

**State of California
Office of Administrative Law**

In re:
California Gambling Control Commission

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections: 12252.2
Amend sections: 12002, 12252
Repeal sections:

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

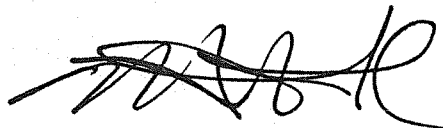
OAL Matter Number: 2022-1021-06

OAL Matter Type: Regular Resubmittal (SR)

In this resubmitted certificate of compliance, the Commission establishes the annual fees for Third-Party Providers of Proposition Player Services (TPPPS) business licensees. Also, the Commission adds a definition for the term "gross revenue,"

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 12/7/2022.

Date: December 7, 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

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2021-1214-05	REGULATORY ACTION NUMBER 2022-1021-06 SR	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

ENDORSED - FILE
in the office of the Secretary or State
of the State of California

DEC 07 2022

1:40 PM

OFFICE OF ADMIN. LAW
2022 OCT 21 PM4:06

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 Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2021, 52-Z	PUBLICATION DATE 12/24/2021	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Commission Fees Modernization Project II	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2022-0721-10C; 2022-0926-05SR, 2022-0922-01EE
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 AMEND 12002, 12252, 12252-2 REPEAL
TITLE(S) 4	
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 type="checkbox"/> File & Print <input type="checkbox"/> Print Only <input type="checkbox"/> Other (Specify) _____	
<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)	
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; 3rd 15-day 10/4/2022 - 10/19/2022	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Alex Hunter	TELEPHONE NUMBER (916) 261-1301
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) ahunter@cgcc.ca.gov

per agency request 12/7/2022 (TH)

per agency request 12/7/2022 (TH)

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.

DocuSigned by:
SIGNATURE OF AGENCY HEAD OR DESIGNEE
Stacey Luna Baxter
DATE
October 21, 2022
TYPED NAME AND TITLE OF SIGNATORY
Stacey Luna Baxter, Executive Director

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

DEC 07 2022

Office of Administrative Law

1 CALIFORNIA CODE OF REGULATIONS

2 TITLE 4. BUSINESS REGULATIONS

3
4 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

5 (AMENDED REGULATIONS EFFECTIVE DECEMBER 7, 2022)

6
7 CHAPTER 1. GENERAL PROVISIONS

8 ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES

9
10 § 12002. General Definitions.

11 Unless otherwise specified, the definitions in Business and Professions Code section 19805,
12 supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the Penal Code (commencing
13 with section 330), govern the construction of this division. As used in this division:

14 ...

15 (ab) "Gross revenue" means the total of all compensation received for participating in or conducting
16 any controlled game, and includes interest received in payment for credit extended by a cardroom
17 business licensee to a patron for purposes of gambling.

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9 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19854, Business and Professions
10 Code. Reference: Sections 19800, 19805, 19811, 19816, 19853 and 19984, Business and Professions Code.

11

12 **CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES**

13

ARTICLE 1. GENERAL PROVISIONS

14

§ 12252. TPPPS Annual Fee.

16 (a) The Bureau will provide each TPPPS business licensee an invoice, pursuant to Section 12006, by
17 October 1, 2022, and each October 1 thereafter, of their annual fee, as provided in Section 12252.2.

18 (b) The annual fee may be paid in installments. The TPPPS business licensee must submit a written
19 request to the Bureau to make installment payments within 30 calendar days from the date the invoice
20 was served.

21 (c) A request for installment payments will be considered approved, unless within 14 calendar days of
22 the request being received, the Bureau provides notification, pursuant to Section 12006, that the request
23 has been disapproved. The Bureau will disapprove the request if the TPPPS business licensee has a
24 history of failing to make installment payments as required or has not submitted the request pursuant to
25 subsection (b). Installment payments must be made in the year following the request pursuant to
26 subsection (b) as follows: one-third of the annual fee to be submitted no later than January 1, one-third no
27 later than April 1, and the balance no later than June 30. If installment payments were not requested or a
28 request for installment payments was disapproved, the entire amount of the annual fee must be submitted
29 no later than January 1.

30 (d) The TPPPS license certificate will not be issued until the Bureau has received the annual fee or
31 has approved the TPPPS business licensee for installment payments.

32 (e) Any application for a renewal TPPPS business license will not be approved by the Commission
33 until any delinquent annual fees have been paid in full.

34 (f) No application for a TPPPS contract may be approved by the Bureau until any delinquent annual
35 fees have been paid in full.

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

7 (2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the
8 TPPPS business licensee the unadjusted annual fee required of an active licensee with a gross revenue
9 under \$1,500,000, as provided in Section 12252.2 for the following calendar year. If the license is
10 approved after October 1, this invoice will be issued at the same time as the invoice required in paragraph
11 (1).

12 Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841 and 19984, Business and Professions Code.
13 Reference: Sections 19841 and 19984, Business and Professions Code.
14

15 **§ 12252.2. TPPPS Annual Fee Amounts.**
16

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

17 Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, and 19984, Business and Professions Code.
18 Reference: Sections 19826, 19841, 19867, and 19984, Business and Professions Code.
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