensee must 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 may not exceed $30,000 at any time.

(7) The cardroom business licensee's policies and procedures must 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 cardroom employee type licensee. The redemption of chips by a patron from a floor bank may 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 must 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 must be secured in a receptacle, drawer, or compartment, with a locking mechanism securing the contents. The locking mechanism must remain locked at all times, except when being accessed by an authorized cardroom employee type licensee in the performance of his or her duties. If a keyed lock or locking mechanism is used, the key may not be left in the lock when the receptacle is not being accessed. All keys, combinations, and access codes must be subject to the applicable key security and control provisions of Section 12395. This subparagraph may 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 must 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, must 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, must 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 cardroom employee type licensee 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) Cardroom owner type licensees and key employee supervisors licensees whose duties include the supervision or oversight of cardroom employee type licensees 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 must be located so that it is clearly visible for security and surveillance purposes. The cabinet must be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396.

(4) No gambling equipment or confidential documents will 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 cardroom employee type licensee, patron, or any other person.

(5) The cardroom business licensee's policies and procedures must 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 cardroom business licensee provides to any TPPPS business licensee 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 must be exclusive to that TPPPS business licensee and its employees, and that cabinet may not be used by the cardroom business licensee for any purpose.

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 cardroom business licensee may extend credit to a patron if, prior to extending credit to the patron, the cardroom business licensee determines that an extension of credit is not prohibited by any statute, law, regulation, or local ordinance. A cardroom business licensee may not extend credit to a TPPPS category licensee that is a party to a contract with the TPPPS owner type licensee to provide third-party proposition player services. A cardroom business 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 cardroom business licensee that extends credit to a patron must 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 must 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) A cardroom owner type licensee or designated key employee licensee 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 must 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 cardroom business licensee must 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 cardroom business licensee must be kept on file with the cardroom for as long as that patron's credit account is open.

(8) Written or electronic records must be maintained on each attempt to collect on delinquent credit accounts.

(9) For each patron issued credit, the cardroom business licensee must 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 must 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 must be prohibited from obtaining additional credit until the amount owed is paid in full.

(d) No cardroom business licensee may cash any check if cashing such a check is prohibited by any statute, regulation, or ordinance. No cardroom employee type licensee will 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 cardroom business licensee who does not deposit a patron's check within three banking days after receipt will be considered to have extended credit to that patron.

(f)(1) A cardroom business licensee will 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 cardroom business licensee.

(3) Paragraph (1) of this subsection does not apply to a personal check that has not been deposited by a cardroom business licensee within three banking days after a receipt, or to a dishonored check.

(g) A cardroom business licensee that cashes checks for a patron must 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 must determine that:

(A) The cardroom business 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 cardroom business 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 cardroom business licensee or designated employee must 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 cardroom business licensee, then retrieval and examination of this identification file by the cardroom business licensee or designated employee will satisfy the provisions of this paragraph.

(3) Records of all returned checks must be maintained by the gambling establishment and must 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 must 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 cardroom business licensee must 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 cardroom business licensee that cashes checks for a patron charges a check-cashing fee, the cardroom business licensee must 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 may 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 must 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 must 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 must be open to the public.

(2) No cardroom category licensee may, 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 forgoing, where an employee's duties or scope of employment includes the play of controlled games, a cardroom category licensee 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 cardroom business licensee may 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 cardroom business 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 must be transacted only by those designated gambling enterprise employee licensees 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 cardroom business licensee must 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 must include standards for gambling floor operations that provide for, Title 11, CCR, Section 2050 notwithstanding, at least one cardroom owner type licensee or key employee license 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.

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 must meet or exceed the following standards for house rules:

(a) A cardroom business licensee must 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, must 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 cardroom business licensee's house rules must be in addition to, and may not conflict with, the game rules approved by the Bureau for any controlled game or gaming activity.

(c) A cardroom business licensee's house rules must be readily available and provided upon request to patrons and the Bureau.

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 must 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, must be limited to authorized personnel in the performance of their duties and must be closely controlled.

(2) For the purpose of video surveillance recordings, gambling establishments must provide adequate lighting of all public areas, entrances and exits, and for all adjoining parking areas owned, operated or otherwise controlled by the cardroom business licensee for use by its patrons.

(3) Cardroom business licensees must file an incident report with the Bureau's Criminal Intelligence Unit within five business days of either of the following:

(A) Any cardroom owner type licensee or key employee licensee 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 cardroom owner type licensee or key employee licensee 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) Cardroom business licensees must 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 cardroom employee type licensees 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 must include all access codes and combinations, as applicable, and the names of all cardroom employee type licensees who possess any code or combination, or who control the mechanism to open any of the locks. The cardroom business licensee may maintain a master list or separate departmental lists. Each list must 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 must meet or exceed the following standards for security:

(1) Except as otherwise provided, cardroom business licensees must 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 cardroom business 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 must meet or exceed the following requirements:

(A) The key control box must 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 must be securely attached to a permanent structure within the gambling establishment. The hardware used to attach the box must not be visible or accessible externally.

(C) All keys, stored within a key control box must be easily identifiable and individually labeled.

(D) Access to a key control box must be limited to the cardroom category licensees designated by the cardroom business licensee.

(3) Cardroom business licensees must maintain a key control log for each key control box maintained pursuant to paragraph (1). The key control log must document the issuance and return of all gambling-related keys used to control access by cardroom employee type licensees 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, cardroom business licensees must have at least one uniformed security officer on duty, who must periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the cardroom business licensee for use by its patrons. Any security officer, whether an employee, agent or contractor of the cardroom business licensee, who is a gambling enterprise employee as defined in subdivision (m) of section 19805 of the Business and Professions Code, will 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 cardroom business licensee's gambling establishment will not be required to hold a Commission work permit.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V must meet or exceed the following standards for security:

(1) Cardroom business licensees must 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 cardroom business 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 must 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 must 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 must periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the cardroom business 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 must 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 must continuously patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the cardroom business licensee for use by its patrons.

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 must meet or exceed the following standards for surveillance:

(1) Cardroom business licensees must 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 cardroom business licensees' gambling operations. The surveillance system must 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 must include date and time generators which must display the current date and time of recorded events on videotape or digital recordings. The displayed date and time must 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 must 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 must 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 must be located in secure rooms or areas of the gambling establishment so that access is controlled.

(4) The surveillance system operation must be checked daily to ensure that all surveillance equipment is functioning properly and reasonable efforts must 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 must meet the following standards:

(A) The DVR system must 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 must 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 must 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 may 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 must be marked or coded to denote the activity recorded.

(7)(A) Unless otherwise requested by the Bureau, all recordings must 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 must 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 must be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph (A) must 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 must be provided by the cardroom business licensee or the cardroom business 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 cardroom business licensee or the cardroom business licensee's authorized representative, a copy of the

recordings must 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 cardroom business licensee or the cardroom business licensee's authorized representative, a copy of the recordings will be provided to the cardroom business licensee at the cardroom business licensee's expense, unless the Bureau expressly waives its costs of providing the copies.

(9) Cardroom business licensees must 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 must be of contrasting colors, and the sign must 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 must meet or exceed the following standards for surveillance:

(1) The surveillance system must, at a minimum, record both the interior and the exterior of gambling establishment entrances and exits.

(2) The surveillance system must 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 does not apply to demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

(3) The surveillance system must 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 must 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 cardroom business 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 must include a requirement that, during all hours of operation, a cardroom owner type licensee or key employee licensee 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 must meet or exceed the following standards for surveillance:

(1) Cardroom business licensees must establish a surveillance unit separate and apart from the security department. The head of the surveillance unit and all surveillance unit personnel must be independent of the security department and have no other gambling-related duties.

(2) Cardroom business licensees must establish and maintain a separate surveillance room that meets or exceeds the following requirements:

(A) The surveillance room must have controlled access through a secured door or doors, which must be under constant recorded video surveillance.

(B) No entrance or exit door of a surveillance room must be readily observable or accessible from the gambling operation area.

(3) Routine access and entry into the surveillance room must be limited to on-duty employees of the surveillance unit assigned to monitor gambling operations. Cardroom employee type licensees 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 must 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 must include closed circuit television (CCTV) monitoring and video recording.

(6) Cardroom business licensees must 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 must be made by on-duty surveillance personnel and must 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.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

Article 9. Program for Responsible Gambling.

§ 12460. Article Definitions.

For purposes of this Article:

(a) “Self-Exclusion” means voluntary agreement to be excluded from all gambling establishments and all controlled games or gaming activities or privileges. A list of self-excluded persons will be maintained by the Bureau and will 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 cardroom business licensee 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 cardroom business licensee 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 cardroom business licensee must 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 cardroom business licensee or TPPPS business licensee must 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://www.problemgambling.ca.gov.”

(c) Advertising material produced by or on behalf of any cardroom business licensee or TPPPS business licensee must contain a responsible gambling message and must 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 cardroom business licensee must 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 cardroom business 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 must be completed within 60 days of the issuance of a cardroom category license, 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 cardroom business licensee must designate a person(s) responsible for maintaining the program, coordinating training, and documenting employee completion. The program must be reviewed at least once a year to ensure that the information provided is current. Records of employee completion documentation must be maintained in accordance with Section 12003, and must 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 must have training, as specified:

(1) Cardroom employee type licensees, 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, must receive training concerning the nature and symptoms of problem gambling behavior.

(2) Cardroom employee type licensees, whose duties include interacting with gambling patrons in gambling areas and who have duties related to the operation of a controlled game must receive the training specified in paragraph (1) and training on how to assist patrons in obtaining information about problem gambling programs.

(3) Key employees licensees must receive the training specified in paragraph (2), and must 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 must 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) Cardroom business licensees must 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 cardroom business licensee. That program must 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-CH7-04 (New 05/20), 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 cardroom business 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 must 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 cardroom business 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 cardroom business licensee provide the services of a notary public for persons who wish to complete a 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) Cardroom business licensees must implement a program that allows patrons to exclude themselves from gambling establishments using a form entitled Self-Exclusion Request, form CGCC-CH7-05 (New 05/20), attached in Appendix A to this chapter. That program must 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 cardroom business 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 cardroom business 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 cardroom business 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 must be submitted using the form Self-Exclusion Removal Request, CGCC-CH7-06 (New 05/20), attached in Appendix A to this chapter. The Bureau will 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 must be automatically removed from the list of self-excluded persons upon the conclusion of the requested term.

(c) Upon removal, the Bureau must 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 cardroom business licensee provide to the Bureau copies of the cardroom business licensee's policies and procedures constituting its Program for Responsible Gambling, which must address all of the requirements of this article. If the Bureau makes a determination that the cardroom business 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 must be cured.

(2) Commission staff or Office of Problem Gambling staff may request that any cardroom business 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 cardroom business licensee to establish the programs set forth in this article, or to cure a deficiency identified pursuant to paragraph (1) of subsection (a), will 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.

Article 10. Gaming Tables.

§ 12470. Request for Additional Temporary Tables for Tournaments or Special Events.

(a) A cardroom business licensee 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 business days prior to the event, the following for each event:

(1) A completed and signed application form entitled Cardroom Business License: Gaming Tables, CGCC-CH7-07 (New 05/20), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of $164 plus a Bureau review deposit pursuant to Title 11, Cal Code Regs., Section 2037, made payable to the Bureau of Gambling Control.

(3) The temporary table fee, as calculated pursuant to subsection (f).

(b) The Commission may 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 cardroom business 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 owning 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 will 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 Bureau.

(e) The Bureau will complete its review of the application and submit its findings to the Commission within 25 days of receipt of the application. The Commission will 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.

(f) The temporary table fee is determined as follows:

(1) Add the current number of authorized tables licensed by the Commission to operate to the number of additional temporary tables being requested.

(2) Multiply the value determined in paragraph (1) by the appropriate value:

(A) If the value of paragraph (1) is between one to five, inclusive, $300;

(B) If the value of paragraph (1) is between six to eight, inclusive, $550;

(C) If the value of paragraph (1) is between nine to fourteen, inclusive, $1,300;

(D) If the value of paragraph (1) is between fifteen to twenty-five, inclusive, $2,700;

(E) If the value of paragraph (1) is between twenty-six to seventy, inclusive, $4,000; or,

(F) If the value of paragraph (1) is seventy-one or more, $4,700,

(3) Subtract the value determined in paragraph (2) by the most recent payed annual fee pursuant to Section 12368.

(4) Divide the value determined in paragraph (3) by 365 and multiple by 2 to determine the daily table fee for the event.

(5) Multiply the daily table fee for the event determined in paragraph (4) by the total number of calendar days of the event. Any partial calendar days should be counted as a full day. Round this value up to the nearest whole number.

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.

§ 12472. Request for Additional Permanent Tables.

(a) The cardroom business licensee 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 Cardroom Business License: Gaming Tables, CGCC-CH7-07 (New 05/20), referenced in paragraph (1) of subsection (a) of Section 12470.

(2) A non-refundable application fee of $164 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 will 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 cardroom business 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 will result in the application being considered abandoned and unused deposit amounts returned, with no further action to be taken by the Commission or Bureau.

(d) The Bureau will complete its review of the application and submit its findings to the Commission within 25 calendar days of receipt of the application. Commission staff will then set the request on the Commission agenda within 90 calendar 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.

§ 12474. Reduction in Permanent Tables

(a) The cardroom business licensee may apply to reduce the number of tables operating on a permanent basis by submitting a completed and signed application form entitled Gambling Establishment: Gaming Tables, CGCC-CH7-07 (New 05/20), referenced in paragraph (1) of subsection (a) of Section 12470.

(b) The request will be effective upon submittal.

(c) The Bureau will notify the Commission in writing within 10 calendar days of the receipt of the application. A new cardroom business license will be issued within 5 calendar days of notification from the Bureau.

(d) Any decrease in permanent tables does not provide for any refund of fees already paid.

Note: Authority Cited: Sections 19811, 19824, 19826, 19840, 19841, and 19864, Business and Professions Code. Reference: Sections 19816 and 19951, Business and Professions Code.

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 services or card-minding devices in this state unless they have a valid interim license issued by the Commission pursuant to this article.

(c) Any manufacturer or distributor of card-minding devices or any vendor providing remote caller bingo equipment, supplies, or services in this state on or after April 24, 2009, shall apply for an interim license, pursuant to this article, within 30 days of the effective date of this section.

(d) Any person applying for an initial interim license as the owner-licensee, as defined in subsection (b) of section 12480, of the manufacturer, distributor, or vendor business shall submit the following to the Bureau:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610 (Rev. 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, BCIA 8016 (Rev. 04/2020)], including ATI Number, 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, BCIA 8016 (Rev. 04/2020)], including ATI Number, 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, BCIA 8016 (Rev. 04/2020)], including ATI Number, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(d) Interim license approvals are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12501, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting, and may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(e) Any fiduciary 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, BCIA 8016 (Rev. 04/2020)], including ATI Number, 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 noticed 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.

§ 12510. Cosponsor Requirements.

The following requirements related to cosponsor agreements shall be in place for each remote caller bingo game.

(a) Except as provided in subsection (b), an organization shall not cosponsor a remote caller bingo game with one or more other organizations unless one of the following is true:

(1) All of the cosponsors are affiliated under the master charter or articles and bylaws of a single organization.

(2) All of the cosponsors are affiliated through an organization described in Penal Code section 326.3(b)(1), and have the same Internal Revenue Service activity code.

(b) No more than ten (10) unaffiliated organizations may enter into a cosponsor agreement and the remote caller bingo game shall not have more than ten (10) locations.

(c) An organization shall not conduct remote caller bingo more than one day per week.

(d) Copies of cosponsor agreements shall be forwarded to the Commission ten (10) days before sponsoring or operating any remote caller bingo game.

(e) Cosponsor agreements shall contain language requiring the cosponsors to comply with the standards of play adopted by the organization.

(f) Cosponsor agreements shall contain language requiring the cosponsors to comply with any regulations adopted by the Commission.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 326.3(n), Penal Code.

§ 12511. Standards of Play for Remote Caller Bingo.

(a) Prior to conducting a remote caller bingo game, the organization shall submit to the Commission the controls, methodology, and standards of game play, including the equipment used to select bingo numbers and create or originate cards, control or maintenance, distribution to participating locations, and distribution to the players.

(b) The controls, methodologies, and standards shall be subject to prior approval by the Commission, provided that controls shall be deemed approved by the Commission after 90 days from the date of submission unless disapproved.

(c) No person may operate, supervise, or staff a remote caller bingo game unless that person is a member of the authorized organization or they have been approved by the Commission to work in an administrative, managerial, technical, financial, or security personnel capacity.

(d) The following standards related to the location of play shall be in place for each remote caller bingo game.

(1) A remote caller bingo game shall not include any site that is not located within the state of California.

(2) Games shall be conducted only on property that is owned or leased by the organization or donated to the organization.

(3) Games are to be open to the public, not just to the members of the authorized organization.

(e) The following standards related to bingo prizes shall be in place for each remote caller bingo game.

(1) Every game shall be played until a winner is declared.

(2) Prizes awarded during the conduct of any remote caller bingo game shall not exceed 37 percent of the gross receipts for that game.

(3) Progressive prizes are prohibited.

(4) To claim a prize a player must present a covered or marked tangible card.

(5) Prizes are to be paid only by check. Organizations may issue a check to the winner at the time of the game, or may send a check to the declared winner by US Postal Service certified mail, return receipt requested.

(6) The declared winner of a remote caller bingo game shall provide his or her identifying information and mailing address to the onsite manager of the remote caller bingo game.

(7) Prize money exceeding state and federal exemption limits shall be subject to income tax reporting and withholding and shall be forwarded, within ten business days, to the appropriate state or federal agency on behalf of the winner.

(f) The following standards related to players shall be in place for each remote caller bingo game.

(1) No persons under the age of 18 shall be allowed to participate.

(2) No more than 750 players per site may participate in a game, unless the Governor of California or the President of the United States declares a state of emergency in response to a natural disaster and the net proceeds of the games are donated to or expended exclusively for the relief of the victims of the disaster, in which case the organization must advise the Commission in writing at least ten days prior to conducting the game.

(3) No person shall be allowed to participate unless the person is physically present at the time and place where the remote caller bingo game is being conducted.

(4) A player shall not use a card-minding device unless the device is both portable and hand-held.

(g) The following standards related to game play shall be in place for each remote caller bingo game.

(1) 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, or Commission-approved card-minding devices.

(2) The drawing of each ball bearing a number or symbol shall be visible to all players as the ball is drawn, including through simultaneous live video feed at remote locations.

(3) Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected. A refund for a canceled game or games shall be provided to the purchasers.

(4) The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game.

(5) 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.”

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, Penal Code. Reference: Sections 326.3(f), 326.3(g), 326.3(h), 326.3(i)(1)-(3), 326.3(j)(1), 326.3(m), 326.3(o) and 326.3(t)(3)-(4), Penal Code; and Section 6500, Family Code.

§ 12514. Audits.

(a) The Commission shall have the authority to conduct audits of any organization engaged in the conduct or cosponsoring of remote caller bingo to ensure compliance with Section 326.3 of the Penal Code. The audit may be conducted at any time and prior notification is not required. No audit shall be conducted until on or after January 1, 2010.

(b) Each organization that conducts or cosponsors remote caller bingo shall allow the Commission complete access to all records, documents, and files in any form related to the conduct or cosponsoring of remote caller bingo and to any personnel involved in the conduct or cosponsoring of remote caller bingo.

(c) The Commission shall have the authority to make copies of any and all documents deemed necessary by the auditor to substantiate audit findings.

(d) Pursuant to subdivision (c) of section 19821 of the Business and Professions Code, all information obtained by the Commission during an audit shall be exempt from disclosure.

(e) Each organization that conducts remote caller bingo shall contract with an independent California certified public accountant to conduct an audit of all records at least annually. Copies of the

audit report shall be provided to the Commission within 120 days after the close of the organization's fiscal year.

Note: Authority cited: Section 19850.6, Business and Professions Code; and Section 326.3(v), Penal Code. Reference: Section 19821(c), Business and Professions Code; and Section 326.3(v), Penal Code.

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 will 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: 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: 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 will proceed under Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(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 will base their decisions on written findings of fact, including findings concerning any relevant aggravating or mitigating factors. Findings of fact will 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 local 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 a cardroom business licensee, the monetary penalty will 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 a TPPPS owner type licensee and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the TPPPS owner type licensee, the monetary penalty will 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 will be multiplied by the number of calendar days for which the suspension is stayed.

(D) If the respondent is a key employee licensee or TPPPS supervisor licensee, the monetary penalty will be $100 per day for the number of calendar days for which the suspension is stayed.

(E) If the respondent is a holder of a work permit or TPPPS worker license, or a person not otherwise described above, the monetary penalty will be $50 per day for the number of calendar days for which the suspension is stayed.

(e) If a person's cardroom business license 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 will 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 a TPPPS owner type licensee has his or her TPPPS owner type license 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 TPPPS business license, provided that after the date on which the revocation is stayed by the Commission, such person will 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 cardroom business licensee, findings must 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 TPPPS owner type licensee, findings must 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 must state whether any Commission-imposed suspensions must 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 will not be charged as a separate violation; however, the frequency and duration of the practice will be treated as aggravating or mitigating factors.

Note: Authority: 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 will 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 a cardroom business licensee, key employee licensee, TPPPS owner type licensee, or TPPPS supervisor licensee exercised due diligence in management or supervision.

(l) If the violation was caused by an employee category licensee or independent contractor of an owner category licensee, the extent to which the owner category licensee knew or should have known of the employee category licensee's or independent contractor's improper conduct; the level of authority of the employee category licensee or independent contractor involved and the extent to which the employee category licensee or independent contractor acted within the scope of his or her authority in committing the violation.

(m) If the violation was caused by an owner category licensee, the extent to which the owner category licensee knew or should have known of the improper conduct.

(n) If the violation was caused or committed by a TPPPS category licensee, the extent to which the cardroom business licensee or TPPPS owner type licensee knew or should have known of the TPPPS category licensee's improper conduct.

(o) Any relevant evidence offered by respondent in mitigation of the violation.

Note: Authority: 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 Commission work permit will 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 paragraph (7) of subsection (d) of Section 12554, 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: 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 Proposition Player Services Licensees.

(a) If the Commission finds that a TPPPS owner type licensee, 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 will be one day of suspension of proposition player services from either a specified cardroom business licensee or all cardroom business licensees, 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 paragraph (7) of subsection (d) of Section 12554.

(b) A TPPPS owner type licensee will be subject to a minimum discipline of suspension of five calendar days from either a specified cardroom business licensee or all cardroom business licensees, 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, if the Commission finds that:

(1) The TPPPS owner type licensee has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial license, renewal license, or pursuant to disciplinary action;

(2) The TPPPS owner type licensee 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 TPPPS owner type licensee has intentionally misrepresented a material fact on an application or supplemental application for licensure;

(4) The TPPPS owner type licensee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services;

(5) The TPPPS owner type licensee 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 TPPPS owner type licensee has violated California Code of Regulations, Title 4, regarding annual fees for third-party proposition player services;

(7) The TPPPS owner type licensee has provided proposition player services in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(9) or (b)(11);

(8) The TPPPS owner type licensee has failed to fully disclose financial arrangements in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(14);

(9) The TPPPS business licensee has failed to report cheating, in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(17);

(10) The TPPPS owner type licensee has purchased, leased, or controlled equipment in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(20);

(11) The TPPPS owner type licensee has failed to have the TPPPS contract approved, in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(21), or Section 12272;

(12) The TPPPS owner type licensee has authorized or provided payment to or receipt by the cardroom business licensee, in violation of California Code of Regulations, Title 4, Section 12270, subsection (c);

(13) The TPPPS owner type licensee has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code sections 337t, 337u, 337v, 337w, or 337y;

(14) The TPPPS owner type licensee 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 TPPPS owner type licensee has committed loan-sharking [as that term is used in Civil Code section 1916-3, subdivision (b)];

(16) The TPPPS owner type licensee 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 TPPPS owner type licensee has committed bribery (as that term is used in Penal Code section 67 or 67.5);

(18) The TPPPS owner type licensee 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 TPPPS owner type licensee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(18);

(20) The TPPPS owner type licensee has violated the provisions regarding playing books listed in California Code of Regulations, Title 4, Section 12250;

(21) The TPPPS owner type licensee committed, attempted to commit, or conspired to commit any act prohibited by the Act or this chapter;

(22) The TPPPS owner type licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission;

(23) The TPPPS owner type licensee bought or sold chips other than to or from the cardroom business licensee, except for exchanging with a patron, chips of one denomination for chips of another denomination;

(24) The TPPPS owner type licensee lent money or chips to a patron;

(25) The TPPPS owner type licensee knowingly permitted one or more of the TPPPS owner type licensee's TPPPS employee type licensees to commit any act described in paragraph (9) of subsection (c) or paragraphs (9) to (17), inclusive, of subsection (d);

(26) The TPPPS owner type licensee knew, or failed to implement reasonable oversight procedures that would have apprised the TPPPS owner type licensee, that one or more of the TPPPS owner type licensee's TPPPS employee type licensees was in violation of one or more provision the Act or regulation and failed or refused to take action to prevent the recurrence of the violation or violations;

(27) The TPPPS owner type licensee provided proposition player services to a gambling enterprise without a Bureau-approved contract on and after April 30, 2004; or,

(28) The TPPPS owner type licensee provided prohibited player-dealer services.

(c) A TPPPS employee type licensee will be subject to a minimum monetary penalty of $100 and/or a suspension of three calendar days and a maximum penalty of revocation if the Commission finds that:

(1) The TPPPS employee type licensee has violated or is out of compliance with conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial license, renewal licensee, or pursuant to disciplinary action;

(2) The TPPPS employee type licensee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services;

(3) The TPPPS employee type licensee 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 which occurred in a gambling establishment or the associated adjacent property;

(4) The TPPPS employee type licensee 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 TPPPS employee type licensee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge, worn another person's badge, or worn an expired badge;

(6) The TPPPS employee type licensee has engaged in fighting or has intentionally provoked a patron or employee of a cardroom business licensee;

(7) The TPPPS employee type licensee has maliciously or willfully destroyed or damaged the property of a cardroom business licensee, cardroom employee type licensee, or patron;

(8) The TPPPS employee type licensee has accepted tips, gratuities, complimentaries, or gifts from a cardroom category licensee or cardroom businesses licensee's patrons;

(9) The TPPPS employee committed, attempted to commit, or conspired to commit any act prohibited by the Act or this chapter; or,

(10) The TPPPS employee type licensee has failed to comply with California Code of Regulations, Title 4, Section 12290.

(d) A TPPPS employee type licensee will be subject to a minimum monetary penalty of $300 and/or a suspension of five calendar days and a maximum penalty of revocation if the Commission finds that:

(1) The TPPPS employee type licensee has intentionally misrepresented a material fact on an application, or supplemental application for licensure or approval;

(2) The TPPPS employee type licensee has been cheating, pursuant to Penal Code, section 337x;

(3) The TPPPS employee type licensee 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 TPPPS employee type licensee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b));

(5) The TPPPS employee type licensee 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 TPPPS employee type licensee has committed bribery (as that term is used in Penal Code section 67 or 67.5);

(7) The TPPPS employee type licensee 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 TPPPS employee type licensee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12270, subsection (b)(18);

(9) The TPPPS employee type licensee intentionally misrepresented a material fact on an application or supplemental application for licensure

(10) The TPPPS employee type licensee engaged in any dishonest, fraudulent, or unfairly deceptive activity in connection with controlled gambling, including any violation of laws related to cheating;

(11) The TPPPS employee type licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission;

(12) The TPPPS employee type licensee committed, attempted to commit, or conspired to commit an act of embezzlement or larceny;

(13) The TPPPS employee type 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;

(14) The TPPPS employee type licensee bought or sold chips other than to or from the house, except for exchanging with a patron, chips of one denomination for chips of another denomination;

(15) The TPPPS employee type licensee lent money or chips to a gambling enterprise patron; or,

(16) The TPPPS employee type licensee made a wager that was not specifically authorized by the game rules as approved by the Bureau.

(e) A TPPPS category licensee will be subject to revocation if the Commission finds that:

(1) The TPPPS category licensee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure; or,

(2) The TPPPS employee type licensee no longer meets any criterion for eligibility, pursuant to Section 12040.

Note: Authority: Sections 19825, 19840, 19841, 19930, and 19984, Business and Professions Code. Reference: Sections 19824 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 will 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: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Section 19930, Business and Professions Code.

§ 12566. Disciplinary Guidelines for Cardroom Owner Type Licenses.

(a) If the Commission finds that a cardroom business licensee 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 will 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 cardroom business licensee has five tables or less and has an annual gross gaming revenue up to and including $10,000, the penalty will be between $50 and $100, based upon the factors in mitigation and aggravation.

(2) If the cardroom business licensee has ten tables or less or has an annual gross gaming revenue over $10,000, up to and including $200,000, the penalty will be between $100 and $2000, based upon the factors in mitigation and aggravation.

(3) If the cardroom business licensee has an annual gross gaming revenue over $200,000, the penalty will be between $250 and $5,000, based upon the factors in mitigation and aggravation.

(b) A cardroom business licensee will 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) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license),

(4) Violated Business and Professions Code, section 19912 (failure to have valid work permit),

(5) Violated Business and Professions Code, section 19924 (failure to maintain security controls),

(6) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(7) Provided false or incomplete financial data, in violation of Sections 12312, 12313, 12315, and 12316, regarding accounting and financial reporting,

(8) 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,

(9) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain cardroom owner type licensee or key employee licensee on premises),

(10) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), or

(11) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities).

(c) A cardroom business licensee will 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 paragraph (7) of subsection (d) of Section 12554, 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 license, renewal license, 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,

(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 to the Commission and Bureau, pursuant to Section 12369, the operation of a business organization participating in a California game when the owners or management of the establishment knew or should have known that a business organization was operating in the establishment in violation of Section 12005,

(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 cardroom business licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the cardroom business licensee shows that the cardroom business 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 cardroom owner type licensee or key employee licensee 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: 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 a cardroom endorsee licensee who has committed a separate violation from the cardroom business licensee will 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 paragraph (7) of subsection (d) of Section 12554, 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 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 a cardroom endorsee licensee who has committed a separate violation from the cardroom business licensee will 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 paragraph (7) of subsection (d) of Section 12554, 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 a cardroom owner type 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 cardroom owner type 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 cardroom owner type license, finding of suitability, or approval granted by the Commission, other than a work permit, and a cardroom endorsee licensee who has committed a separate violation from the cardroom business licensee must 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: 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.

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).

The Commissioner and Executive Director must file their statements of economic interests electronically with the Fair Political Practices Commission. All other individuals holding designated positions must file their statements with the California Gambling Control Commission. All statements must be made available for public inspection and reproduction under Government Code Section 81008.

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.

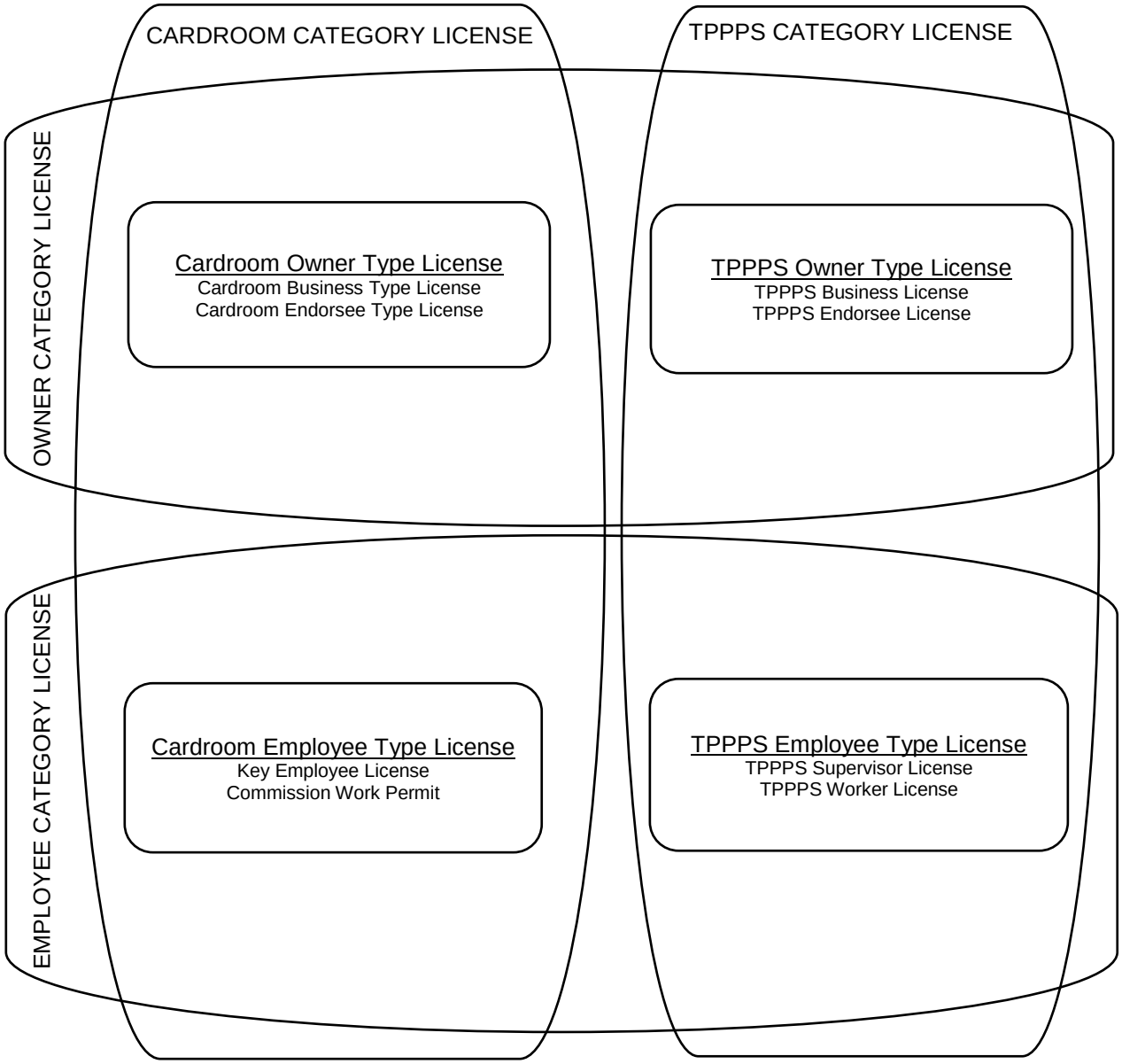
(5) Associate Governmental Program Analyst.

(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.

License Type Breakdown



California Code of Regulations Title 11, Division 3, Chapter 1

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, 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 any 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: Section 19826, Business and Professions Code. Reference: Section 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. 07-2017), 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, Business and Professions Code; and Stats. 1997, c. 867 (S.B.8), Section 66.5. Reference: Section 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 14, 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 application (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 Code.

§ 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. 09/2017) Application for Game Review

(b) BGC-APP.027 (Rev. 09/2017) 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. 07-2017), 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 to 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, is 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: Sections 320.6(c), 320.6(d), 320.6(e), 320.6(h), 320.6(j), 320.6(l), 320.6(m) and 320.6(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, 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(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, Penal Code. Reference: Section 320.6, Penal Code.

§ 2087. Registrant Disclosure 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(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 Annual 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;

(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; and

(m) Ensuring the information required in section Penal Code section (o)(12) is posted to either the Internet Web site of the eligible organization or the affiliated sports team.

Note: Authority cited: Section 320.6, 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, an 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, 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, 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(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, 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(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(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, 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: Sections 320.6(d), 320.6(e), 320.6(f), 320.6(j), 320.6(k) and 320.6(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.

(n) Within 31 days of the conclusion of a registered event, an eligible organization shall post on either its Internet Web site or the affiliated sport team's Internet Web site all of the information required pursuant to subdivision (o)(12) of Penal Code section 320.6.

Note: Authority cited: Section 320.6, 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: Sections 320.6(d) and 320.6(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: Sections 320.6(l) and 320.6(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(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.

(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(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(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: Sections 320.6(m), 320.6(p) and 320.6(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: Sections 320.6(b) and 320.6(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: Sections 320.6(h), 320.6(l) and 320.6(m), Penal Code. Reference: Section 320.6, Penal Code.

§ 2107. Eligible Organization - Raffle 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, 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(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(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(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: Sections 320.6(o) and 320.6(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: Sections 320.6(p) and 320.6(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 investigation or prosecuting an action against a registrant or applicant.

Note: Authority cited: Sections 320.6(p) and 320.6(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(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).

Office of Problem Gambling Regulations

Title 17, Division 1

Chapter 12. Office of Problem and Pathological Gambling

§ 40000. Application and Purpose of Regulations.

Chapter 12 shall apply to all licensed gambling enterprises in California. Unless otherwise specified, the definitions in Business and Professions Code section 19805 shall apply to this chapter.

Note: Authority cited: Section 19954, Business and Professions Code. Reference: Section 19954, Business and Professions Code.

§ 40010. Definitions.

“Department” means the California Department of Public Health.

Note: Authority cited: Section 19954, Business and Professions Code. Reference: Section 19954, Business and Professions Code.

§ 40020. Fees for the Gambling Addiction Program Fund.

(a) The payment paid by each gambling enterprise as specified in Business and Professions Code section 19954 shall be made directly to the Department by March 1 of each year. The Department shall deposit payments into the Gambling Addiction Program Fund.

(b) The amount of the payment due shall be calculated at the rate of $100 per authorized table. The number of authorized tables in each gambling establishment will be the number of authorized tables listed on the California Gambling Control Commission's website on December 31 of the previous year,

(c) The Department shall provide an invoice to each licensed gambling enterprise by January 31 of each year indicating the total payment due by March 1 of that year.

(d) Payments shall be made to the California Department of Public Health, Accounting Office. The Office of Problem and Pathological Gambling shall send notice to each gambling enterprise containing the current address for these payments.

Note: Authority cited: Section 19954, Business and Professions Code. Reference: Section 19954, Business and Professions Code.

§ 40030. Initial Pro Rata Fees.

The first year payment pursuant to this regulation shall be prorated on a monthly basis for gambling enterprises not currently paying the fees specified in Business and Professions Code section 19954 on a calendar year basis. (Example: if a gambling enterprise is authorized for 50 tables, 50 x $100 = $5000/12 months = $416.66/month. Fees were paid through 9/30 previous year; gambling enterprise owes three months, 3 x $416.66 = $1249.99.)

Note: Authority cited: Section 19954, Business and Professions Code. Reference: Section 19954, Business and Professions Code.

§ 40040. Fee Enforcement.

(a) By April 1 of each year, the Department may report to the Bureau of Gambling Control, within the Department of Justice, each gambling enterprise who failed to make timely payment.

(b) By April 1 of each year, the Department may follow the procedures in section 8776.6 of the State Administrative Manual (revised 06/10), incorporated herein by reference, for the collection of accounts receivable.

Note: Authority cited: Section 19954, Business and Professions Code. Reference: Section 19954, Business and Professions Code.

Title 15. Commerce and Trade

Chapter 24. Transportation of Gambling Devices

§ 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 paragraph (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.

(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 a 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 it 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 it 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.

Title 18. Crimes and Criminal Procedure
Part I, Chapter 53.
§ 1151. Indian country defined

Except as otherwise provided in sections 1154 and 1156 of this title, the term “Indian country”, as used in this chapter, means (a) all land within the limits of any Indian reservation under the jurisdiction of the United States Government, notwithstanding the issuance of any patent, and, including rights-of-way running through the reservation, (b) all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a state, and (c) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the same.

§ 1152. Laws governing

Except as otherwise expressly provided by law, the general laws of the United States as to the punishment of offenses committed in any place within the sole and exclusive jurisdiction of the United States, except the District of Columbia, shall extend to the Indian country.

This section shall not extend to offenses committed by one Indian against the person or property of another Indian, nor to any Indian committing any offense in the Indian country who has been punished by the local law of the tribe, or to any case where, by treaty stipulations, the exclusive jurisdiction over such offenses is or may be secured to the Indian tribes respectively.

§ 1153. Offenses committed within Indian country

(a) Any Indian who commits against the person or property of another Indian or other person any of the following offenses, namely, murder, manslaughter, kidnapping, maiming, a felony under chapter 109A, incest, a felony assault under section 113, an assault against an individual who has not attained the age of 16 years, felony child abuse or neglect, arson, burglary, robbery, and a felony under section 661 of this title within the Indian country, shall be subject to the same law and penalties as all other persons committing any of the above offenses, within the exclusive jurisdiction of the United States.

(b) Any offense referred to in subsection (a) of this section that is not defined and punished by Federal law in force within the exclusive jurisdiction of the United States shall be defined and punished in accordance with the laws of the State in which such offense was committed as are in force at the time of such offense.

§ 1154. Intoxicants dispensed in Indian country

(a) Whoever sells, gives away, disposes of, exchanges, or barters any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or other intoxicating liquor of any kind whatsoever, except for scientific, sacramental, medicinal or mechanical purposes, or any essence, extract, bitters, preparation, compound, composition, or any article whatsoever, under any name, label, or brand, which produces intoxication, to any Indian to whom an allotment of land has been made while the title to the same shall be held in trust by the Government, or to any Indian who is a ward of the Government under charge of any Indian superintendent, or to any Indian, including mixed bloods, over whom the Government, through its departments, exercises guardianship, and whoever introduces or attempts to introduce any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or intoxicating liquor of any kind whatsoever into the Indian country, shall, for the first offense, be fined under this title or imprisoned not more than one year, or both; and, for each subsequent offense, be fined under this title or imprisoned not more than five years, or both.

(b) It shall be a sufficient defense to any charge of introducing or attempting to introduce ardent spirits, ale, beer, wine, or intoxicating liquors into the Indian country that the acts charged were done under authority, in writing, from the Department of the Army or any officer duly authorized thereunto by

the Department of the Army, but this subsection shall not bar the prosecution of any officer, soldier, sutler or storekeeper, attaché, or employee of the Army of the United States who barters, donates, or furnishes in any manner whatsoever liquors, beer, or any intoxicating beverage whatsoever to any Indian.

(c) The term “Indian country” as used in this section does not include fee-patented lands in non-Indian communities or rights-of-way through Indian reservations, and this section does not apply to such lands or rights-of-way in the absence of a treaty or statute extending the Indian liquor laws thereto.

§ 1155. Intoxicants dispensed on school site

Whoever, on any tract of land in the former Indian country upon which is located any Indian school maintained by or under the supervision of the United States, manufactures, sells, gives away, or in any manner, or by any means furnishes to anyone, either for himself or another, any vinous, malt, or fermented liquors, or any other intoxicating drinks of any kind whatsoever, except for scientific, sacramental, medicinal or mechanical purposes, whether medicated or not, or who carries, or in any manner has carried, into such area any such liquors or drinks, or who shall be interested in such manufacture, sale, giving away, furnishing to anyone, or carrying into such area any of such liquors or drinks, shall be fined under this title or imprisoned not more than five years, or both.

§ 1156. Intoxicants possessed unlawfully

Whoever, except for scientific, sacramental, medicinal or mechanical purposes, possesses intoxicating liquors in the Indian country or where the introduction is prohibited by treaty or an Act of Congress, shall, for the first offense, be fined under this title or imprisoned not more than one year, or both; and, for each subsequent offense, be fined under this title or imprisoned not more than five years, or both.

The term “Indian country” as used in this section does not include fee-patented lands in non-Indian communities or rights-of-way through Indian reservations, and this section does not apply to such lands or rights-of-way in the absence of a treaty or statute extending the Indian liquor laws thereto.

§ 1158. Counterfeiting Indian Arts and Crafts Board trade mark

Whoever counterfeits or colorably imitates any Government trade mark used or devised by the Indian Arts and Crafts Board in the Department of the Interior as provided in section 305a of Title 25, or, except as authorized by the Board, affixes any such Government trade mark, or knowingly, willfully, and corruptly affixes any reproduction, counterfeit, copy, or colorable imitation thereof upon any products, or to any labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of such products; or

Whoever knowingly makes any false statement for the purpose of obtaining the use of any such Government trade mark--

Shall (1) in the case of a first violation, if an individual, be fined under this title or imprisoned not more than five years, or both, and, if a person other than an individual, be fined not more than $1,000,000; and (2) in the case of subsequent violations, if an individual, be fined not more than $1,000,000 or imprisoned not more than fifteen years, or both, and, if a person other than an individual, be fined not more than $5,000,000; and (3) shall be enjoined from further carrying on the act or acts complained of.

§ 1159. Misrepresentation of Indian produced goods and products

(a) It is unlawful to offer or display for sale or sell any good, with or without a Government trademark, in a manner that falsely suggests it is Indian produced, an Indian product, or the product of

a particular Indian or Indian tribe or Indian arts and crafts organization, resident within the United States.

(b) Penalty.--Any person that knowingly violates subsection (a) shall--

(1) in the case of a first violation by that person--

(A) if the applicable goods are offered or displayed for sale at a total price of $1,000 or more, or if the applicable goods are sold for a total price of $1,000 or more--

(i) in the case of an individual, be fined not more than $250,000, imprisoned for not more than 5 years, or both; and

(ii) in the case of a person other than an individual, be fined not more than $1,000,000; and

(B) if the applicable goods are offered or displayed for sale at a total price of less than $1,000, or if the applicable goods are sold for a total price of less than $1,000--

(i) in the case of an individual, be fined not more than $25,000, imprisoned for not more than 1 year, or both; and

(ii) in the case of a person other than an individual, be fined not more than $100,000; and

(2) in the case of a subsequent violation by that person, regardless of the amount for which any good is offered or displayed for sale or sold--

(A) in the case of an individual, be fined under this title, imprisoned for not more than 15 years, or both; and

(B) in the case of a person other than an individual, be fined not more than $5,000,000.

(c) As used in this section--

(1) the term “Indian” means any individual who is a member of an Indian tribe, or for the purposes of this section is certified as an Indian artisan by an Indian tribe;

(2) the terms “Indian product” and “product of a particular Indian tribe or Indian arts and crafts organization” has the meaning given such term in regulations which may be promulgated by the Secretary of the Interior;

(3) the term “Indian tribe”--

(A) has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b); and

(B) includes, for purposes of this section only, an Indian group that has been formally recognized as an Indian tribe by--

(i) a State legislature;

(ii) a State commission; or

(iii) another similar organization vested with State legislative tribal recognition authority; and

(4) the term “Indian arts and crafts organization” means any legally established arts and crafts marketing organization composed of members of Indian tribes.

(d) In the event that any provision of this section is held invalid, it is the intent of Congress that the remaining provisions of this section shall continue in full force and effect.

§ 1160. Property damaged in committing offense

Whenever a non-Indian, in the commission of an offense within the Indian country takes, injures or destroys the property of any friendly Indian the judgment of conviction shall include a sentence that the defendant pay to the Indian owner a sum equal to twice the just value of the property so taken, injured, or destroyed.

If such offender shall be unable to pay a sum at least equal to the just value or amount, whatever such payment shall fall short of the same shall be paid out of the Treasury of the United States. If such offender cannot be apprehended and brought to trial, the amount of such property shall be paid out of the Treasury. But no Indian shall be entitled to any payment out of the Treasury of the United States, for any such property, if he, or any of the nation to which he belongs, have sought private revenge, or have attempted to obtain satisfaction by any force or violence.

§ 1161. Application of Indian liquor laws

The provisions of sections 1154, 1156, 3113, 3488, and 3669, of this title, shall not apply within any area that is not Indian country, nor to any act or transaction within any area of Indian country provided such act or transaction is in conformity both with the laws of the State in which such act or transaction occurs and with an ordinance duly adopted by the tribe having jurisdiction over such area of Indian country, certified by the Secretary of the Interior, and published in the Federal Register.

§ 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	
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.

§ 1163. Embezzlement and theft from Indian tribal organizations

Whoever embezzles, steals, knowingly converts to his use or the use of another, willfully misapplies, or willfully permits to be misapplied, any of the moneys, funds, credits, goods, assets, or other property belonging to any Indian tribal organization or intrusted to the custody or care of any officer, employee, or agent of an Indian tribal organization; or

Whoever, knowing any such moneys, funds, credits, goods, assets, or other property to have been so embezzled, stolen, converted, misapplied or permitted to be misapplied, receives, conceals, or retains the same with intent to convert it to his use or the use of another--

Shall be fined under this title, or imprisoned not more than five years, or both; but if the value of such property does not exceed the sum of $1,000, he shall be fined under this title, or imprisoned not more than one year, or both.

As used in this section, the term “Indian tribal organization” means any tribe, band, or community of Indians which is subject to the laws of the United States relating to Indian affairs or any corporation, association, or group which is organized under any of such laws.

§ 1164. Destroying boundary and warning signs

Whoever willfully destroys, defaces, or removes any sign erected by an Indian tribe, or a Government agency (1) to indicate the boundary of an Indian reservation or of any Indian country as defined in section 1151 of this title or (2) to give notice that hunting, trapping, or fishing is not permitted thereon without lawful authority or permission, shall be fined under this title or imprisoned not more than six months, or both.

§ 1165. Hunting, trapping, or fishing on Indian land

Whoever, without lawful authority or permission, willfully and knowingly goes upon any land that belongs to any Indian or Indian tribe, band, or group and either are held by the United States in trust or are subject to a restriction against alienation imposed by the United States, or upon any lands of the United States that are reserved for Indian use, for the purpose of hunting, trapping, or fishing thereon, or for the removal of game, peltries, or fish therefrom, shall be fined under this title or imprisoned not more than ninety days, or both, and all game, fish, and peltries in his possession shall be forfeited.

§ 1166. Gambling in Indian country

(a) Subject to subsection (c), for purposes of Federal law, all State laws pertaining to the licensing, regulation, or prohibition of gambling, including but not limited to criminal sanctions applicable thereto, shall apply in Indian country in the same manner and to the same extent as such laws apply elsewhere in the State.

(b) Whoever in Indian country is guilty of any act or omission involving gambling, whether or not conducted or sanctioned by an Indian tribe, which, although not made punishable by any enactment of Congress, would be punishable if committed or omitted within the jurisdiction of the State in which the act or omission occurred, under the laws governing the licensing, regulation, or prohibition of gambling in force at the time of such act or omission, shall be guilty of a like offense and subject to a like punishment.

(c) For the purpose of this section, the term “gambling” does not include--

(1) class I gaming or class II gaming regulated by the Indian Gaming Regulatory Act, or

(2) class III gaming conducted under a Tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act that is in effect.

(d) The United States shall have exclusive jurisdiction over criminal prosecutions of violations of State gambling laws that are made applicable under this section to Indian country, unless an Indian tribe pursuant to a Tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act, or under any other provision of Federal law, has consented to the transfer to the State of criminal jurisdiction with respect to gambling on the lands of the Indian tribe.

§ 1167. Theft from gaming establishments on Indian lands

(a) Whoever abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any money, funds, or other property of a value of $1,000 or less belonging to an establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission shall be fined under this title or be imprisoned for not more than one year, or both.

(b) Whoever abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any money, funds, or other property of a value in excess of $1,000 belonging to a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission shall be fined under this title, or imprisoned for not more than ten years, or both.

§ 1168. Theft by officers or employees of gaming establishments on Indian lands

(a) Whoever, being an officer, employee, or individual licensee of a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission, embezzles, abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any moneys, funds, assets, or other property of such establishment of a value of $1,000 or less shall be fined not more than $250,000 or imprisoned not more than five years, or both;

(b) Whoever, being an officer, employee, or individual licensee of a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission, embezzles, abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any moneys, funds, assets, or other property of such establishment of a value in excess of $1,000 shall be fined not more than $1,000,000 or imprisoned for not more than twenty years, or both.

§ 1169. Reporting of child abuse

(a) Any person who--

(1) is a--

(A) physician, surgeon, dentist, podiatrist, chiropractor, nurse, dental hygienist, optometrist, medical examiner, emergency medical technician, paramedic, or health care provider,

(B) teacher, school counselor, instructional aide, teacher's aide, teacher's assistant, or bus driver employed by any tribal, Federal, public or private school,

(C) administrative officer, supervisor of child welfare and attendance, or truancy officer of any tribal, Federal, public or private school,

(D) child day care worker, headstart teacher, public assistance worker, worker in a group home or residential or day care facility, or social worker,

(E) psychiatrist, psychologist, or psychological assistant,

(F) licensed or unlicensed marriage, family, or child counselor,

(G) person employed in the mental health profession, or

(H) law enforcement officer, probation officer, worker in a juvenile rehabilitation or detention facility, or person employed in a public agency who is responsible for enforcing statutes and judicial orders;

(2) knows, or has reasonable suspicion, that--

(A) a child was abused in Indian country, or

(B) actions are being taken, or are going to be taken, that would reasonably be expected to result in abuse of a child in Indian country; and

(3) fails to immediately report such abuse or actions described in paragraph (2) to the local child protective services agency or local law enforcement agency, shall be fined under this title or imprisoned for not more than 6 months or both.

(b) Any person who--

(1) supervises, or has authority over, a person described in subsection (a)(1), and

(2) inhibits or prevents that person from making the report described in subsection (a), shall be fined under this title or imprisoned for not more than 6 months or both.

(c) For purposes of this section, the term--

(1) "abuse" includes--

(A) any case in which--

(i) a child is dead or exhibits evidence of skin bruising, bleeding, malnutrition, failure to thrive, burns, fracture of any bone, subdural hematoma, soft tissue swelling, and

(ii) such condition is not justifiably explained or may not be the product of an accidental occurrence; and

(B) any case in which a child is subjected to sexual assault, sexual molestation, sexual exploitation, sexual contact, or prostitution;

(2) “child” means an individual who--

(A) is not married, and

(B) has not attained 18 years of age;

(3) “local child protective services agency” means that agency of the Federal Government, of a State, or of an Indian tribe that has the primary responsibility for child protection on any Indian reservation or within any community in Indian country; and

(4) “local law enforcement agency” means that Federal, tribal, or State law enforcement agency that has the primary responsibility for the investigation of an instance of alleged child abuse within the portion of Indian country involved.

(d) Any person making a report described in subsection (a) which is based upon their reasonable belief and which is made in good faith shall be immune from civil or criminal liability for making that report.

§ 1170. Illegal trafficking in Native American human remains and cultural items

(a) Whoever knowingly sells, purchases, uses for profit, or transports for sale or profit, the human remains of a Native American without the right of possession to those remains as provided in the Native American Graves Protection and Repatriation Act shall be fined in accordance with this title, or imprisoned not more than 12 months, or both, and in the case of a second or subsequent violation, be fined in accordance with this title, or imprisoned not more than 5 years, or both.

(b) Whoever knowingly sells, purchases, uses for profit, or transports for sale or profit any Native American cultural items obtained in violation of the Native American Grave Protection and Repatriation Act shall be fined in accordance with this title, imprisoned not more than one year, or both, and in the case of a second or subsequent violation, be fined in accordance with this title, imprisoned not more than 5 years, or both.

Title 25. Indians

Chapter 29. Indian Gaming Regulation

§ 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.

(C) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes those card games played in the State of Michigan, the State of North Dakota, the State of South Dakota, or the State of Washington, that were actually operated in such State by an Indian tribe on or before May 1, 1988, but only to the extent of the nature and scope of the card games that were actually operated by an Indian tribe in such State on or before such date, as determined by the Chairman.

(D) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes, during the 1-year period beginning on October 17, 1988, any gaming described in subparagraph (B)(ii) that was legally operated on Indian lands on or before May 1, 1988, if the Indian tribe having jurisdiction over the lands on which such gaming was operated requests the State, by no later than the date that is 30 days after October 17, 1988, to negotiate a Tribal-State compact under section 2710(d)(3) of this title.

(E) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes, during the 1-year period beginning on December 17, 1991, any gaming described in subparagraph (B)(ii) that was legally operated on Indian lands in the State of Wisconsin on or before May 1, 1988, if the Indian tribe having jurisdiction over the lands on which such gaming was operated requested the State, by no later than November 16, 1988, to negotiate a Tribal-State compact under section 2710(d)(3) of this title.

(F) If, during the 1-year period described in subparagraph (E), there is a final judicial determination that the gaming described in subparagraph (E) is not legal as a matter of State law, then such gaming on such Indian land shall cease to operate on the date next following the date of such judicial decision.

(8) The term “class III gaming” means all forms of gaming that are not class I gaming or class II gaming.

(9) The term “net revenues” means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

(10) The term “Secretary” means the Secretary of the Interior.

§ 2704. National Indian Gaming Commission

(a) Establishment

There is established within the Department of the Interior a Commission to be known as the National Indian Gaming Commission.

(b) Composition; investigation; term of office; removal

(1) The Commission shall be composed of three full-time members who shall be appointed as follows:

(A) a Chairman, who shall be appointed by the President with the advice and consent of the Senate; and

(B) two associate members who shall be appointed by the Secretary of the Interior.

(2)(A) The Attorney General shall conduct a background investigation on any person considered for appointment to the Commission.

(B) The Secretary shall publish in the Federal Register the name and other information the Secretary deems pertinent regarding a nominee for membership on the Commission and shall allow a period of not less than thirty days for receipt of public comment.

(3) Not more than two members of the Commission shall be of the same political party. At least two members of the Commission shall be enrolled members of any Indian tribe.

(4)(A) Except as provided in subparagraph (B), the term of office of the members of the Commission shall be three years.

(B) Of the initial members of the Commission--

(i) two members, including the Chairman, shall have a term of office of three years; and

(ii) one member shall have a term of office of one year.

(5) No individual shall be eligible for any appointment to, or to continue service on, the Commission, who--

(A) has been convicted of a felony or gaming offense;

(B) has any financial interest in, or management responsibility for, any gaming activity; or

(C) has a financial interest in, or management responsibility for, any management contract approved pursuant to section 2711 of this title.

(6) A Commissioner may only be removed from office before the expiration of the term of office of the member by the President (or, in the case of associate member, by the Secretary) for neglect of duty, or malfeasance in office, or for other good cause shown.

(c) Vacancies

Vacancies occurring on the Commission shall be filled in the same manner as the original appointment. A member may serve after the expiration of his term of office until his successor has been appointed, unless the member has been removed for cause under subsection (b)(6).

(d) Quorum

Two members of the Commission, at least one of which is the Chairman or Vice Chairman, shall constitute a quorum.

(e) Vice Chairman

The Commission shall select, by majority vote, one of the members of the Commission to serve as Vice Chairman. The Vice Chairman shall serve as Chairman during meetings of the Commission in the absence of the Chairman.

(f) Meetings

The Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least once every 4 months.

(g) Compensation

(1) The Chairman of the Commission shall be paid at a rate equal to that of level IV of the Executive Schedule under section 5315 of Title 5.

(2) The associate members of the Commission shall each be paid at a rate equal to that of level V of the Executive Schedule under section 5316 of Title 5.

(3) All members of the Commission shall be reimbursed in accordance with Title 5 for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

§ 2705. Powers of Chairman

(a) The Chairman, on behalf of the Commission, shall have power, subject to an appeal to the Commission, to--

(1) issue orders of temporary closure of gaming activities as provided in section 2713(b) of this title;

(2) levy and collect civil fines as provided in section 2713(a) of this title;

(3) approve tribal ordinances or resolutions regulating class II gaming and class III gaming as provided in section 2710 of this title; and

(4) approve management contracts for class II gaming and class III gaming as provided in sections 2710(d)(9) and 2711 of this title.

(b) The Chairman shall have such other powers as may be delegated by the Commission.

§ 2706. Powers of Commission

(a) Budget approval; civil fines; fees; subpoenas; permanent orders

The Commission shall have the power, not subject to delegation--

(1) upon the recommendation of the Chairman, to approve the annual budget of the Commission as provided in section 2717 of this title;

(2) to adopt regulations for the assessment and collection of civil fines as provided in section 2713(a) of this title;

(3) by an affirmative vote of not less than 2 members, to establish the rate of fees as provided in section 2717 of this title;

(4) by an affirmative vote of not less than 2 members, to authorize the Chairman to issue subpoenas as provided in section 2715 of this title; and

(5) by an affirmative vote of not less than 2 members and after a full hearing, to make permanent a temporary order of the Chairman closing a gaming activity as provided in section 2713(b)(2) of this title.

(b) Monitoring; inspection of premises; investigations; access to records; mail; contracts; hearings; oaths; regulations

The Commission--

(1) shall monitor class II gaming conducted on Indian lands on a continuing basis;

(2) shall inspect and examine all premises located on Indian lands on which class II gaming is conducted;

(3) shall conduct or cause to be conducted such background investigations as may be necessary;

(4) may demand access to and inspect, examine, photocopy, and audit all papers, books, and records respecting gross revenues of class II gaming conducted on Indian lands and any other matters necessary to carry out the duties of the Commission under this chapter;

(5) may use the United States mail in the same manner and under the same conditions as any department or agency of the United States;

(6) may procure supplies, services, and property by contract in accordance with applicable Federal laws and regulations;

(7) may enter into contracts with Federal, State, tribal and private entities for activities necessary to the discharge of the duties of the Commission and, to the extent feasible, contract the enforcement of the Commission's regulations with the Indian tribes;

(8) may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems appropriate;

(9) may administer oaths or affirmations to witnesses appearing before the Commission; and

(10) shall promulgate such regulations and guidelines as it deems appropriate to implement the provisions of this chapter.

(c) Omitted

(d) Application of Government Performance and Results Act

(1) In general

In carrying out any action under this chapter, the Commission shall be subject to the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285).

(2) Plans

In addition to any plan required under the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285), the Commission shall submit a plan to provide technical assistance to tribal gaming operations in accordance with that Act.

§ 2707. Commission staffing

(a) General Counsel

The Chairman shall appoint a General Counsel to the Commission who shall be paid at the annual rate of basic pay payable for GS-18 of the General Schedule under section 5332 of Title 5.

(b) Staff

The Chairman shall appoint and supervise other staff of the Commission without regard to the provisions of Title 5 governing appointments in the competitive service. Such staff shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-17 of the General Schedule under section 5332 of that title.

(c) Temporary services

The Chairman may procure temporary and intermittent services under section 3109(b) of Title 5, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS-18 of the General Schedule.

(d) Federal agency personnel

Upon the request of the Chairman, the head of any Federal agency is authorized to detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this chapter, unless otherwise prohibited by law.

(e) Administrative support services

The Secretary or Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

§ 2708. Commission; access to information

The Commission may secure from any department or agency of the United States information necessary to enable it to carry out this chapter. Upon the request of the Chairman, the head of such department or agency shall furnish such information to the Commission, unless otherwise prohibited by law.

§ 2709. Interim authority to regulate gaming

Notwithstanding any other provision of this chapter, the Secretary shall continue to exercise those authorities vested in the Secretary on the day before October 17, 1988, relating to supervision of Indian gaming until such time as the Commission is organized and prescribes regulations. The Secretary shall provide staff and support assistance to facilitate an orderly transition to regulation of Indian gaming by the Commission.

§ 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), 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 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) 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), 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).

(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 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.

§ 2711. Management contracts

(a) Class II gaming activity; information on operators

(1) Subject to the approval of the Chairman, an Indian tribe may enter into a management contract for the operation and management of a class II gaming activity that the Indian tribe may engage in under section 2710(b)(1) of this title, but, before approving such contract, the Chairman shall require and obtain the following information:

(A) the name, address, and other additional pertinent background information on each person or entity (including individuals comprising such entity) having a direct financial interest in, or management responsibility for, such contract, and, in the case of a corporation, those individuals who serve on the board of directors of such corporation and each of its stockholders who hold (directly or indirectly) 10 percent or more of its issued and outstanding stock;

(B) a description of any previous experience that each person listed pursuant to subparagraph (A) has had with other gaming contracts with Indian tribes or with the gaming industry generally, including specifically the name and address of any licensing or regulatory agency with which such person has had a contract relating to gaming; and

(C) a complete financial statement of each person listed pursuant to subparagraph (A).

(2) Any person listed pursuant to paragraph (1)(A) shall be required to respond to such written or oral questions that the Chairman may propound in accordance with his responsibilities under this section.

(3) For purposes of this chapter, any reference to the management contract described in paragraph (1) shall be considered to include all collateral agreements to such contract that relate to the gaming activity.

(b) Approval

The Chairman may approve any management contract entered into pursuant to this section only if he determines that it provides at least--

(1) for adequate accounting procedures that are maintained, and for verifiable financial reports that are prepared, by or for the tribal governing body on a monthly basis;

(2) for access to the daily operations of the gaming to appropriate tribal officials who shall also have a right to verify the daily gross revenues and income made from any such tribal gaming activity;

(3) for a minimum guaranteed payment to the Indian tribe that has preference over the retirement of development and construction costs;

(4) for an agreed ceiling for the repayment of development and construction costs;

(5) for a contract term not to exceed five years, except that, upon the request of an Indian tribe, the Chairman may authorize a contract term that exceeds five years but does not exceed seven years if the Chairman is satisfied that the capital investment required, and the income projections, for the particular gaming activity require the additional time; and

(6) for grounds and mechanisms for terminating such contract, but actual contract termination shall not require the approval of the Commission.

(c) Fee based on percentage of net revenues

(1) The Chairman may approve a management contract providing for a fee based upon a percentage of the net revenues of a tribal gaming activity if the Chairman determines that such percentage fee is reasonable in light of surrounding circumstances. Except as otherwise provided in this subsection, such fee shall not exceed 30 percent of the net revenues.

(2) Upon the request of an Indian tribe, the Chairman may approve a management contract providing for a fee based upon a percentage of the net revenues of a tribal gaming activity that exceeds 30 percent but not 40 percent of the net revenues if the Chairman is satisfied that the capital investment required, and income projections, for such tribal gaming activity require the additional fee requested by the Indian tribe.

(d) Period for approval; extension

By no later than the date that is 180 days after the date on which a management contract is submitted to the Chairman for approval, the Chairman shall approve or disapprove such contract on its merits. The Chairman may extend the 180-day period by not more than 90 days if the Chairman notifies the Indian tribe in writing of the reason for the extension. The Indian tribe may bring an action in a United States district court to compel action by the Chairman if a contract has not been approved or disapproved within the period required by this subsection.

(e) Disapproval

The Chairman shall not approve any contract if the Chairman determines that--

(1) any person listed pursuant to subsection (a)(1)(A) of this section--

(A) is an elected member of the governing body of the Indian tribe which is the party to the management contract;

(B) has been or subsequently is convicted of any felony or gaming offense;

(C) has knowingly and willfully provided materially important false statements or information to the Commission or the Indian tribe pursuant to this chapter or has refused to respond to questions propounded pursuant to subsection (a)(2); or

(D) has been determined to be a 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 and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto;

(2) the management contractor has, or has attempted to, unduly interfere or influence for its gain or advantage any decision or process of tribal government relating to the gaming activity;

(3) the management contractor has deliberately or substantially failed to comply with the terms of the management contract or the tribal gaming ordinance or resolution adopted and approved pursuant to this chapter; or

(4) a trustee, exercising the skill and diligence that a trustee is commonly held to, would not approve the contract.

(f) Modification or voiding

The Chairman, after notice and hearing, shall have the authority to require appropriate contract modifications or may void any contract if he subsequently determines that any of the provisions of this section have been violated.

(g) Interest in land

No management contract for the operation and management of a gaming activity regulated by this chapter shall transfer or, in any other manner, convey any interest in land or other real property, unless specific statutory authority exists and unless clearly specified in writing in said contract.

(h) Authority

The authority of the Secretary under section 81 of this title, relating to management contracts regulated pursuant to this chapter, is hereby transferred to the Commission.

(i) Investigation fee

The Commission shall require a potential contractor to pay a fee to cover the cost of the investigation necessary to reach a determination required in subsection (e) of this section.

§ 2712. Review of existing ordinances and contracts

(a) Notification to submit

As soon as practicable after the organization of the Commission, the Chairman shall notify each Indian tribe or management contractor who, prior to October 17, 1988, adopted an ordinance or resolution authorizing class II gaming or class III gaming or entered into a management contract, that such ordinance, resolution, or contract, including all collateral agreements relating to the gaming activity, must be submitted for his review within 60 days of such notification. Any activity conducted

under such ordinance, resolution, contract, or agreement shall be valid under this chapter, or any amendment made by this chapter, unless disapproved under this section.

(b) Approval or modification of ordinance or resolution

(1) By no later than the date that is 90 days after the date on which an ordinance or resolution authorizing class II gaming or class III gaming is submitted to the Chairman pursuant to subsection (a), the Chairman shall review such ordinance or resolution to determine if it conforms to the requirements of section 2710(b) of this title.

(2) If the Chairman determines that an ordinance or resolution submitted under subsection (a) conforms to the requirements of section 2710(b) of this title, the Chairman shall approve it.

(3) If the Chairman determines that an ordinance or resolution submitted under subsection (a) does not conform to the requirements of section 2710(b) of this title, the Chairman shall provide written notification of necessary modifications to the Indian tribe which shall have not more than 120 days to bring such ordinance or resolution into compliance.

(c) Approval or modification of management contract

(1) Within 180 days after the submission of a management contract, including all collateral agreements, pursuant to subsection (a), the Chairman shall subject such contract to the requirements and process of section 2711 of this title.

(2) If the Chairman determines that a management contract submitted under subsection (a), and the management contractor under such contract, meet the requirements of section 2711 of this title, the Chairman shall approve the management contract.

(3) If the Chairman determines that a contract submitted under subsection (a), or the management contractor under a contract submitted under subsection (a), does not meet the requirements of section 2711 of this title, the Chairman shall provide written notification to the parties to such contract of necessary modifications and the parties shall have not more than 120 days to come into compliance. If a management contract has been approved by the Secretary prior to October 17, 1988, the parties shall have not more than 180 days after notification of necessary modifications to come into compliance.

§ 2713. Civil penalties

(a) Authority; amount; appeal; written complaint

(1) Subject to such regulations as may be prescribed by the Commission, the Chairman shall have authority to levy and collect appropriate civil fines, not to exceed $25,000 per violation, against the tribal operator of an Indian game or a management contractor engaged in gaming for any violation of any provision of this chapter, any regulation prescribed by the Commission pursuant to this chapter, or tribal regulations, ordinances, or resolutions approved under section 2710 or 2712 of this title.

(2) The Commission shall, by regulation, provide an opportunity for an appeal and hearing before the Commission on fines levied and collected by the Chairman.

(3) Whenever the Commission has reason to believe that the tribal operator of an Indian game or a management contractor is engaged in activities regulated by this chapter, by regulations prescribed under this chapter, or by tribal regulations, ordinances, or resolutions, approved under section 2710 or 2712 of this title, that may result in the imposition of a fine under subsection (a)(1), the permanent closure of such game, or the modification or termination of any management contract, the Commission shall provide such tribal operator or management

contractor with a written complaint stating the acts or omissions which form the basis for such belief and the action or choice of action being considered by the Commission. The allegation shall be set forth in common and concise language and must specify the statutory or regulatory provisions alleged to have been violated, but may not consist merely of allegations stated in statutory or regulatory language.

(b) Temporary closure; hearing

(1) The Chairman shall have power to order temporary closure of an Indian game for substantial violation of the provisions of this chapter, of regulations prescribed by the Commission pursuant to this chapter, or of tribal regulations, ordinances, or resolutions approved under section 2710 or 2712 of this title.

(2) Not later than thirty days after the issuance by the Chairman of an order of temporary closure, the Indian tribe or management contractor involved shall have a right to a hearing before the Commission to determine whether such order should be made permanent or dissolved. Not later than sixty days following such hearing, the Commission shall, by a vote of not less than two of its members, decide whether to order a permanent closure of the gaming operation.

(c) Appeal from final decision

A decision of the Commission to give final approval of a fine levied by the Chairman or to order a permanent closure pursuant to this section shall be appealable to the appropriate Federal district court pursuant to chapter 7 of Title 5.

(d) Regulatory authority under tribal law

Nothing in this chapter precludes an Indian tribe from exercising regulatory authority provided under tribal law over a gaming establishment within the Indian tribe's jurisdiction if such regulation is not inconsistent with this chapter or with any rules or regulations adopted by the Commission.

§ 2714. Judicial review

Decisions made by the Commission pursuant to sections 2710, 2711, 2712, and 2713 of this title shall be final agency decisions for purposes of appeal to the appropriate Federal district court pursuant to chapter 7 of Title 5.

§ 2715. Subpoena and deposition authority

(a) Attendance, testimony, production of papers, etc.

By a vote of not less than two members, the Commission shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under consideration or investigation. Witnesses so summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(b) Geographical location

The attendance of witnesses and the production of books, papers, and documents, may be required from any place in the United States at any designated place of hearing. The Commission may request the Secretary to request the Attorney General to bring an action to enforce any subpoena under this section.

(c) Refusal of subpoena; court order; contempt

Any court of the United States within the jurisdiction of which an inquiry is carried on may, in case of contumacy or refusal to obey a subpoena for any reason, issue an order requiring such person to appear before the Commission (and produce books, papers, or documents as so ordered) and give evidence concerning the matter in question and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(d) Depositions; notice

A Commissioner may order testimony to be taken by deposition in any proceeding or investigation pending before the Commission at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Commission and having power to administer oaths. Reasonable notice must first be given to the Commission in writing by the party or his attorney proposing to take such deposition, and, in cases in which a Commissioner proposes to take a deposition, reasonable notice must be given. The notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Commission, as hereinbefore provided.

(e) Oath or affirmation required

Every person deposing as herein provided shall be cautioned and shall be required to swear (or affirm, if he so requests) to testify to the whole truth, and shall be carefully examined. His testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent. All depositions shall be promptly filed with the Commission.

(f) Witness fees

Witnesses whose depositions are taken as authorized in this section, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

§ 2716. Investigative powers

(a) Confidential information

Except as provided in subsection (b), the Commission shall preserve any and all information received pursuant to this chapter as confidential pursuant to the provisions of paragraphs (4) and (7) of section 552(b) of Title 5.

(b) Provision to law enforcement officials

The Commission shall, when such information indicates a violation of Federal, State, or tribal statutes, ordinances, or resolutions, provide such information to the appropriate law enforcement officials.

(c) Attorney General

The Attorney General shall investigate activities associated with gaming authorized by this chapter which may be a violation of Federal law.

§ 2717. Commission funding

(a)(1) The Commission shall establish a schedule of fees to be paid to the Commission annually by each gaming operation that conducts a class II or class III gaming activity that is regulated by this chapter.

(2)(A) The rate of the fees imposed under the schedule established under paragraph (1) shall be--

(i) no more than 2.5 percent of the first $1,500,000, and

(ii) no more than 5 percent of amounts in excess of the first $1,500,000, of the gross revenues from each activity regulated by this chapter.

(B) The total amount of all fees imposed during any fiscal year under the schedule established under paragraph (1) shall not exceed 0.080 percent of the gross gaming revenues of all gaming operations subject to regulation under this chapter.

(3) The Commission, by a vote of not less than two of its members, shall annually adopt the rate of the fees authorized by this section which shall be payable to the Commission on a quarterly basis.

(4) Failure to pay the fees imposed under the schedule established under paragraph (1) shall, subject to the regulations of the Commission, be grounds for revocation of the approval of the Chairman of any license, ordinance, or resolution required under this chapter for the operation of gaming.

(5) To the extent that revenue derived from fees imposed under the schedule established under paragraph (1) are not expended or committed at the close of any fiscal year, such surplus funds shall be credited to each gaming activity on a pro rata basis against such fees imposed for the succeeding year.

(6) For purposes of this section, gross revenues shall constitute the annual total amount of money wagered, less any amounts paid out as prizes or paid for prizes awarded and less allowance for amortization of capital expenditures for structures.

(b)(1) The Commission, in coordination with the Secretary and in conjunction with the fiscal year of the United States, shall adopt an annual budget for the expenses and operation of the Commission.

(2) The budget of the Commission may include a request for appropriations, as authorized by section 2718 of this title, in an amount equal the amount of funds derived from assessments authorized by subsection (a) for the fiscal year preceding the fiscal year for which the appropriation request is made.

(3) The request for appropriations pursuant to paragraph (2) shall be subject to the approval of the Secretary and shall be included as a part of the budget request of the Department of the Interior.

§ 2717a. Availability of class II gaming activity fees to carry out duties of Commission

In fiscal year 1990 and thereafter, fees collected pursuant to and as limited by section 2717 of this title shall be available to carry out the duties of the Commission, to remain available until expended.

§ 2718. Authorization of appropriations

(a) Subject to section 2717 of this title, there are authorized to be appropriated, for fiscal year 1998, and for each fiscal year thereafter, an amount equal to the amount of funds derived from the assessments authorized by section 2717(a) of this title.

(b) Notwithstanding section 2717 of this title, there are authorized to be appropriated to fund the operation of the Commission, $2,000,000 for fiscal year 1998, and $2,000,000 for each fiscal year thereafter. The amounts authorized to be appropriated in the preceding sentence shall be in addition to the amounts authorized to be appropriated under subsection (a).

§ 2719. Gaming on lands acquired after October 17, 1988

(a) Prohibition on lands acquired in trust by Secretary

Except as provided in subsection (b), 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) 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) 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 5108 and 5110 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.

§ 2720. Dissemination of information

Consistent with the requirements of this chapter, sections 1301, 1302, 1303 and 1304 of Title 18 shall not apply to any gaming conducted by an Indian tribe pursuant to this chapter.

§ 2721. Severability

In the event that any section or provision of this chapter, or amendment made by this chapter, is held invalid, it is the intent of Congress that the remaining sections or provisions of this chapter, and amendments made by this chapter, shall continue in full force and effect.

Title 28. Judiciary and Judicial Procedure

Part IV, 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 Compacts
1	Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation	Y	1999	2006 2016	SDF	Agua Caliente Casino Resort Spa	Spa Resort Casino	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 & Casino		2,000
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 & Hotel		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
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

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
12	Blue Lake Rancheria	Y	1999			Blue Lake Casino & Hotel	Play Station 777	2,000
13	Bridgeport Indian Colony	N						
14	Buena Vista Rancheria of Me-Wuk Indians of California	Y	1999	2004 2016		Harrah's Northern California		2,000
15	Cabazon Band of Mission Indians	Y	1999	2019	SDF	Fantasy Springs Resort Casino		1,800 until 12/31/2023 2,250 after 1/1/2024
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
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 Bingo and Casino		2,000
25	Cloverdale Rancheria of Pomo Indians of California	N						

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
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	SDF	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*			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
37	Fort Bidwell Indian Community of the Fort Bidwell Reservation of California	N						

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
38	Fort Independence Indian Community of Paiute Indians of the Fort Independence Reservation	Y	2013			Winnedumah Winns Casino**		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	2019		Lucky Bear Casino		349
45	Hopland Band of Pomo Indians	Y	1999		SDF	Sho-Ka-Wah Casino		2,000
46	Iipay Nation of Santa Ysabel	Y	2003		GF			350
47	Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation	N						
48	Ione Band of Miwok Indians of California	Y	2020		SDF			1,200
49	Jackson Band of MiWuk Indians	Y	1999	2015 2016	SDF	Jackson Rancheria Casino & Hotel		1,800
50	Jamul Indian Village of California	Y	1999	2016	SDF	Hollywood Casino Jamul San Diego		2,500
51	Karuk Tribe	Y	2014	2018		Rain Rock Casino		1,500

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
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	SDF			2,000
55	La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation	Y	2003		GF			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		SDF			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	2021	SDF	Twin Pine Casino & Hotel		1,200
64	Mooretown Rancheria of Maidu Indians of California	Y	1999	2020	SDF	Feather Falls Casino & Lodge		2,250
65	Morongo Band of Mission Indians	Y	1999	2007 2017	SDF	Morongo Casino Resort & Spa		6,000

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
66	North Fork Rancheria of Mono Indians of California	Y	2016*					2,000 for 2 years; 2,500 thereafter
67	Pala Band of Mission Indians	Y	1999	2004 2016	SDF	Pala Casino Spa Resort		2,500
68	Paskenta Band of Nomlaki Indians of California	Y	1999	2020	SDF	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	2021	SDF	Chukchansi Gold Resort & Casino		3,500
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						
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

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
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		2,000
83	Round Valley Indian Tribes, Round Valley Reservation	N				Hidden Oaks Casino**		
84	San Manuel Band of Mission Indians	Y	1999	2006 2016 2017	SDF	San Manuel Indian Bingo & Casino		7,500
85	San Pasqual Band of Diegueno Mission Indians of California	Y	1999	2018	SDF	Valley View Casino & Hotel		2,250
86	Santa Rosa Band of Cahuilla Indians	N						
87	Santa Rosa Indian Community of the Santa Rosa Rancheria	Y	1999	2021	SDF	Tachi Palace Hotel & Casino		3,000
88	Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation	Y	1999	2015	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

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
91	Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria (Verona Tract)	Y	1999	2008 2012 2020	SDF	Red Hawk Casino		2,500
92	Soboba Band of Luiseno Indians	Y	1999		SDF	Soboba Casino		2,000
93	Susanville Indian Rancheria	Y	1999	2019		Diamond Mountain Casino & Hotel		1,200
94	Sycuan Band of the Kumeyaay Nation	Y	1999	2015	SDF	Sycuan Casino & 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	2020		Lucky 7 Casino	Lucky 7 Gas Station	2,000
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 2020	SDF	Eagle Mountain Casino		2,500
100	Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California	Y	1999	2017	SDF	Black Oak Casino		2,000
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	SDF & GF	Thunder Valley Casino Resort		3,500
103	Utu Utu Gwaitu Paiute Tribe of the Benton Paiute Reservation	N						

#	Tribal Name	Compact Y/N	Initial	Amended	Pays into SDF or GF	Casino Name	Second Location	# Slots Authorized in Compacts
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		4,500
105	Washoe Tribe of Nevada & California	N						
106	Wilton Rancheria	Y	2017		SDF			2,500
107	Wiyot Tribe	N						Tribe forgoes gambling on its land
108	Yocha Dehe Wintun Nation	Y	1999	2004 2016	SDF & GF	Cache Creek Casino Resort		3,500
109	Yurok Tribe of the Yurok Reservation	Y	2006	2016		Redwood Hotel Casino		99

*Secretarial Procedures

**Tribe operates Class II gaming only

California Cardroom Information

#	Name	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	6
17	Casino Real	13
18	Casino Royale	5
19	Central Coast Casino	4
20	Club One Casino	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

#	Name	No of Tables
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	0
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	60
43	Limelight Card Room	10
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

#	Name	No of Tables
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
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

#	Name	No of Tables
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
86	Westlane Card Room	11

Title 25 (Section Titles Only)

Chapter III National Indian Gaming Commission, Department of the Interior

Subchapter A General Provisions

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§ 501.2 Scope

Part 502 Definitions of This Chapter

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§ 502.3 Class II gaming

§ 502.4 Class III gaming

§ 502.5 Collateral agreement

§ 502.6 Commission

§ 502.7 Electronic, computer or other technologic aid

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§ 502.9 Other games similar to bingo

§ 502.10 Gaming operation

§ 502.11 House banking game

§ 502.12 Indian lands

§ 502.13 Indian tribe

§ 502.14 Key employee

§ 502.15 Management contract

§ 502.16 Net revenues

§ 502.17 Person having a direct or indirect financial interest in a management contract

§ 502.18 Person having management responsibility for a management contract

§ 502.19 Primary management official

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§ 502.21 Tribal-State compact

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Part 503 Commission Information Collection Requirements Under the Paperwork Reduction Act: OMB Control Numbers and Expiration Dates

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§ 503.2 Display of control numbers and expiration dates

Part 513 Debt Collection

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§ 513.2 What is the Commission's authority to issue these regulations?

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§ 513.4 What notice will the Commission give to a debtor of the Commission's intent to collect debts?

§ 513.5 What is the Commission's policy on interest, penalty charges, and administrative costs?

§ 513.6 What are the requirements for offset review?

§ 513.7 What is the Commission's policy on revoking a debtor's ability to engage in Indian gaming for failure to pay a debt?

Subpart B - Administrative and Tax Refund Offset

§ 513.20 What debts can the Commission refer to Treasury for collection by administrative and tax refund offset?

§ 513.21 What notice will a debtor be given of the Commission's intent to collect a debt through administrative and tax refund offset?

Subpart C - Salary Offset

§ 513.30 When may the Commission use salary offset to collect debts?

§ 513.31 What notice will the Commission, as the creditor agency, give a debtor that salary offset will occur?

§ 513.32 What are the hearing procedures when the Commission is the creditor agency?

§ 513.33 Will the Commission issue a certification when the Commission is the creditor agency?

§ 513.34 What opportunity is there for a voluntary repayment agreement when the Commission is the creditor agency?

§ 513.35 What special review is available when the Commission is the creditor agency?

§ 513.36 Under what conditions will the Commission refund amounts collected by salary offset?

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§ 513.40 How will the Commission handle debt collection through administrative wage garnishment?

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§ 514.5 When must a gaming operation pay its annual fees?

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§ 514.7 What should a gaming operation do if it changes its fiscal year or ceases operations?

§ 514.8 Where should fees, quarterly statements, and other communications about fees be sent?

§ 514.9 What happens if a gaming operation submits its fee payment or quarterly statement late?

§ 514.10 When does a late payment or quarterly statement submission become a failure to pay?

§ 514.11 Can a proposed late fee be appealed?

§ 514.12 When does a notice of late submission and/or a proposed late fee become a final order of the Commission and final agency action?

§ 514.13 How are late submission fees paid, and can interest be assessed?

§ 514.14 What happens if the fees imposed exceed the statutory maximum or if the Commission does not expend the full amount of fees collected in a fiscal year?

§ 514.15 May tribes submit fingerprint cards to the Commission for processing?

§ 514.16 How does the Commission adopt the fingerprint processing fee?

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§ 515.2 Definitions

§ 515.3 Request for access to record

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§ 515.5 Responses to requests for access to records

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§ 517.2 Public reading room

§ 517.3 Definitions

§ 517.4 Requirements for making requests

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§ 517.6 Timing of responses to requests

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§ 517.8 Appeals

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Part 518 Self-regulation of Class II Gaming

§ 518.1 What does this part cover?

§ 518.2 Who will administer the self-regulation program for the Commission?

§ 518.3 Who is eligible to petition for a certificate of self-regulation?

§ 518.4 What must a tribe submit to the Commission as part of its petition?

§ 518.5 What criteria must a tribe meet to receive a certificate of self-regulation?

§ 518.6 What are the responsibilities of the Office of Self-Regulation in the certification process?

§ 518.7 What process will the Commission use to review and certify petitions?

§ 518.8 What is the hearing process?

§ 518.9 When will a certificate of self-regulation become effective?

§ 518.10 What must a self-regulating tribe provide the Commission to maintain its self-regulatory status?

§ 518.11 Does a tribe that holds a certificate of self-regulation have a continuing duty to advise the Commission of any additional information?

§ 518.12 Which investigative or enforcement powers of the Commission are inapplicable to self-regulating tribes?

§ 518.13 When may the Commission revoke a certificate of self-regulation?

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§ 542.18 How does a gaming operation apply for a variance from the standards of the part?

§ 542.19 What are the minimum internal control standards for accounting?

§ 542.20 What is a Tier A gaming operation?

§ 542.21 What are the minimum internal control standards for drop and count for Tier A gaming operations?

§ 542.22 What are the minimum internal control standards for internal audit for Tier A gaming operations?

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§ 542.30 What is a Tier B gaming operation?

§ 542.31 What are the minimum internal control standards for drop and count for Tier B gaming operations?

§ 542.32 What are the minimum internal control standards for internal audit for Tier B gaming operations?

§ 542.33 What are the minimum internal control standards for surveillance for Tier B gaming operations?

§ 542.40 What is a Tier C gaming operation?

§ 542.41 What are the minimum internal control standards for drop and count for Tier C gaming operations?

§ 542.42 What are the minimum internal control standards for internal audit for Tier C gaming operations?

§ 542.43 What are the minimum internal control standards for surveillance for a Tier C gaming operation?

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§ 543.1 What does this part cover?

§ 543.2 What are the definitions for this part?

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§ 543.5 How does a gaming operation apply to use an alternate minimum standard from those set forth in this part?

§ 543.8 What are the minimum internal control standards for bingo?

§ 543.9 What are the minimum internal control standards for pull tabs?

§ 543.10 What are the minimum internal control standards for card games?

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§ 547.2 What are the definitions for this part?

§ 547.3 Who is responsible for implementing these standards?

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§ 547.5 How does a tribal government, TGRA, or tribal gaming operation comply with this part?

§ 547.6 What are the minimum technical standards for enrolling and enabling Class II gaming system components?

§ 547.7 What are the minimum technical hardware standards applicable to Class II gaming systems?

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§ 547.10 What are the minimum standards for Class II gaming system critical events?

§ 547.11 What are the minimum technical standards for money and credit handling?

§ 547.12 What are the minimum technical standards for downloading on a Class II gaming system?

§ 547.13 What are the minimum technical standards for program storage media?

§ 547.14 What are the minimum technical standards for electronic random number generation?

§ 547.15 What are the minimum technical standards for electronic data communications between system components?

§ 547.16 What are the minimum standards for game artwork, glass, and rules?

§ 547.17 How does a TGRA apply to implement an alternate minimum standard to those required by this part?

Subchapter E Gaming Licenses and Background Investigations for Key Employees and Primary Management Officials

Part 556 Background Investigations for Primary Management Officials and Key Employees

§ 556.1 Scope of this part

§ 556.2 Privacy notice

§ 556.3 Notice regarding false statements

§ 556.4 Background investigations

§ 556.5 Tribal eligibility determination

§ 556.6 Report to the Commission

§ 556.7 Notice

§ 556.8 Compliance with this part

Part 558 Gaming Licenses for Key Employees and Primary Management Officials

§ 558.1 Scope of this part

§ 558.2 Review of notice of results for a key employee or primary management official

§ 558.3 Notification to NIGC of license decisions and retention obligations

§ 558.4 Notice of information impacting eligibility and licensee's right to a hearing

§ 558.5 Submission of notices

§ 558.6 Compliance with this part

Part 559 Facility License Notifications and Submissions

§ 559.1 What is the scope and purpose of this part?

§ 559.2 When must a tribe notify the Chair that it is considering issuing a new facility license?

§ 559.3 When must a tribe submit a copy of a newly issued or renewed facility license to the Chair?

§ 559.4 What must a tribe submit to the Chair with the copy of each facility license that has been issued or renewed?

§ 559.5 Must a tribe notify the Chair if a facility license is terminated or expires or if a gaming place, facility, or location closes or reopens?

§ 559.6 May the Chair require a tribe to submit applicable and available Indian lands or environmental and public health and safety documentation regarding any gaming place, facility, or location where gaming will occur?

§ 559.7 May a tribe submit documents required by this part electronically?

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Part 571 Monitoring and Investigations

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§ 571.2 Definitions

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§ 571.8 Subpoena of witnesses

§ 571.9 Subpoena of documents and other items

§ 571.10 Geographical location

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§ 573.2 When may a letter of concern be issued?

§ 573.3 Notice of violation

§ 573.4 When may the Chair issue an order of temporary closure?

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§ 575.3 How assessments are made

§ 575.4 When civil fine will be assessed

§ 575.5 Procedures for assessment of civil fines

§ 575.6 Settlement, reduction, or waiver of civil fine

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Part 580 Rules of General Application in Appeal Proceedings Before the Commission

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§ 580.2 When may the Commission waive its procedural rules governing appellate proceedings before the Commission?

§ 580.3 Who may appear before the Commission?

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