

**State of California
Office of Administrative Law**

In re:
California Gambling Control Commission

Regulatory Action:

Title 04, California Code of Regulations

**Amend sections: 12252, 12252.2, 12368,
and 12368.2**

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

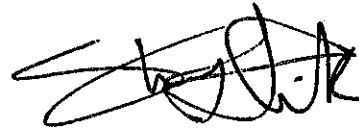
OAL Matter Number: 2024-0412-02

OAL Matter Type: Regular (S)

In this regular rulemaking, the California Gambling Control Commission (the "Commission" or "CGCC") is amending the annual fee amounts for Third-Party Proposition Player Services ("TPPPS") business licensees and cardroom business licensees.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 7/1/2024.

Date: May 22, 2024



**Steven J. Escobar
Senior Attorney**

Original: Stacey Luna Baxter, Executive
Director

For: Kenneth J. Pogue
Director

Copy: Josh Rosenstein

NOTICE PUBLICATION/REGULATION 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-2023-1218-04	2024-0412-02 S	

For use by Office of Administrative Law (OAL) only

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

OFFICE OF ADMIN. LAW
2024 APR 12 PM 2:33

MAY 22 2024
1:54 PM

NOTICE	REGULATIONS
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AGENCY WITH RULEMAKING AUTHORITY
California Gambling Control Commission

AGENCY FILE NUMBER (If any)

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 Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE
			2023, 52-Z	12/29/23

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Update to Annual Fees	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
	12252, 12252.2, 12368, 12368.2
TITLE(S)	REPEAL
4	

3. TYPE OF FILING		
<input checked="" 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"/> 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"/> Emergency (Gov. Code, §11346.1(b))		<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)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input 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 Josh Rosenstein	TELEPHONE NUMBER 9162745823	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) jrosenstein@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.

For use by Office of Administrative Law (OAL) only
ENDORSED APPROVED
MAY 22 2024
Office of Administrative Law

DocuSigned by: SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Jason Pope</i>		DATE 4/12/2024
TYPED NAME AND TITLE OF SIGNATORY Jason Pope, Chief Counsel		

1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 UPDATE TO ANNUAL FEES
3 CGCC-GCA-2023-03-R
4

5 ORDER OF ADOPTION
6

7 The California Gambling Control Commission hereby adopts the following changes in its
8 regulations contained in Division 18 of Title 4 of the California Code of Regulations:
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10 CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES
11

12 ARTICLE 1. GENERAL PROVISIONS
13

14 § 12252. TPPPS Business Licensee Annual Fee.

15 (a) The Bureau will provide each TPPPS business licensee an invoice, pursuant to Section 12006, by
16 October ~~5~~, 2024~~2~~, and each October ~~5~~ thereafter, of their annual fee, as provided in Section 12252.2.

17 (b) 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.

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. The Bureau will disapprove the request if the TPPPS business licensee has a
23 history of failing to make installment payments as required or has not submitted the request pursuant to
24 subsection (b). Installment payments must be made in the year following the request pursuant to
25 subsection (b) as follows: one-third of the annual fee to be submitted no later than January ~~5~~, one-third
26 no later than April ~~5~~, and the balance no later than June 30. If installment payments were not requested
27 or a request for installment payments was disapproved, the entire amount of the annual fee must be
28 submitted no later than January ~~5~~.

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

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

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

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

(2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the TPPPS business licensee the unadjusted annual fee required of an active licensee with a gross revenue under \$1,500,000, as provided in Section 12252.2 for the following calendar year. If the license is approved after October ~~5~~¹, this invoice will be issued at the same time as the invoice required in paragraph (1).

(h) If three years of gross revenue data is unavailable to calculate the 3-year average gross revenue required to determine an active TPPPS business licensee's annual fee pursuant to Section 12252.2, the Commission will utilize the available gross revenue data for that purpose, as follows:

(1) If only one year of gross revenue data is available within the previous three years, that year's gross revenue will serve as the 3-year average gross revenue to determine the TPPPS business licensee's annual fee pursuant to Section 12252.2.

(2) If only two years of gross revenue data are available within the previous three years, the average of those two years' gross revenue will serve as the 3-year average gross revenue to determine the TPPPS business licensee's annual fee pursuant to Section 12252.2.

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

§ 12252.2. TPPPS Business Licensee Annual Fee Amounts.

Type of TPPPS Business Licensee	Annual Fee
Surrendered or Revoked Licensee	\$0
Non-Operational Licensee	\$2,411,035
Active Licensee – 3-Year Average Gross Revenue Under \$1.5M	\$4,823,069
Active Licensee – 3-Year Average Gross Revenue of \$1.5M or More	1.48154% of the 3-Year Average Gross Revenue

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

1 **CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS**

2 **ARTICLE 1. GENERAL PROVISIONS**

3
4 **§ 12368. Cardroom Business Licensee Annual Fee.**

5 (a) The Bureau will provide each cardroom business licensee an invoice, pursuant to Section 12006,
6 by October 5+, ~~2024~~, and each October 5+ thereafter, of their annual fee, as provided in Section 12368.2.

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

10 (c) A request for installment payments will be considered approved, unless within 14 calendar days of
11 the request being received, the Bureau provides notification, pursuant to Section 12006, that the request
12 has been disapproved. The Bureau will disapprove the request if the cardroom business licensee has a
13 history of failing to make installment payments as required or has not submitted the request pursuant to
14 subsection (b). Installment payments must be made in the year following the request pursuant to
15 subsection (b) as follows: one-third of the annual fee to be submitted no later than January 5+, one-third
16 no later than April 5+, and the balance no later than June 30. If installment payments were not requested
17 or a request for installment payments was disapproved, the entire amount of the annual fee must be
18 submitted no later than January 5+.

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

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

23 (f) No application for a TPPPS contract with a cardroom business licensee may be approved by the
24 Bureau until any delinquent annual fees owed by that cardroom business licensee have been paid in full.

25 (g)(1) Upon the first issuance of a cardroom business license, as either a temporary cardroom
26 business license or an initial cardroom business license, whichever occurs first, the Bureau will issue an
27 invoice, pursuant to Section 12006, in the annual fee amount required of an active licensee with a gross
28 revenue under \$1,500,000, as provided in Section 12368.2, divided by 12, multiplied by the number of
29 whole months remaining in the current calendar year. The cardroom business licensee must submit to the
30 Bureau the annual fee within 30 calendar days of service.

31 (2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the
32 cardroom business licensee the unadjusted annual fee required of an active licensee with a gross revenue
33 under \$1,500,000, as provided in Section 12368.2 for the following calendar year. If the license is
34 approved after October 5+, this invoice will be issued at the same time as the invoice required in
35 paragraph (1).

1 (h) If three years of gross revenue data is unavailable to calculate the 3-year average gross revenue
2 required to determine an active cardroom business licensee's annual fee pursuant to Section 12368.2, the
3 Commission will utilize the available gross revenue data for that purpose, as follows:

4 (1) If only one year of gross revenue data is available within the previous three years, that year's
5 gross revenue will serve as the 3-year average gross revenue to determine the cardroom business
6 licensee's annual fee pursuant to Section 12368.2.

7 (2) If only two years of gross revenue data are available within the previous three years, the average
8 of those two years' gross revenue will serve as the 3-year average gross revenue to determine the
9 cardroom business licensee's annual fee pursuant to Section 12368.2.

10 Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and
11 Professions Code. Reference: Sections 19841, 19876(a), 19951, 19954 and 19955, Business and Professions Code.
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13 **§ 12368.2. Cardroom Business Licensee Annual Fee Amounts.**

Type of Cardroom Business Licensee	Annual Fee
Surrendered or Revoked Licensee	\$0
Non-Operational Licensee	\$6,2345,237
Active Licensee – 3-Year Average Gross Revenue Under \$1.5M	\$12,46810,473
Active Licensee – 3-Year Average Gross Revenue of \$1.5M or More	<u>1.331,29%</u> of the 3- <u>Y</u> ear Average Gross Revenue

14 Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and
15 Professions Code. Reference: Sections 19826, 19841, 19876(a), 19951, 19954 and 19955, Business and Professions
16 Code.
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