



## ADVISORY NOTICE

### APPROVAL OF THE SECOND READOPTION OF EMERGENCY REGULATIONS: COMMISSION FEES MODERNIZATION PROJECT

(CGCC-GCA-2021-05-E)

On July 5, 2022, the Office of Administrative Law approved the California Gambling Control Commission's (Commission) second and final readoption of emergency regulations concerning the Commission Fee's Modernization Project (OAL Matter # 2022-0624-02EE). The readoption of the emergency regulations continues the reduction of specified licensing fees in alignment with the costs for providing regulatory oversight and related services pursuant to the Commission's fee study, which was approved by the Department of Finance (DOF) on September 16, 2021.

The approved regulations were filed with the Secretary of State on July 5, 2022, and became effective immediately. The Commission has already commenced the regular rulemaking process for the Certificate of Compliance to make these regulatory changes permanent.

#### **Approved Regulations**

This regulatory action has made changes in Division 18 of Title 4 of the California Code of Regulations. The changes are as follows:

Pursuant to the authority vested by sections 19811, 19823, 19824, 19841, 19876, 19915, 19951, and 19984 of the Business and Professions Code, and to implement, interpret, or make specific sections 19841, 19876, 19915, 19951, and 19984, the Commission is proposing to adopt the amendments to Chapters 2, 3, 4, and 7 of Division 18 of Title 4 of the California Code of Regulations, as described below:

#### **CHAPTER 2. LICENSES AND WORK PERMITS**

##### **ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS**

**Section 12108(a)(2)** was amended to update the form, Badge Replacement Request, CGCC-CH2-01, located in Appendix A of this chapter. The form version has been updated accordingly to reflect the revisions.

*Amendments to Badge Replacement Request, CGCC-CH2-01 (Rev. 09/21)*

On page one, last sentence of the introductory paragraph, the \$25 replacement badge fee for all license and permit types is reduced to \$8.

## ARTICLE 2. INITIAL AND RENEWAL LICENSES AND WORK PERMITS

**Section 12112(a)** was amended to update the forms, Application for Employee Category License, CGCC-CH2-04 and Application for Owner Category License, CGCC-CH2-05, located in Appendix A of this chapter. The versions of the forms have been updated accordingly to reflect the revisions.

### *Amendments to CGCC-CH2-04 (Rev. 09/21), Application for Employee Category License SECTION 2(B)*

**Initial Application:** The application fees listed under the Initial Application checkbox for a Key Employee License (\$750), TPPPS Supervisor License (\$750), TPPPS Worker License (\$500), and Commission Work Permit (\$250) have all been reduced to \$164.

**Renewal Application:** The application fees listed under the Renewal Application checkbox for a Key Employee License (\$750), TPPPS Supervisor License (\$750), TPPPS Worker License (\$500), and Commission Work Permit (\$250) have all been reduced to \$164.

**Additional Request for a Temporary License:** The \$25 fee listed under the Additional Request for a Temporary License checkbox for all temporary employee category licenses has been reduced to \$4. Pursuant to the recent licensing regulations, which became effective while the Commission's fee study was already well underway, the process for requesting any temporary employee category license is now streamlined into a single checkbox on this form. This has reduced the Commission's cost to process requests for all types of temporary employee category licenses to \$4.

### *Amendments to CGCC-CH2-05 (Rev. 09/21), Application for Owner Category License SECTION 1(B)*

**Initial Application:** The \$1000 application fee listed under the Initial Application checkbox has been reduced to \$164 for all owner category license types (Cardroom Business License, Cardroom Endorsee License, TPPPS Business License, and TPPPS Endorsee License).

**Initial Application with Request for Temporary License:** The \$1000 application fee listed under the Initial Application with Request for Temporary License checkbox has been reduced to \$164 for all owner category license types (Cardroom Business License, Cardroom Endorsee License, TPPPS Business License, TPPPS Endorsee License). Additionally, the \$25 additional application fee required for a temporary license when submitting an initial application is reduced to \$0 and repealed entirely.

**Renewal Application:** The \$1000 application fee listed under the Renewal Application checkbox has been reduced to \$164 for all owner category license types (Cardroom Business License, Cardroom Endorsee License, TPPPS Business License, and TPPPS Endorsee License). Bullet 2 under the Renewal Application checkbox contains a non-substantive clarifying

amendment to correct an existing error by removing the duplicative language, “Cardroom business licensee, Cardroom endorsee licensee.” Additionally, B&P Code section 19876(g) specifies the Commission may assess reasonable delinquency fees not to exceed three times the usual application fee. As such, the current \$1000 delinquency fee for submitting a renewal application is reduced to \$492 (three times the \$164 application fee), which is necessary to not exceed the statutory limit.

Badge Replacement Request (formerly “Badge Required”): This checkbox was amended as the cost for a badge is now included in the application fee (\$164) pursuant to the fee study. In the event the applicant for an initial, initial with temporary, or renewal owner category license also needs a replacement badge, the applicant may request one using this form by simply checking this box and submitting the additional \$8 fee, consistent with the fee study. Because only one checkbox is necessary, the two additional checkboxes are removed, which is a non-substantive change.

**Section 12114(c)** was amended to update the versions of the forms Application for Employee Category License, CGCC-CH2-04 and Application for Owner Category License, CGCC-CH2-05, to reflect the revisions.

## CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES

### ARTICLE 2. PLAYING BOOKS

**Section 12261(b)** was amended to correct the outdated number of the form Application for Playing Book Approval, located in Appendix A of this chapter. The version of the correct form number, CGCC-CH3-01 (Rev. 09/21), has been added to reflect the revisions. Additionally, subsection (b)(1) has been revised to clarify the \$75 application fee is for the review of an initial or amendment hard copy playing book application.

#### *Amendments to CGCC-CH3-01 (Rev. 09/21), Application for Playing Book Approval*

The \$1200 application fee for requesting approval of an amendment to an electronic playing book system was amended to be reduced to \$94. Fees for the three other approval types will be proposed to be increased at a later date via the regular rulemaking process in accordance with the fee study.

#### *SECTION 1*

Section 1 of the form was amended to remove the stated fee amounts, some of which are amended, and to avoid unnecessary duplication of the information in Section 7.

#### *SECTION 7*

Section 7 of the form was amended to add two checkboxes and new language under the Application Fee portion to differentiate between requests for an initial or amendment to a hard copy playing book form or an initial or amendment to an electronic playing book system. As previously stated, only the application fee for requesting approval of an amendment to an electronic playing book system has been included as part of this proposal as fees for the three

other approval types will be proposed to be increased at a later date via the regular rulemaking process in accordance with the fee study.

**Section 12264(a)** was amended to update the version of the form Application for Playing Book Approval, CGCC-CH3-01. Additionally, subsection (a)(1) was revised to specify the difference between the initial and amendment application fees for an electronic playing book system as the fee for an amendment application is reduced from \$1200 to \$94 in accordance with the fee study for the reasons stated Section 12261(b) above.

### ARTICLE 3. TPPPS CONTRACTS

**Section 12272(a)(2)** was amended to update the version of the form, Contract Approval to Provide Proposition Player Services, CGCC-CH3-02, located in Appendix A of this chapter to reflect the revisions. Additionally, the nonrefundable application fee for approval of a new TPPPS contract has been reduced from \$1000 to \$57 in accordance with the fee study.

*Amendments to CGCC-CH3-02 (Rev. 09/21), Application for Contract Approval to Provide Proposition Player Services*

#### *SECTION 3*

For a New Contract or the Extension of an Existing Contract: The \$1000 application fee for approval of a new contract or the extension of an existing contract is reduced to \$57. For an Amended Contract: the \$500 application fee for approval of an amended contract is reduced to \$57. The expedited review processing fee for review of a new contract remains unchanged in accordance with the fee study.

**Section 12274(c)** was amended to update the version of the form, Contract Approval to Provide Proposition Player Services, CGCC-CH3-02, located in Appendix A of this chapter, to reflect the revisions. Additionally, the nonrefundable application fee for approval of a TPPPS contract has been reduced from \$1000 to \$57 in accordance with the fee study for the reasons specified in 12272(a)(2) above.

**Section 12276(a)** contains a non-substantive amendment to correct the reference to Section 12272(a)(3)(A) and replace it with 12272(a)(2)(A). Additionally, the nonrefundable application fee for the review and approval of an amendment to a TPPPS contract has been reduced from \$500 to \$57 in accordance with the fee study for the reasons specified in 12272(a)(2) above.

**Section 12278(a)** was amended to update the version of the form, Contract Approval to Provide Proposition Player Services, CGCC-CH3-02, to reflect the revisions. Additionally, the application fee for approval to extend a TPPPS contract has been reduced from \$1000 to \$57 in accordance with the fee study for the reasons specified in 12272(a)(2) above.

## CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS

**Section 12309(a)** was amended to update the version of the form Application for Registration of Manufacturers or Distributors of Gambling Equipment, BGC-025, to reflect the revisions. A non-substantive correction was also made to correct the form number to match the number on the existing form (BGC-025). Additionally, subsection (c)(1) was amended to reduce the application fee for an initial or renewal registration as a Class A equipment manufacturer or distributor from \$500 to \$32. Subsection (c)(2) was amended to reduce the application fee for an initial or renewal registration as an antique collector from \$40 to \$32.

### *Amendments to Application for Registration of Manufacturers or Distributors of Gambling Equipment, BGC-025 (Rev. 09/21)*

The form was amended to update the version number. Additionally, under the list of required information, item 11 on page three amended to align with the fee changes in Section 12309(a) as discussed above.

## CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS

### ARTICLE 10. GAMING TABLES

**Section 12470(a)(2)** was amended to reduce the current \$500 application fee for a cardroom business licensee to request additional temporary tables for a tournament or special event to \$164.

**Section 12472(a)(2)** was amended to reduce the current \$500 application fee for a cardroom business licensee to request additional permanent tables for a tournament or special event to \$164.

### **Regulation Text**

A copy of the recently approved regulations is attached. That document is also available on the Commission's Web site under "Regulations / Recently Adopted, Amended, and Repealed Regulations" at:

[http://www.cgcc.ca.gov/?pageID=Recently Approved Regs&pageName=Laws%20and%20Regs](http://www.cgcc.ca.gov/?pageID=Recently%20Approved%20Regs&pageName=Laws%20and%20Regs).

### **Questions, Concerns, Suggestions**

For any questions, concerns, or suggestions regarding the adoption of this regulation, please email: [lawsandregs@cgcc.ca.gov](mailto:lawsandregs@cgcc.ca.gov).