

**TITLE 4.**  
**CALIFORNIA GAMBLING CONTROL COMMISSION**  
CGCC-GCA-2022-03-E

**FINDING OF EMERGENCY**  
**REGULATIONS FOR THE IMPLEMENTATION OF**  
**COMMISSION FEES MODERNIZATION PROJECT III**

The California Gambling Control Commission (Commission) finds it necessary to adopt regulations on an emergency basis to amend the annual fee structure paid by state gambling licensees (cardrooms) in order to align them with the costs for providing regulatory oversight and related services pursuant to the fee study, which was approved by the Department of Finance (DOF) on September 16, 2021 and the adoption of Senate Bill (SB) 189 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2022). Submittal of the regulations via the regular rulemaking process would not have them in effect in time to collect fees for 2023, which would place regulatory collections below the amounts necessary to properly fund the Commission and Bureau of Gambling Control (Bureau) within the Department of Justice (DOJ) and put unnecessary risk on the vital resources of the general fund which is necessary for a multitude of programs required for the preservation of the health, safety, and general welfare of Californians. The legality of the aforementioned annual fees were also part of the Commission fees questioned by the California State Auditor (Report 2018-132) and is presently subject to litigation. An emergency rulemaking action is necessary to avoid unnecessary harm to the public's general welfare. The proposed fee structure mirrors the proposed fee structure for third-party providers of proposition player services (TPPPS) (OAL Notice File Number Z2021-1214-05).

**SECTION 48 STATEMENT:**

Government Code section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6.

**EMERGENCY FACTS:**

*Adoption of Senate Bill 189*

Senate Bill 189, was signed into law on June 30, 2022. SB 189, in part, significantly modified Business and Professions Code (BPC) section 19951. BPC section 19951 is the section that provides the Commission the authority to charge an annual fee to cardrooms. Prior to the adoption of SB 189, the provision provided a specific fee structure that each cardroom was required to pay. This fee structure was based on the number of tables the cardroom was licensed to operate or the gross revenue of the cardroom, as specified. The Commission has adopted regulations in the form of Section 12368 to implement and collect based upon this fee structure.

With the adoption of SB 189, this fee structure has been repealed and replaced with authority for the Commission to adopt regulations to collect a fee that is limited to the reasonable regulatory

expenditures of the Bureau and the Commission. As the Commission is aware that the existing fee structure existing in regulation is not limited to the reasonable regulatory expenditures of the Bureau and Commission, maintaining these regulations is inconsistent with the requirements of the BPC section 19951. Additionally, without the adoption of new fee regulations, both the Bureau and Commission are at risk of collecting insufficient fees to be fiscally solvent. Lastly, without the fiscal solvency, the Bureau and Commission would need another way to pay for their necessary expenses. This would likely require reliance on the general fund, which is not budgeted for such special fund expenditures. The budgetary pressures could in turn result in unanticipated cuts for programs related to the public's safety, health, and general welfare.

### *California State Auditor Report*

As directed by the Joint Legislative Audit Committee, the California Bureau of State Audits (State Auditor) began conducting its audit of the Commission and the Bureau in 2018. The audit focused on each entity's regulatory duties that the Gambling Control Fund (GCF)<sup>1</sup> supports, which includes the licensing of individuals who own or work in cardrooms. The State Auditor's Report (Audit Report)<sup>2</sup> released on May 16, 2019, found that to varying degrees, the fees charged have resulted in unequal treatment of license applicants, which do not align with the costs for providing regulatory oversight and related services. This has resulted in an excessive surplus in the GCF.

To better align the revenue in the GCF with the costs of the activities that the fund supports, the Audit Report recommended the Commission and the Bureau conduct cost analyses of those activities by July 2020, which include at a minimum, the following:

- The entities' personnel costs, operating costs, and any program overhead costs.
- Updated time estimates for their core and support activities.
- The cost of their enforcement activities.

Further, the Audit Report recommended that in using such information, the Commission and the Bureau should reset their regulatory fees to reflect their actual costs.

### *Cost and Fee Study*

Pursuant to the State Auditor's recommendation, in late 2019 the Commission and the Bureau contracted with MGT Consulting Group (MGT), a third-party consulting company, to complete a cost and fee study. The study's primary objective was to conduct a cost analysis to determine if the revenue collected and deposited into the GCF aligned with the costs of the activities that the fund supports. The study details the full cost of services provided by the Commission and the Bureau and presents full cost fee adjustments including their fiscal impact. MGT presented the fee study recently, which was submitted to the DOF and State Auditor. The DOF provided their approval of the fee study on September 16, 2021, and as such, precipitated these emergency regulations.

MGT used its standard approach for analyzing a majority of the costs of providing fee-related services, which is commonly referred to as a "bottom up" approach. With the exception of

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<sup>1</sup> Gambling Control Fund (0567)

<sup>2</sup> State Audit Report 2018-132

annual fees for cardroom and TPPPS businesses, all other regulatory fees were analyzed using the bottom-up approach. This bottom-up approach incorporated personnel costs, operating costs, and any program overhead costs, which allowed MGT to determine the individual per unit cost for these services. The study provides fee recommendations to align the revenue collected and deposited into the GCF with the costs of the activities provided by the Commission and the DOJ that the fund supports. The report is the culmination of an extensive analysis conducted by MGT in collaboration with both the Bureau and the Commission's management and staff.

**AUTHORITY AND REFERENCE:**

*Statutes of Authority*

**BPC section 19811.** This provision provides the Commission 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.

**BPC section 19824.** This provision provides the Commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of the Gambling Control Act (Act).<sup>3</sup>

**BPC section 19841.** This provision provides the regulations adopted by the Commission shall prescribe the manner and method of collection and payment of fees and issuance of licenses.

**BPC section 19876.** This provision provides if an owner licensee submits an application for renewal of the gambling license after the deadline set in subdivision (b) but before the original expiration date of the license, the commission may assess reasonable delinquency fees not to exceed three times the usual application fee.

**BPC section 19951.** This provision provides every application for a license or approval shall be accompanied by a nonrefundable fee adopted by regulation and must not exceed \$1,200. The fee for initial issuance of a state gambling license will be an amount determined by the Commission in accordance with regulations adopted pursuant to the Act. The provision also provides regulatory authority for the Commission to adopt the annual fee for holding a state gambling license.

*Reference Statutes*

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<sup>3</sup> Business and Professions Code, Division 8, Chapter 4, section 19800 et seq.

in accordance with regulations adopted pursuant to the Act. The provision also provides regulatory authority for the Commission to adopt the annual fee for holding a state gambling license.

**POLICY STATEMENT OVERVIEW:**

The Commission is the state agency charged with the administration and implementation of the Act. In accordance with the Act, the Commission is authorized to adopt regulations governing the application for a license, permit, registration or approval,<sup>4</sup> and adopt regulatory fees that are reasonably related to the costs of the regulation involved. This proposed emergency regulatory action provide an annual fee structure consistent with the one being adopted for TPPPS business licensees.

In summary, the regulations provide the cardroom annual fee. This is a step-by-step calculation method that begins with the Commission’s and Bureau’s operation costs, which are not directly related to any charged fee or deposit, relates to the cardroom industry. These costs are divided into cost pools dependent on the average annual revenue of the cardroom business licensee to determine the annual fee. This fee structure directly follows the findings of MGT.

Pursuant to the authority vested by sections 19811, 19823, 19824, 19840, 19841, 19876, 19951, and 19955 of the BPC, and to implement, interpret, or make specific sections 19841, 19876, 19951, and 19955, the Commission is proposing to adopt the amendments to Chapter 7 of Division 18 of Title 4 of the California Code of Regulations, as described below. The Commission finds the adoption of regulations on an emergency basis is necessary to ensure that the Commission and Bureau are able to collect annual fees for 2023, otherwise the Commission and Bureau would be unable to collect the amounts necessary to be properly funded.

**INFORMATIVE DIGEST:**

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS  
ARTICLE 1. GENERAL PROVISIONS

**Amend 12360. Definitions.**

Section 12360 provides the definitions that pertain only to Chapter 7. The Commission is proposing to add 13 new definitions to this section. All existing definitions are renumbered accordingly, which is a non-substantive change.

Paragraph (b)(1) provides the definition of “Active Licensee” to mean a TPPPS business licensee or cardroom business licensee who has generated revenue for at least the last year as reported in Section 12313. This means that if a TPPPS business licensee or cardroom business licensee has reported revenue in the previous year’s financial statement, they are considered active. This definition is necessary to allow other provisions to easily reference this category of licensee.

Paragraph (b)(2) provides the definition of “Annual Fee” to mean the amount a cardroom business licensee is required to pay to cover Non-Application Costs pursuant to Section 12368.1.

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<sup>4</sup> Business and Professions Code section 19824, subdivision (a)

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This definition is necessary as it allows for the easy reference of a multi-step mathematical calculation.

Paragraph (b)(3) provides the definition of “Application Cost” to mean all costs, including the deposit, an applicant pays for the processing of their application. This definition is necessary as it allows for the easy reference to a series of fees and deposits that may be required.

Paragraph (b)(7) provides the definition of “Cost Pool 1” or “Even Across All” to mean a cost allocation for all non-application costs that are not directly attributed to an application fee or deposit, and allocated as a cost to all TPPPS business licensees and cardroom business licensees equally. This includes all costs associated with, but may not be limited to, administration, information technology, and legislative and regulatory workload. This describes the portion of the Commission and Bureau’s operational and other costs that are not linked to the payment of a fee or deposit, such as for the review of an application, and are related to the Commission and Bureau’s general work related to the oversight of the controlled gambling industry. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(8) provides the definition of “Cost Pool 2” or “Application Split” to mean a cost allocation for all non-application costs on a per-application basis that relate to both TPPPS business licensees and cardroom business licensees that have a direct connection to the processing of applications for the controlled gambling industry, and are not directly attributed to an application fee or deposit. This includes such costs associated with, but may not be limited to, responding to general phone calls, and the processing of electronic and regular mail. This describes costs generally associated with the processing of applications, but cannot be directly linked to the fee or deposit associated with the review of an application. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(9) provides the definition of “Cost Pool 3” or “Entity Split” to mean a cost allocation for all non-application costs generated by non-Commission actions that relate to both TPPPS business licensees and cardroom business licensees. This includes costs associated with, but may not be limited to, compliance and enforcement, financial audits, calls for service, and incident reports born separately amongst TPPPS business licensees and cardroom business licensees. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(10) provides the definition of “Cost Pool 4” or “Commission Actions” to mean a cost allocation for all non-application costs generated by matters requiring Commission action that relates to TPPPS business licensees or cardroom business licensees. This includes such costs associated with, but may not be limited to, administrative hearings and decisions, and Commission meetings. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(11) provides the definition of “Cost Pool 5” or “Cardroom Only” to mean a cost allocation for all non-application costs that are specific to cardroom business licensees but not directly linked to a Commission approval, such as, but not limited to, compliance reviews of

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games, reviews of reports, and local ordinance reviews. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(12) provides the definition of “Cost Pool 6” or “TPPPS Only” to mean a cost allocation for all non-application costs that are specific to TPPPS business licensees but not directly linked to a Commission approval, such as, but may not be limited to, contract renewal notices and non-investigation industry inquiries or correspondence. This definition provides a simple term to refer to these costs so that they can be easily referenced in the annual fee calculations.

Paragraph (b)(16) provides the definition of “New Business Licensee” to mean a TPPPS business licensee or cardroom business licensee who first became licensed prior to August 31 of the year the invoices were created. This definition is necessary to allow other provisions to easily reference this category of licensee.

Paragraph (b)(17) provides the definition of “Non-Application Cost” to mean all costs other than application costs borne by the Commission, Department of Justice, and all other State operations expenditures for the administration and enforcement of the Act. This definition is necessary as it allows for the easy reference of a multi-step mathematical calculation.

Paragraph (b)(18) provides the definition of “Non-Operational Licensee” to mean a TPPPS business licensee or cardroom business licensee that maintains a valid license but did not generate revenue in the past year as reported in Section 12313. This means that if a TPPPS business licensee or cardroom business licensee has not reported revenue in the previous year’s financial statement they are considered non-operational. This definition is necessary to allow other provisions to easily reference this category of licensee.

Paragraph (b)(20) provides the definition of “Surrendered or Revoked Licensee” to mean a former cardroom business licensee who stopped operating and ceased to maintain a valid license prior to August 31 of the year the invoices are created. This definition is necessary to allow other provisions to easily reference this category of licensee.

**Amend 12368. Cardroom Business License Annual Fee.**

Section 12368 provides the process and timelines for a cardroom business licensee to submit their annual fee. The current provision mirrors the previous process and fee schedule provided in BPC 19951, which has since been repealed. As such, all of the existing Section 12368 is proposed be repealed and replaced as follows:

Subsection (a) provides that no later than October 1 of each year an invoice in an amount determined by the Commission pursuant to Section 12368.1(a) will be sent by the Bureau to each cardroom business licensee and the cardroom business licensee will have until January 1 of the following year to submit the invoiced annual fee to the Bureau. This is necessary to provide clear guidance to the Bureau and cardroom business licensees on the timelines for invoicing and paying an annual fee.

Subsection (b) provides that the annual fee may be paid in installments if the cardroom business licensee submits a written request to the Bureau within 30 days from the date the invoice was

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mailed. The deadline ensures that the Bureau has adequate time to review, approve, and provide approval notice to the cardroom business licensee with enough time for the cardroom business licensee to pay their payment timely, either the first installment payment if approved, or the full amount if denied.

Subsection (c) provides that if approved for installment payments, a cardroom business licensee will provide its payments January 1, April 1, and June 30 of the payment year. These payment dates equally separate the portion of the State fiscal year that remains following the Commission and Bureau's calculation and billing period.

Subsection (d) provides that the cardroom business license certificate will not be issued until the Bureau has received the cardroom annual fee, or has approved the cardroom business licensee for installment payments. This provision is necessary to ensure that a business is not indefinitely able to operate while unpaid annual fees remain.

Subsection (e) provides that that any renewal application for a cardroom business licensee may not be approved if the cardroom business licensee has any outstanding annual fees. This provision is necessary to ensure that a business is not indefinitely able to operate while unpaid annual fees remain.

Subsection (f) provides that no application for a contract may be approved by the Bureau for a TPPPS to operate at this cardroom until any delinquent annual fees have been paid in full. This provision is necessary to ensure that a business is not indefinitely able to operate while unpaid annual fees remain.

Subsection (g) provides the invoice amounts for cardroom business licensees when they first receive their licenses. Since the definition of an active license requires the submittal of fiscal information, it is likely that a newly approved cardroom business licensee will not have operated for a sufficient time to have completed a full fiscal year in the timeframe required for the calculation of an annual fee. This subsection is necessary in order to include an operating cardroom business licensee in the payment of the necessary operation fees of the Commission and Bureau during this interim period.

Paragraph (1) provides that upon the first issuance of a cardroom business license, either as a temporary or a permanent license, the Bureau will issue an invoice in the amount determined in Section 12368.1(b), the cardroom business licensee must submit to the Bureau the annual fee within 30 days from the date the invoice was mailed.

Paragraph (2) provides that for the first full calendar year of licensure, a cardroom business licensee will be invoiced the unadjusted annual fee, as if they were a cardroom business licensee whose average gross gaming revenue was less than \$1.5 million as determined in Section 12368.1(a)(6)(A)(1). As previously mentioned, while a newly issued cardroom business licensee may be active, the definition of active licensee might exclude the cardroom business licensee from having to pay annual fees due to there not being time for a full fiscal year, and this requirement ensures that they still share in the payment of all necessary costs required by the Commission and Bureau. For the invoice period, if the cardroom business licensee has had their license issued prior to October 1, their invoice will be issued alongside all other cardroom

business licensee invoices, on October 1. If the cardroom business licensee has had their license issued after October 1, their invoice will be issued alongside their partial year invoice required in paragraph (1) of this subsection. This is necessary to provide clarity on how a cardroom business licensee will have their invoice issued for this interim time period.

**Adopt 12368.1. Cardroom Business License Annual Fee Calculation.**

Section 12368.1 provides the calculation method of the cardroom annual fee. The cardroom annual fee is determined using a step-by-step calculation method that begins with the Commission's and Bureau's operation costs, which are not directly related to any charged fee or deposit, to determine how each type of operation cost relates to the cardroom industry and divides the costs into cost pools dependent on the average annual revenue of a cardroom business licensee to determine an annual fee.

Subsection (a) provides the calculation method for determining a cardroom business licensee's annual fee. This six-step calculation method provides a clear, specific method for the Commission to follow when determining the cardroom annual fee amounts.

Paragraph (1) provides the first step in the calculation method. The Commission and Bureau will collect their cost data from the previous and current fiscal years. The Commission will analyze the information and divide the allocation of costs into the six cost pools, as they are defined in Section 12360. If necessary, other costs may be included in specific cost pool(s) as the Commission determines is required for administration and enforcement of the Act based on the responsibilities of the Commission and Bureau pursuant to BPC sections 19823 and 19826.

Additionally, should it be determined, for whatever reason, a previous year's cardroom annual fees were inaccurate, an additional sum either added to or subtracted from the appropriate cost pool(s) will be included as a carry forward to reconcile the previous year(s). This step is necessary to separate the different types of Commission and Bureau costs so that in later steps the different division rates can be applied to these different types of costs.

Paragraph (2) provides the second step of the calculation method. The Commission will calculate the percentage of total applications for cardroom business licensees compared to the total of all applications for TPPPS business licensees and cardroom business licensees and multiply it by cost pool 2. This ratio allows cost pool 2 to be divided between the two industries to determine the percentage of workload that was spent on cardroom business licensees. This step is necessary to split these costs between the industries to determine the share of costs borne specifically by cardroom business licensees.

Paragraph (3) provides the third step of the calculation method. The Commission will determine the percentage of active and non-operational cardroom business licensees compared to the total of all active and non-operational TPPPS business licensees and cardroom business licensees and multiply it by cost pool 3. This ratio allows cost pool 3 to be divided between the two industries to determine the general percentage of workload spent on each industry. This step is necessary to split these costs between the industries to determine the share borne specifically by cardroom business licensees.



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Paragraph (4) provides the fourth step of the calculation method. The Commission will determine the percentage of total Commission actions for TPPPS business licensees and cardroom business licensees using the average number of applicable Commission actions over the previous three fiscal years and multiply the percentages by cost pool 4. This ratio allows cost pool 4 to be divided between the two industries to determine the general workload spent on each industry. This step is necessary to split these costs between the industries to determine the share specifically borne by cardroom business licensees.

Paragraph (5) provides the fifth step of the calculation method. The Commission will add the cardroom business licensee values determined in steps 2 through 4 along with the value of cost pool 5. This is the total fee to be paid by all active and non-operational cardroom business licensees. The Commission will then divide the total annual fee by the total average annual number of Commission actions from the last three fiscal years for cardroom business licensees to determine the unadjusted annual fee amount. This step is necessary to combine the different cardroom industry amounts previously determined and create a baseline per-cardroom business licensee annual fee.

Paragraph (6) provides the sixth step of the calculation method. The Commission will determine for each cardroom business licensee if they are an active licensee, surrendered or revoked licensee, or non-operational licensee. Additionally, for each active licensee, the Commission will determine their annual average gross gaming revenue based upon the cardroom business licensee's previous three fiscal years as reported pursuant to Section 12313. If three years of gross gaming revenue data is unavailable, such as if the cardroom business licensee has not been operating for the previous three years, the Commission will utilize however many years are available to create the average. Using this average, the Commission will separate the active licenses into two groups, those whose average is below \$1,500,000 and those whose average is equal to or above \$1,500,000. The reason this separation is necessary, as detailed further below, is that the actual invoiced annual fee for each cardroom is weighted based upon this separation, pursuant to the cost and fee analysis data provided in the Commission's fee study. Generally speaking, a cardroom business licensee whose gross gaming revenue is higher means that cardroom business licensee is operating more tables, and has a higher number of employees licensed by the Commission. This means these cardroom business licensees will be receiving a higher proportion of those administrative costs that were originally included in the cardroom industry's portion of the cost pools. Additionally, a straight split amongst all cardroom business licensees would result in lower revenue cardroom business licensees paying a disproportional amount of the cardroom industry's annual fees and would likely result in smaller cardroom business licensees being unable to continue operating due to the high percentage of gross gaming revenue that would be required to pay their annual fee.

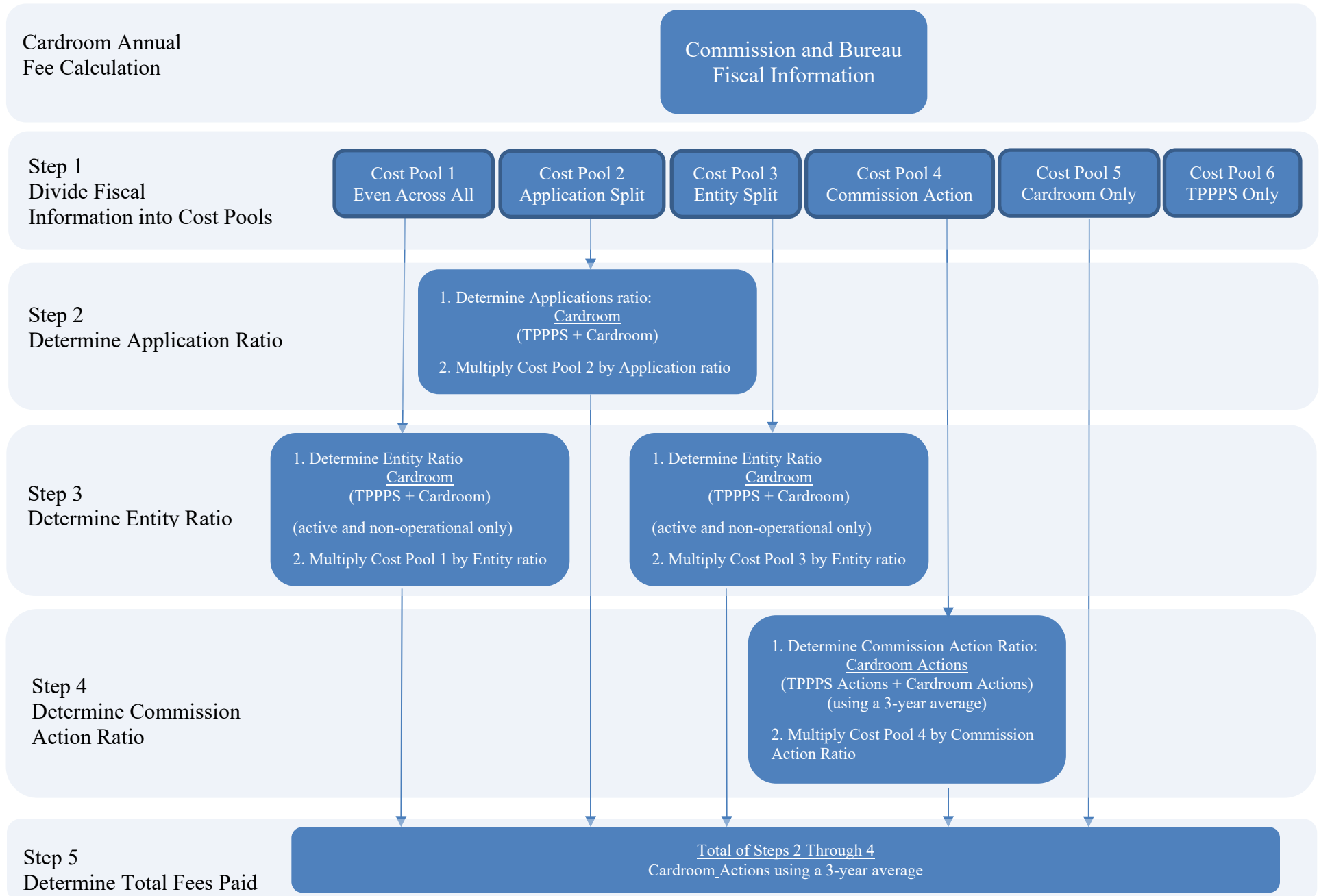
- Subparagraph (A) provides the instructions to the Bureau for the final determinations of the amounts to be invoiced by the Bureau pursuant to subsection (a) of Section 12368.
  - Clause 1 provides that active cardroom business licensees whose average gross gaming revenue was determined to be below \$1,500,000 will be billed an amount equal to the baseline per-licensee annual fee determined in paragraph (5). As active but smaller cardroom business licensees generally require less non-application administrative costs since they operate in less cardrooms, provided

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services for less tables, have fewer employees/licensees, and have smaller revenue, this baseline fee requires a participation in the Commission and Bureau's non-fee administrative costs while not forcing a disproportionate payment given their revenues or use of services.

- Clause 2 provides that non-operational cardroom business licensees pay half the amount of the baseline per-licensee annual fee determined in paragraph (5). Non-operational cardroom business licensees have not generated revenue in the previous year and as such the Commission and Bureau do not, generally speaking, spend non-application fee resources on these licensees. However, their minimal participation in these costs is necessary as the Commission does provide general services for which these licensees are included, such as maintaining the Commission's website, upkeep of current laws and regulations, providing monthly newsletter and other industry media materials, and otherwise being available should a non-operational licensee contact the Commission with questions. As such, requiring the payment of a minimal fee is reasonable.
- Clause 3 provides that surrendered or revoked cardroom business licensees will not receive an invoice. As these persons are no longer licensees with the Commission, they are no longer a going concern for the administration of controlled gambling and are therefore not required to participate in the payment of the total annual fee.
- Clause 4 provides that active cardroom business licensees, who had previously been identified to have an average gross gaming revenue equal to or above \$1,500,000, will be invoiced an annual fee that is a proportional amount of the remainder of the total fees to be paid based upon the cardroom business licensee's proportional three-year average gross gaming revenue when compared to all other active cardroom business licensees who had previously been identified to have an average gross gaming revenue equal to or above \$1,500,000. As larger cardroom business licensees generally require more non-application administrative costs since they operate more tables and have more employees/licensees, it makes sense to have these licensees pay a larger portion of the required total fee amount as their annual fee. By splitting up the remainder of the total fee amongst these licensees and utilizing their three-year average revenue, each cardroom business licensee is required to pay a proportional percentage of the total fee while still ensuring that the Commission and Bureau receive all fees necessary to cover the costs of these necessary services.

Subsection (b) provides that for new cardroom business licensees who receive an approval of their application for licensure, either temporary or permanent, they will be required to pay a proportional amount of the unadjusted annual fee required of cardroom business licensees whose three-year average gross gaming revenue is less than \$1,500,000 based on the number of months remaining in the current calendar year. This is necessary to provide clarity on how much a cardroom business licensee will be required to pay during the incomplete year of operation.



**FISCAL IMPACT ESTIMATES:**

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

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

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

**DOCUMENTS RELIED UPON:**

*California Department of Finance – Fund Condition Statements: Gambling Control Fund (0567), Fiscal Years 2021-22 and 2022-23*

*MGT Cost and Fee Study – Approved by the Department of Finance on September 16, 2021*

*California Bureau of State Audits – Audit Report 2018-132 – May 16, 2019*