

California Gambling Control Commission
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**MINUTES OF AUGUST 20, 2009
REGULATION HEARING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:04 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. A. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Dean Shelton and Commissioners Stephanie Shimazu, and Alexandra Vuksich present.

3. 45-Day Public Comment Period Hearing and Consideration of Final Adoption of Regulations Concerning Third-Party Proposition Player Providers and Gambling Businesses (Adopt Title 4, CCR Sections 12218.8, 12218.9, 12238, and 12239; Amend Title 4, CCR, sections 12200.9, 12200.10A, 12200.11, 12200.13, 12203.2, 12205.1, 12218, 12218.7, 12220.13, 12220.18, 12220.23, 12225.1, 12233, and 12235)

- License renewal process for Third-Party Proposition Player Providers and for Gambling Businesses.
- Extending the term of Third-Party Proposition Player contracts from one year to two years.
- Process for approval of playing books.
- Requiring different forms for converting a registration to a license and setting fees.
- Nonsubstantive changes.

Licensing Analyst Amy Arndt indicated that the staff recommended that the commission: (1) adopt, and approve for filing with the Office of Administrative Law,(OAL) the final text of proposed regulations to provide a license renewal process for third-party proposition player providers and for gambling businesses; to extend the term of third-party proposition player contracts from one year to two years; to establish a process for approval of playing books, to change required forms for converting a registration to a license; and, to make other non-substantive changes as described in the staff memorandum dated August 4, 2009; and, (2) authorize staff to make any necessary non-substantive changes that may be required by OAL during their review process.

Ms. Arndt further indicated that staff had received comments from the Bureau of Gambling Control and reviewed the following changes that were recommended by the Bureau:

In Chapter 2.1

- *Section 12200.13 (c)(1)(B), page 6, line 14: add “that complies with this section-” after “form.” Staff recommended the Commission accept this change.*
- *Section 12205.1(a) and (c), page 8, lines 13 and 26-27: change “, as applicable,” to “the applicable” and remove the word “an” in line 13, add “either” after “submit” and delete “, as applicable,” in lines 26-27, delete “an” in line 29, and add “, whichever is applicable, after “(CGCC-434, (New 05/09))” in line 31. Staff recommended the Commission accept this change.*
- *Section 12218 (c)(1), page 9, lines 25 and 27: change “As applicable, an” to “The applicable” in line 25, and remove the word “an” in line 27. Staff recommended the Commission accept this change.*
- *Section 12218.8 (a)(1), page 11, lines 29 and 30: change “As applicable, a” to “The applicable” in line 29, and remove the word “an” in line 30. Staff recommended the Commission accept this change.*
- *Section 12218.9 (b), page 13, lines 8 – 14: add a fourth paragraph to subsection (b) stating, “(4) The Bureau receives the completed application form the commission less than 90 day prior to the expiration of the current license.” Commission staff suggested adding language to paragraph (4) of subsection (a) (page 13, line 7) to read, “, unless that application is filed with the commission less than the 120 days prior to the expiration of the current license.”*

In Chapter 2.2

- *Section 12220.13(c)(1)(B), page 14, line 26: add “that complies with this section-” after “form.” Staff recommended the Commission accept this change.*
- *Section 12225.1 (a) and (b), page 17, lines 8-9, 16-18, and 20: change “, as applicable, an” to “the applicable” in line 8, and remove the word “an” in line 9, add “either” after “submit” and delete “, as applicable,” in lines 16-17, delete “an” in line 18, and add “, whichever is applicable,” after “(CGCC-534, (New 05/09))” in line 20. Staff recommended the Commission accept this change.*
- *Section 12233 (c)(1), page 18, line 14: Remove the word “an”. Staff recommended the Commission accept this change.*
- *Section 12238 (a)(1), page 20, lines 16 and 17: change “As applicable, a” to “The applicable” in line 16, and remove the word “an” in line 17. Staff recommended the Commission accept this change.*
- *Section 12239 (b), page 21, lines 25 - 31: Add a fourth paragraph to subsection (b) stating, “(4) The Bureau receives the completed application form the commission less than 90 day prior to the expiration of the current license.” Commission staff recommended adding language to paragraph (4) of subsection (a) (page 21, line 24) to read, “, unless that application is filed with the commission less than the 120 days prior to the expiration of the current license.”*

Commissioner Shimazu moved to approve the proposed regulations with the changes recommended by staff to be noticed for a 15-day public comment period. The motion was seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

3. Preliminary Commission Review and Consideration of Regulation: "Limitations on the Reopening of Closed Cardrooms" (Adopt Title 4, CCR Section 12350)

- Criteria and procedures for applications to reopen closed cardrooms pursuant to Business and Professions Code section 19963.

Regulatory Actions Analyst Shannon George indicated that item 4 concerns the establishment of a Commission policy, and development of regulations to implement that policy, regarding limitations on reopening closed cardrooms. Ms. George further indicated that since the last Commission workshop on this matter in June of this year, staff had identified six possible policy options for discussion and consideration.

(A list of the options was provided at the back table.)

Chairman Shelton opened the floor for public input.

The Commission heard comments from Reverend James Butler, representing the California Coalition Against Gambling, Mark Jones, Mark Kelegan, representing the Crystal Casino, John Nyhan, representing Tom Farrage, Andrew Schneiderman, representing Commerce Casino, Arkan Somo, representing Arkan Somo Associates, Robert Tabor, representing the Law Office of Robert Tabor, Alan Titus, representing Artichoke Joe's.

There was no action on this item. However, staff was directed to prepare proposed regulations combining options 1, 5(?), and 6 for further consideration by the Commission.

ADJOURNMENT

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the meeting adjourned at 11:30 a.m.

A transcript of the proceedings is incorporated into these minutes as Attachment A.