

CALIFORNIA GAMBLING CONTROL COMMISSION  
**REVISED FINAL STATEMENT OF REASONS**  
**CGCC-GCA-2021-04-R**

**HEARING DATE:**                    *(None Scheduled or Requested)*

**SUBJECT MATTER OF PROPOSED REGULATIONS:**

Southern California Gambling Control Act Hearings

**SECTIONS AFFECTED:**

California Code of Regulations, Title 4, Division 18: Sections 12006, 12052, 12057, 12060, and 12118

**UPDATED INFORMATION:**

The Initial Statement of Reasons, as published on August 20, 2021, are included in the file and are hereby incorporated by reference as if fully set forth herein. The proposed regulation was not modified as part of this rulemaking process and so no further update is necessary.

A clarification to the subparagraph (c)(1)(C) of section 12060 is provided below:

**New subparagraph (c)(1)(C)** specifies that a GCA hearing will be noticed for a Southern California location only when doing so is in the best public interest, promotes judicial economy, and comports with the Commission’s availability. This provision ensures that a request for a Southern California hearing would not be approved if doing so would be judicially inefficient, not in the public’s best interest, cost prohibitive, or conflict with the Commission’s availability. Specifically, the intent is to allow for qualifying interested parties who live in Southern California counties to have functionally equivalent access to the administrative hearings process as those located in northern California counties as access to the administrative hearing process for a Commission permit and license hearings serves a public interest. The best public interest will be evaluated on a case by case basis based on the circumstances of each applicant and their matter.

**UNDERLYING DATA:**

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

**REQUIRED DETERMINATIONS:**

**LOCAL MANDATE:**

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

**BUSINESS IMPACT:**

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting businesses, 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 regulations only provide a process for individual applicants to request their Gambling Control Act (GCA) hearing be held in Southern California if specified conditions are met.

**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. Licenses and Commission work permits are portable and the proposed action only increases access to an applicant's right to due process and thorough evidentiary hearing by providing a different means of hearing attendance for qualifying Southern California applicants. The proposed action may cause a minor and insignificant increase in business for the following types of businesses as a result of holding GCA hearings in Southern California over a four day period, three times per year: Airlines, hotels, restaurants, and ground transportation businesses.

The Commission does not have an established hearing location in Southern California and location choices will be limited due to space requirements and availability. However, the Commission has been in contact with the Department of General Services' Building Management Division, which has provided information on several state owned facilities located in Southern California that are available to reserve and rent at no additional cost to any state agency.

**BENEFITS OF PROPOSED REGULATION:**

This proposed action will have the benefit of improving GCA hearing attendance of applicants that reside in the Southern California area by providing them the opportunity to be heard closer to their home. Improving access to an applicant's right to due process and thorough evidentiary hearing by reducing travel burdens for these applicants should result in a decrease in the amount of withdrawn hearing requests and failures to appear, both of which result in default denial decisions.

**CONSIDERATION OF ALTERNATIVES:**

No reasonable alternative to the regulations would be more effective in carrying out the purpose for which the action is proposed, would be as effective as and less burdensome to affected private persons than the proposed action, or 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:

1. Commission staff researched the possibility of state reimbursement for travel expenses that would be incurred by applicants residing in Southern California to attend their GCA hearing at the Commission's hearing room located in Sacramento, California. However, this alternative is not possible because non-state employees that are not representing or acting on behalf of the state (the applicants) are not eligible for travel reimbursement pursuant to the California Department of Human Resources Manual section 2201 - Travel and Relocation Policy. As such, there are no alternatives to the regulation.

**COMMENTS, OBJECTIONS OR RECOMMENDATIONS / RESPONSES:**

The following public comments/objections/recommendations were made regarding the proposed action during the public comment periods:

**I. 45-DAY WRITTEN COMMENT PERIOD**

No written comments/objections/recommendations were received regarding the text of the proposed action during the 45-day written comment period that commenced August 20, 2021 and ended at midnight on October 5, 2021.

**II. COMMENT RECEIVED OUTSIDE THE PUBLIC COMMENT PERIODS**

There were no comments, objections, or recommendations received outside any public comment period.

There were no further comments, objections, or recommendations received regarding the proposed action either within or outside any of the public comment periods.