

CALIFORNIA GAMBLING CONTROL COMMISSION  
**INITIAL STATEMENT OF REASONS**  
CGCC-GCA-2021-08-R

**HEARING DATE:**                      **None Scheduled**

**SUBJECT MATTER OF PROPOSED REGULATIONS:**      180-Day Extension

**SECTIONS AFFECTED:**                      California Code of Regulations, Title 4, Division 18:  
Section 12054

**SPECIFIC PURPOSE OF REGULATORY PROPOSAL:**

**INTRODUCTION:**

The California Gambling Control Commission (Commission) is the state agency charged with the administration and implementation of the Gambling Control Act (Act).<sup>1</sup> The Commission is authorized to adopt regulations governing applications for licenses, permits, registrations, findings of suitability, or other approvals.<sup>2</sup>

This proposed regulatory action will implement one of the changes made in Senate Bill (SB) 819 (Committee on Governmental Organization, Chapter 553, Statutes of 2021), which becomes effective January 1, 2022. SB 819 made four changes to the Act, one of which is covered in this proposed action: providing the Commission the authority to extend current work permits, findings of suitability, and other approvals, under specified conditions, for up to 180 days.

**PROBLEM ADDRESSED:**

The adoption of SB 819 granted new authority to the Commission to issue additional 180-day extensions. As such, this requires existing regulations to be amended in order to be consistent with the revised statute.

**PURPOSE:**

This proposed action has been prepared to make specific the new authority granted to the Commission.

**ANTICIPATED BENEFITS OF PROPOSED REGULATION:**

This proposed action will have the benefit of having the Commission's regulations reflect all available options provided to the Commission in statute in one location.

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<sup>1</sup> Business and Professions Code, Division 8, Chapter 5, section 19800 et seq.

<sup>2</sup> Business and Professions Code section 19824, subdivision (a)

**PROPOSED ACTION:**

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

CHAPTER 1. GENERAL PROVISIONS

ARTICLE 2. PROCEDURES FOR HEARINGS AND MEETINGS ON APPLICATIONS

**Amend 12054. Consideration at Regular Commission Meeting.**

Section 12054 provides a limited list of the possible actions that may be taken by the Commission at a non-evidentiary hearing meeting.

Subsection (a) provides a list of nine possible actions that the Commission may take at a non-evidentiary hearing meeting, now renamed Commission meeting. Paragraph (4) provides that the Commission may extend an existing license up to 180 days if an applicant has submitted their renewal application 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. Currently, instead of stating the entire condition of extension, the provision references Business and Professions Code section 19876, subdivision (c); however, SB 819 provided a new section, Business and Professions Code section 19876.5, which provides the same extension authorization but applies it additionally to work permits, findings of suitability, and other approvals. This proposed action would amend the provision to add the other approvals the Commission issues in order to make the provision consistent with the Act. This includes key employee licenses, Commission work permits, all third-party of proposition player services license types, and registrations. Additionally, the reference to Business and Professions Code section 19876, subdivision (c) is replaced with the specific extension allowance.

**REQUIRED DETERMINATIONS:**

**LOCAL MANDATE:**

A mandate is not imposed on local agencies or school districts.

**UNDERLYING DATA:**

Technical, theoretical, or empirical studies or reports relied upon: None.

**BUSINESS IMPACT:**

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This determination is based on the following facts or evidence/documents/testimony: This proposed action imposes no mandatory requirement on businesses. The proposed action provides the Commission an additional option when considering renewal applications.

**SPECIFIC TECHNOLOGIES OR EQUIPMENT:**

The proposed action does not mandate the use of specific technologies or equipment.

**ECONOMIC IMPACT ASSESSMENT/ANALYSIS:**

**IMPACT ON JOBS/NEW BUSINESSES:**

The Commission has determined that this regulatory proposal will not have a significant impact on the creation of new jobs or businesses, the elimination of jobs or existing businesses, or the expansion of businesses in California. For this purpose, the consolidated small business definition provided in Government Code section 11346.3, subdivision (b), paragraph (4) was utilized.

The basis for this determination is that this proposed action imposes no mandatory requirement on businesses or individuals and does not significantly change the Commission's current practices and procedures. The proposed action provides the Commission an additional option when considering renewal applications.

**HEALTH AND WELFARE OF CALIFORNIA RESIDENTS:**

It has been determined that the proposed action will protect the health, safety, and general welfare of California residents by aiding and preserving the integrity of controlled gambling.

**WORKER SAFETY:**

It has been determined that the proposed action will not affect worker safety because it does not pertain to working conditions or worker safety issues.

**STATE'S ENVIRONMENT:**

It has been determined that the proposed action will not affect the State's environment because it has nothing to do with environmental issues.

**CONSIDERATION OF ALTERNATIVES:**

No reasonable alternative to the regulations would be more effective in carrying out the purpose for which the action is proposed. No reasonable alternative would be as effective as and less burdensome to affected private persons than the proposed action, nor would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Set forth below are the alternatives that were considered and the reasons each alternative was rejected: No reasonable alternative has been developed or otherwise identified and brought to the attention of the Commission.