

**State of California
Office of Administrative Law**

In re:
California Gambling Control Commission

Regulatory Action:

Title 04, California Code of Regulations

APPROVED:

Adopt sections:

Amend sections: 12250

Repeal sections:

WITHDRAWN:

Adopt sections: 12252.2

Amend sections: 12252

Repeal sections:

**NOTICE OF APPROVAL IN PART AND
WITHDRAWAL IN PART OF REGULATORY
ACTION**

Government Code Section 11349.3

OAL Matter Number: 2022-0926-05

OAL Matter Type: Regular Resubmittal (SR)

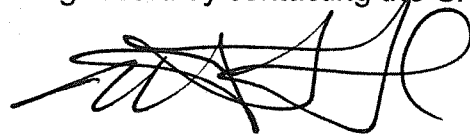
In this resubmitted rulemaking action, the Commission adopts and amends regulations to add definitions for the terms "active licensee," "annual fee," "application cost," "non-application cost," and "surrendered or revoked licensee."

OAL approves the section listed as APPROVED above pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 9/30/2022.

The sections listed as WITHDRAWN above were withdrawn from OAL review pursuant to Government Code section 11349.3(c).

Please contact me at (916) 323-6824 or thanh.huynh@oal.ca.gov, or the OAL Reference Attorney at (916) 323-6815, if you have any questions about the resubmittal process. You may request the return of your rulemaking record by contacting the OAL Front Desk at (916) 323-6225.

Date: September 30, 2022



Thanh Huynh
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Stacey Luna Baxter, Executive
Director

Copy: Alexander Hunter

RESUBMITTAL

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2021-1214-05	REGULATORY ACTION NUMBER 2022-0926-05	EMERGENCY NUMBER SK
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For use by Office of Administrative Law (OAL) only

OFFICE OF ADMIN. LAW
 2022 SEP 26 PM3:06

NOTICE	REGULATIONS
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ENDORSED - FILED
 In the office of the Secretary of State
 of the State of California

SEP 30 2022
2:12 pm

AGENCY WITH RULEMAKING AUTHORITY California Gambling Control Commission	AGENCY FILE NUMBER (If any) CGCC-2021-07-R/C
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2021, 52-Z	PUBLICATION DATE 12/24/2022	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Commission Fees Modernization Project	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2022-0721-10C; 2021-0927-02E; 2022-0323-01EE; 2022-0624-02EE CWB
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 12252-2 WITHDRAWN
	AMEND 12250 and 12252 12252 WITHDRAWN
	REPEAL
TITLE(S) 4	

per agency request 9/30/2022

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input checked="" type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)
 1st 15-Day: 6/10/2022 - 6/27/2022; 2nd 15-Day: 9/8/2022 - 9/23/2022

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) Effective on filing with Secretary of State §100 Changes Without Regulatory Effect Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

Department of Finance (Form STD. 399) (SAM §6660) Fair Political Practices Commission State Fire Marshal

Other (Specify)

7. CONTACT PERSON Alex Hunter	TELEPHONE NUMBER (916) 261-1301	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) ahunter@cgcc.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Stacey Luna Baxter</i>	DATE September 26, 2022
TYPED NAME AND TITLE OF SIGNATORY Stacey Luna Baxter, Executive Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

SEP 30 2022

Office of Administrative Law

1 CALIFORNIA GAMBLING CONTROL COMMISSION

2
3 COMMISSION FEES MODERNIZATION PROJECT

4 CGCC-GCA-2021-07-R/C

5 ORDER OF ADOPTION

6 The California Gambling Control Commission hereby adopts the following changes in its
7 regulations contained in Division 18 of Title 4 of the California Code of Regulations:

8
9 CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES

10 ARTICLE 1. GENERAL PROVISIONS

11
12 § 12250. Definitions.

13 (a) Except as otherwise provided in Section 12002 and in subsection (b) of this section, the definitions
14 in Business and Professions Code section 19805 govern the construction of this chapter.

15 (b) For the purposes of this chapter, the following definitions apply:

16 (1) “Active Licensee” means a valid TPPPS business licensee who has generated revenue for at least
17 the last year as reported pursuant to Section 12313.

18 (2) “Annual Fee” is the amount that a TPPPS business licensee is required to pay to cover Non-
19 Application Costs, pursuant to Section 12252.2.

20 (3) “Application Cost” means all costs, including the deposit, related to the processing of an
21 application.

22 (4)(1) “Authentication” means the verification that an individual is authorized to access a system.

23 (A) “Active authentication” means the identification information of an individual with permission to
24 use or access an electronic playing book system.

25 (B) “Inactive authentication” means the identification information of an individual that no longer has
26 permission to use or access an electronic playing book system.

27 (5)(2) “Backup” means the process of copying files to a physical and removable second medium that
28 is accessible to the Bureau or other law enforcement, including but not limited to disk, tape, or flash
29 memory.

30 (6)(3) “Electronic playing book” refers to a collection of digital playing book forms.

31 (7)(4) “Electronic Playing Book Device” or “playing book device” means a terminal used to access an
32 electronic playing book.

33 (8)(5) “Hardcopy playing book” means a tangible collection of paper playing book forms.

34 (9)(6) “Independent gaming test laboratory” means a gaming test laboratory that is either:

Additions shown in underline; deletions shown in ~~strikeout~~.

Revision Date: November 2, 2021

1 (A)(1) Licensed or registered to test, approve, and certify gambling equipment, systems, and software
2 in any United States jurisdiction; and,

3 (2) Accredited by a signatory to the International Laboratory Accreditation Cooperation Mutual
4 Recognition Arrangement; or,

5 (B) Operated by a state governmental gaming regulatory agency.

6 ~~(10)(7)~~ “Information technology technician” or “IT technician” means any person who is responsible
7 for and has the system permissions necessary to access an electronic playing book system, including but
8 not limited to the software coding, data storage functions, all critical components of system functioning,
9 and the receipt of system alerts in accordance with paragraph (5) of subsection (a) of Section 12263.

10 ~~(11)(8)~~ “Ink” means a pigmented liquid or paste used especially for writing or printing. For purposes
11 of this chapter, ink also includes printer toner powder or other means of placing an indelible mark onto
12 paper.

13 (12) “Non-Application Cost” means all costs other than Application Costs borne by the Commission,
14 Department of Justice, and all other State operations expenditures for the administration and enforcement
15 of the Act.

16 (13) “Non-Operational Licensee” means a TPPPS business licensee that maintains a valid TPPPS
17 business license or registration, and has not generated revenue in the past year as reported pursuant to
18 Section 12313.

19 ~~(14)(9)~~ “Permissions” means the assigned level of system access rights of an individual to view or
20 make changes to the content of a system.

21 ~~(15)(40)~~ “Playing Book” means a record documenting each session of play by an authorized player.

22 ~~(16)(44)~~ “Primary database” or “database” means a collection and storage of all electronic playing
23 book information.

24 ~~(17)(42)~~ “Rebate” means a partial return by an authorized player of chips or money to a patron who
25 has lost the chips or money to the authorized player through play in a controlled game at a gambling
26 establishment.

27 ~~(18)(43)~~ “Session of play” as used in Section 12260 means the time period when a TPPPS business
28 licensee operates an authorized player at a gaming table before the gaming table closes; however,
29 provided that in no event may a time period be longer than 24 consecutive hours.

30 (19) “Surrendered or Revoked Licensee” means a former TPPPS business licensee who stopped
31 operating and ceased to maintain a TPPPS business license prior to August 31 of the year the invoices are
32 created.

33 ~~(20)(44)~~ “Synchronization” or “synch” means the process of uploading information from a terminal to
34 a primary database.

1 ~~(21)(15)~~ “System” means a group of interdependent components that interact regularly to perform a
2 task.

3 ~~(22)(16)~~ “Terminal” means computer hardware that is used to enter data into or display information
4 from a system.

5 Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference:
6 Sections 19805, 19841, 19853 and 19984, Business and Professions Code.
7

8 **§ 12252. TPPPS Annual Fee.**

9 ~~(a) No later than September 1 of each year, each TPPPS business licensee must submit to the Bureau~~
10 ~~the annual fee set forth in subsection (b) of this section, based on the total number of TPPPS endorsee~~
11 ~~licensees and TPPPS employee type licensees affiliated with the TPPPS business licensee on the~~
12 ~~immediately preceding August 1. The Bureau will provide each TPPPS business licensee an invoice,~~
13 ~~pursuant to Section 12006, by October 1, 2022, and each October 1 thereafter, of their annual fee, as~~
14 ~~provided in Section 12252.2.~~

15 ~~(b) Each TPPPS business licensee must pay the annual sum of two thousand eight hundred dollars~~
16 ~~(\$2800) for each TPPPS endorsee licensee and each TPPPS employee type licensee.~~

17 ~~(eb) The annual fee may be paid in installments. The TPPPS business licensee must submit a written~~
18 ~~request to the Bureau to make installment payments within 30 calendar days from the date the invoice~~
19 ~~was served prior to August 1 of that same year.~~

20 ~~(c) A request for installment payments will be considered approved, unless within 14 calendar days of~~
21 ~~the request being received, the Bureau provides notification, pursuant to Section 12006, that the request~~
22 ~~has been disapproved. Upon approval by the Bureau, installment Installment payments must be made in~~
23 ~~the year following the request pursuant to subsection (b) as follows: one-third of the annual fee to be~~
24 ~~submitted no later than ~~September~~ January 1, one-third no later than ~~December~~ April 1, and the balance~~
25 ~~no later than ~~March 1~~ June 30. If installment payments were not requested or a request for installment~~
26 ~~payments was disapproved, the entire amount of the annual fee must be submitted no later than January 1.~~

27 ~~(d) Refunds will not be available in the event of a subsequent decrease in the number of TPPPS~~
28 ~~endorsee licensees or TPPPS employee type licensees upon which the annual fee payment was based.~~

29 ~~(e)(1) Following assessment of the annual fee, if the TPPPS business licensee increases the number of~~
30 ~~its TPPPS endorsee licensees and TPPPS employee type licensees above the number upon which the~~
31 ~~annual fee assessment was based, the TPPPS business license must submit to the Bureau the additional~~
32 ~~per player annual fee set forth in subsection (b) within 30 calendar days of employment or transfer of~~
33 ~~ownership.~~

WITHDRAWN

WITHDRAWN

1 ~~(2) Upon the first issuance of a TPPPS business license, be it either a temporary TPPPS business~~
2 ~~license or an initial TPPPS business license, the TPPPS business licensee must submit to the Bureau the~~
3 ~~annual fee appropriate for its TPPPS endorsee licensees and any TPPPS employee type licensees.~~

4 ~~(d) The TPPPS license certificate will not be issued until the Bureau has received the annual fees or~~
5 ~~has is approved the TPPPS business licensee for installment payments.~~

6 ~~(3) Annual fees due under this subsection will be prorated on a monthly basis.~~

7 ~~(4) Annual fees due under this subsection may be paid in installments, on the conditions that the~~
8 ~~installment payment request is submitted in writing, that one third of the fees are paid upon submission of~~
9 ~~the installment request, and that two subsequent equal payments are paid at reasonable intervals prior to~~
10 ~~expiration of the applicable term, subject to the approval of the Bureau.~~

11 ~~(f)(e) Any renewal application for a renewal for the TPPPS business licensee will not be approved by~~
12 ~~the Commission until any delinquent annual fees has have been paid in full.~~

13 ~~(g)(f) No application for a TPPPS contract may be approved by the Bureau until any delinquent~~
14 ~~annual fees has have been paid in full.~~

15 ~~(g)(1) Upon the first issuance of a TPPPS business license, as either a temporary TPPPS business~~
16 ~~license or an initial TPPPS business license, whichever occurs first, the Bureau will issue an invoice,~~
17 ~~pursuant to Section 12006, in the annual fee amount required of an active licensee with a gross gaming~~
18 ~~revenue under \$1,500,000, as provided in Section 12252.2, divided by 12, multiplied by the number of~~
19 ~~whole months remaining in the current calendar year. The TPPPS business licensee must submit to the~~
20 ~~Bureau the annual fee within 30 calendar days of service.~~

21 ~~(2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the~~
22 ~~TPPPS business licensee the unadjusted annual fee required of an active licensee with a gross gaming~~
23 ~~revenue under \$1,500,000, as provided in Section 12252.2 for the following calendar year. If the license~~
24 ~~is approved after October 1, this invoice will be issued at the same time as the invoice required in~~
25 ~~paragraph (1).~~

26 Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841 and 19984, Business and Professions Code.
27 Reference: Sections 19841 and 19984, Business and Professions Code.

28
29 **§ 12252.2. TPPPS Annual Fee Amounts.**

Type of TPPPS Business Licensee	Annual Fee
<u>Surrendered or Revoked Licensee</u>	<u>\$0</u>
<u>Non-Operational Licensee</u>	<u>\$2,035</u>
<u>Active Licensee – 3-Year Gross Gaming Revenue Under \$1.5M</u>	<u>\$4,069</u>
<u>Active Licensee – 3-Year Gross Gaming Revenue Over \$1.5M</u>	<u>1.54%</u> <u>of the 3-year Average</u> <u>Gross Gaming Revenue</u>

Additions shown in underline; deletions shown in strikeout.

WITHDRAWN

1 ~~Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, and 19984, Business and Professions Code.~~
2 ~~Reference: Sections 19826, 19867, 19841 and 19984, Business and Professions Code.~~

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