

**State of California
Office of Administrative Law**

In re:
California Gambling Control Commission

Regulatory Action:

Title 04, California Code of Regulations

Amend sections: 12396

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

OAL Matter Number: 2024-0221-02

OAL Matter Type: Regular (S)

This regular rulemaking action amends the Minimum Internal Control Standards (MICS) for cardroom business licensees pertaining to surveillance.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 4/4/2025.

Date: April 4, 2024



Timothy Findley
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Stacey Luna Baxter, Executive
Director

Copy: Alexander Hunter

NOTICE PUBLICATION/REGULATIONS SUBMISSION

REGULAR

For use by Secretary of State only

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-2023-0328-17	2024-0221-025	5

For use by Office of Administrative Law (OAL) only	
NOTICE	REGULATIONS

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

APR 04 2024
2:08 PM

OFFICE OF ADMIN. LAW
2024 FEB 21 AM 11:03

AGENCY WITH RULEMAKING AUTHORITY California Gambling Control Commission	AGENCY FILE NUMBER (If any) CGCC-GCA-2023-01-R
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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 ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2023, 14-2	PUBLICATION DATE 4/7/23	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Surveillance	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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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
	AMEND
	12396
TITLE(S)	REPEAL
4	

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<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"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only

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)
December 5, 2023 - December 20, 2023

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) One year from the date of filing with Secretary of State

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 916-263-1301	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.

DocuSigned by:
SIGNATURE OF AGENCY HEAD OR DESIGNEE
Stacey Luna Baxter
DATE
2/20/2024
TYPED NAME AND TITLE OF SIGNATORY
Stacey Luna Baxter, Executive Director

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ENDORSED APPROVED

APR 04 2024

Office of Administrative Law

1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 SURVEILLANCE
3 CGCC-GCA-2023-01-R

4 ORDER OF ADOPTION

5 *The California Gambling Control Commission hereby adopts the following changes to its*
6 *regulations located in Division 18 of Title 4 of the California Code of Regulations:*

7
8 CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

9 ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR CARDROOM BUSINESS
10 LICENSEES.
11

12 **12396. Surveillance.**

13 (a) The policies and procedures for all Tiers must meet or exceed the following standards
14 for surveillance:

15 (1) Cardroom business licensees must install and maintain, on site in their gambling
16 establishment, a surveillance system, with video recording and closed circuit television (CCTV)
17 monitoring capabilities, to record critical activities related to the cardroom business licensees'
18 gambling operations. The surveillance system must record with reasonable coverage and clarity,
19 at a minimum, the gambling operation, including card values, wagers, and game outcomes, the
20 payment of player drop fees, the collection of drop boxes, the drop count processes, cage and
21 cashier activities, gambling equipment storage areas, except for furniture storage areas, and the
22 interior of gambling establishment entrances and exits. For the purposes of this paragraph, an
23 overhead view of card values, wagers, and game outcomes is acceptable for Tier I licensees. This
24 paragraph does not apply to demonstration or instructional tables, when cash or prizes are not
25 being wagered, won or lost. The video recording equipment must include date and time
26 generators which must display the current date and time of recorded events on videotape or
27 digital recordings. The displayed date and time must not significantly obstruct the view of
28 recorded images. The surveillance system may have remote, off-site access capabilities, but only
29 ancillary to any on-site systems required by this section.

30 (2) All surveillance recordings must be made in real time mode, or at a speed sufficient to
31 capture and record with reasonable completeness the actions of all individuals being observed;
32 ~~except that any recordings of the gambling establishment parking areas, and the gambling~~

1 ~~establishment entrances and exits may be recorded in time lapse mode, at a minimum speed of~~
2 ~~15 frames per second.~~

3 (3) All video surveillance cameras must be installed in a manner that prevents them from
4 being intentionally obstructed, tampered with or disabled by patrons or employees, to the extent
5 reasonably possible. All recording and monitoring equipment must be located in secure rooms or
6 areas of the gambling establishment so that access is controlled.

7 (4) The surveillance system operation must be checked daily to ensure that all surveillance
8 equipment is functioning properly and reasonable efforts must be made to repair or replace
9 malfunctioning surveillance equipment within 72 hours of the discovery of the malfunctions.
10 With the exemption of parking lots, if at any time, the surveillance system ceases to be able to
11 record any area of the gambling establishment required to be recorded in accordance with this
12 Article, the cardroom business licensee must take lawful steps to ensure the area is not used for
13 any activity subject to surveillance requirements until the surveillance system is able to record
14 the area. For the purposes of this paragraph, lawful means in accordance with federal, state, and
15 local requirements.

16 (5) ~~If a~~ digital video recording (DVR), network video recorder (NVR), or equivalent
17 system will be ~~is~~ utilized, ~~the system must meet~~ meeting the following standards:

18 (A) The ~~DVR~~ system must have a failure notification system that, at a minimum, provides a
19 visual notification of any failure in the surveillance system or the ~~DVR~~ media storage system.

20 (B) The ~~DVR~~ system must have a media storage system that is configured so that a failure of
21 any single component will not result in the loss of any data from the media storage system.

22 (C) The ~~DVR~~ system must have the capability to reproduce or copy all or any portion of the
23 stored data from the media storage system to a digital video disk (DVD) or a portable digital
24 storage device.

25 (D) A single ~~DVR~~ system ~~may~~ must not have more than ~~8~~ eight cameras required by the
26 standards of this section, unless the ~~DVR~~ system has an appropriate backup system to ensure that
27 there is no loss of data in the event of a failure of the primary ~~DVR~~ system or any single
28 component of that system.

29 (6) Videotapes or other recording media must be marked or coded to denote the activity
30 recorded.

1 (7)~~(A)~~ Unless otherwise requested by the Bureau, all recordings must be retained for a
2 minimum of 14 ~~seven~~ complete days of operation, except that recordings that are determined by
3 the Bureau or a law enforcement agency to be of evidentiary value must be retained for a period
4 specified in writing by the determining agency. Recordings of any criminal offense subject to
5 reporting pursuant to paragraph (4) of subsection (a) of Section 12395 must be retained
6 indefinitely, or until the Bureau authorizes their disposal.

7 ~~(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph~~
8 ~~(A) must be increased to 14 days no later than June 1, 2013.~~

9 (8)(A) For the purpose of enforcing the provisions of the Act, this division, or Division 3 of
10 Title 11 of the California Code of Regulations, Bureau staff, with the approval of the Chief-~~chief~~,
11 may, at any time during the gambling establishment's actual hours of operation, demand
12 immediate access to the surveillance room and any area of the gambling establishment where
13 surveillance equipment is installed or maintained or where surveillance video recordings are
14 stored, and such access must be provided by the cardroom business licensee or the cardroom
15 business licensee's authorized representative.

16 (B) The Bureau may, pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of
17 section 19827 of the Business and Professions Code, take custody of and remove from the
18 gambling establishment the original of any video recording, or a copy of any digital recording,
19 required to be made and maintained pursuant to the Act or this division. Any surveillance video
20 recording that is in the custody of the Bureau pursuant to this paragraph may be disclosed by the
21 Bureau only when necessary to administer or enforce the provisions of the Act, this division, or
22 Division 3 of Title 11 of the California Code of Regulations or when necessary to comply with a
23 court order. Upon reasonable request of the cardroom business licensee or the cardroom business
24 licensee's authorized representative, a copy of the recordings must be made and left on the
25 premises if copying equipment is available to enable Bureau staff to make copies. If copying
26 equipment is not available to Bureau staff, upon reasonable request of the cardroom business
27 licensee or the cardroom business licensee's authorized representative, a copy of the recordings
28 will be provided to the cardroom business licensee at the cardroom business licensee's expense,
29 unless the Bureau expressly waives its costs of providing the copies.

30 1. Digital copies will be a clear representation of the original.

1 2. The cardroom business licensee will provide the Bureau with any software necessary to
2 view the digital copies or provide the digital copies in a format that is acceptable to the Bureau.

3 (9) Cardroom business licensees must prominently display in a place and manner
4 conspicuous to all patrons entering and exiting the gambling establishment, a sign containing the
5 following statement printed in bold lettering of sufficient size to be visible and readable: "All
6 Public Areas, Entrances and Exits of This Establishment are Subject to Surveillance and Video
7 Recording." The lettering and background must be of contrasting colors, and the sign must
8 comply in all respects with applicable signage requirements, if any, of the local jurisdiction.

9 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II
10 through and including V must meet or exceed the following standards for surveillance:

11 (1) The surveillance system must, ~~at a minimum,~~ have dedicated cameras to monitor and
12 record both the interior and exterior of the gambling establishment entrances and exits with
13 sufficient clarity to afford reasonable opportunity to identify any person entering and exiting.

14 (2) The surveillance system must have a sufficient number of cameras dedicated to gambling
15 tables to be capable of viewing and recording, with reasonable coverage and clarity, patrons,
16 dealers, wagers, card values ~~cards~~, and game outcome at each table. For the purposes of this
17 paragraph, an overhead view of patrons and dealers is acceptable. This paragraph does not apply
18 to demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

19 (3) The surveillance system must include an audio recording of, at a minimum, any areas of
20 the gambling establishment that are used for vault or count room functions.

21 (c) In addition to the requirements of subsections (a) and (b), the policies and procedures for
22 Tiers III through and including V must include standards for surveillance that require the
23 surveillance system to include coverage and recording ~~of~~ with sufficient clarity to provide
24 opportunity to obtain a description of vehicles, including, to the extent feasible, the license plates
25 of vehicles, entering and exiting all adjoining parking areas owned, operated or otherwise
26 controlled by the cardroom business licensee for use by its patrons.

27 ~~(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures~~
28 ~~for Tier IV must include a requirement that, during all hours of operation, a cardroom owner type~~
29 ~~licensee or key employee licensee be on duty who has the ability to access live video from~~
30 ~~surveillance cameras and previous surveillance video recordings.~~

1 ~~(d)~~(e) In addition to the requirements of subsections (a), (b), and (c) ~~and (d)~~, the policies and
2 procedures for Tiers IV and V must meet or exceed the following standards for surveillance:

3 (1) Cardroom business licensees must establish a surveillance unit separate and apart from
4 the security department. The head of the surveillance unit and all surveillance unit personnel
5 must be independent of the security department and have no other gambling-related duties.

6 (2) Cardroom business licensees must establish and maintain a separate surveillance room
7 that meets or exceeds the following requirements:

8 (A) The surveillance room must have controlled access through a secured door or doors,
9 which must be under constant recorded video surveillance.

10 (B) No entrance or exit door of a surveillance room ~~must~~ will be readily observable or
11 accessible from the gambling operation area.

12 (3) Routine access and entry into the surveillance room must be limited to on-duty employees
13 of the surveillance unit assigned to monitor gambling operations. Cardroom employee type
14 licensees may be granted access to the surveillance room for the purpose of performing their
15 duties. Other persons may be granted limited access to the surveillance room for educational,
16 investigative or maintenance purposes, if accompanied at all times by a surveillance unit
17 employee.

18 (4) At least one surveillance employee must be present in the surveillance room and actively
19 monitoring the gambling operations, via the surveillance room equipment, during all hours of
20 operation, except that the surveillance room may be unattended for no more than a total of one
21 hour during any shift or eight-hour period to allow for required meal and rest breaks for staff.
22 No controlled gambling may take place when a surveillance employee is not present and on duty
23 in the gambling establishment, whether on a break or not. Notwithstanding the foregoing, a Tier
24 IV cardroom business licensee may utilize a contingency plan previously approved by the
25 Bureau to use a cardroom employee type licensee to fulfill the requirements of this paragraph
26 when due to unforeseen exigencies a surveillance employee is unavailable.

27 (A) A request for the Bureau's review and approval of a contingency plan must be submitted
28 by the Tier IV cardroom business licensee to the Bureau in writing, along with the contingency
29 plan.

30 (B) The contingency plan will be deemed approved if not disapproved by the Bureau in
31 writing within 30 calendar days of receipt of the written request for failing to include a

1 contingency plan that states a cardroom employee type licensee will fulfill the requirements of
2 paragraph (4) of this subsection when due to unforeseen exigencies a surveillance employee is
3 unavailable.

4 (C) The cardroom business licensee must notify the Bureau in writing within five calendar
5 days after utilizing the contingency option.

6 (5) Count room surveillance must include closed circuit television (CCTV) monitoring and
7 video recording.

8 (6) Cardroom business licensees must maintain a record of all surveillance activity in the
9 surveillance room, by surveillance period or shift, in a surveillance activity log. The surveillance
10 activity log entries must be made by on-duty surveillance personnel and must include, at a
11 minimum, the following:

12 (A) The date and time of commencement of the surveillance period or shift;

13 (B) The printed name(s) of the person(s) conducting the surveillance;

14 (C) The date and time of termination of the surveillance period or shift;

15 (D) A summary of the results of the surveillance, including a notation of the time of
16 recording of any event, activity, occurrence, process or procedure that was monitored during the
17 surveillance period or shift, whether the recording or monitoring was required or not;

18 (E) A notation of the time of the discovery or occurrence of any equipment or camera
19 malfunctions during the surveillance period or shift;

20 (F) A notation of the time of the correction or repair of any equipment or camera
21 malfunctions occurring during the surveillance period or shift, if corrected or repaired during that
22 period or shift;

23 (G) A notation of the time of the correction or repair of any equipment or camera
24 malfunctions discovered and noted in a previous surveillance period or shift, if corrected or
25 repaired during the current period or shift;

26 (H) A notation of the time of occurrence of any medical emergency event or law enforcement
27 event, including any incident number generated by the responding entity, if available;

28 (I) A notation of the time(s) of drop box collection occurring during the surveillance period
29 or shift;

30 (J) A notation of the time of drop count procedure(s) occurring during the surveillance period
31 or shift; and,

1 (K) A notation of the times of patron disputes occurring during the surveillance period or
2 shift that requireded the intervention of the security department, if any.

3 (7) Each gambling table must have a dedicated camera, meeting the requirements of
4 paragraph (2) of subsection (a), providing clear surveillance coverage of all controlled gambling
5 at all hours of operation. In addition, one Pan/Tilt/Zoom (PTZ) camera must be installed for
6 every ten or fewer authorized tables present in any gambling operations area of the gambling
7 establishment. A reasonable attempt must be made to pan the faces of patrons and dealers for
8 identification at least once per work shift of surveillance unit employees.

9 Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections
10 19827, 19841, 19922 and 19924, Business and Professions Code.