

CALIFORNIA GAMBLING CONTROL COMMISSION
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**MINUTES OF OCTOBER 20, 2009
REGULATION HEARING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:01 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

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

3. Consideration of Final Adoption of, and Approval for Filing with the Office of Administrative Law, Regulations Concerning Third-Party Providers of 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)

James Allen, Regulatory Actions Manager, presented agenda item No. 3, explaining that this matter concerns the final adoption of regulations in Title 4 of the California Code of Regulations to:

- implement an ongoing license renewal program for Third-Party Providers of Proposition Player Services, Gambling Businesses, and their owners, supervisors, players and other employees;
- establish provisions for the review and approval of playing book forms for both TPPPS and Gambling Businesses; and
- extend the maximum term of a TPPPS contract.

Mr. Allen stated that the public comment period portion of the rulemaking process has been concluded. These regulations have gone through extensive public review and comment, both informal and formal. While the Commission will entertain public

comments here today as part of this public meeting and any public comments received will be included in the rulemaking file, but those comments will not be summarized or responded to in the Final Statement of Reasons.

Mr. Allen indicated that staff recommended that the Commission adopt and approve for filing with the Office of Administrative Law (OAL), the proposed amendments to Title 4, CCR, Chapters 2.1 and 2.2, and authorize staff to make any necessary non-substantive changes that may be required by OAL during its review process.

Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation.

4. 45-Day Public Comment Hearing Concerning Regular Rulemaking to Make Permanent Emergency Regulation for Assistance to Bingo Players (Adopt Title 4, CCR Section 12482) (Pursuant to Penal Code section 326.5(p)(6) (SB 1369))

James Allen, Regulatory Action Manager, indicated that agenda item No. 4 is an Administrative Procedure Act (APA) public hearing regarding the proposed regulatory action to make permanent an emergency bingo regulation in Title 4, Division 18 of the California Code of Regulations. The regulatory action is described in the Notice of Proposed Action that was duly published in the *California Regulatory Notice Register* on July 10, 2009. Specifically, the Commission is proposing to adopt Section 12482, concerning the methods by which the operator of a bingo game may offer assistance to a player with disabilities.

Mr. Allen stated that, under the rulemaking provisions of the APA, this is the time and place set for the presentation of statements, arguments, and recommendations, orally or in writing, for or against the proposed regulations. Written comments will be accepted at any time before the close of the hearing. Mr. Allen also mentioned that all comments, objections and recommendations will be considered and the Commission's formal responses will be included in the Final Statement of Reasons that will be prepared following the close of this hearing. The commission will not formally respond directly to individuals.

Mr. Allen indicated that the Commission has maintained a rulemaking file for the proposed regulatory action. A copy of the current file is contained in a binder at the back table and is available for public inspection during this hearing and, following this hearing, at the commission's Sacramento office. The rulemaking file contains all the written comments received as of the close of the written comment period, September 30, 2009, at 5:00 p.m. Mr. Allen noted for the record that the Commission had received written comments from two parties within the written comment period.

Mr. Allen stated that staff is recommending that the Commission only accept public comments on the proposed regulatory action at this hearing, and that the final adoption and approval for filing with OAL be considered at a subsequent commission meeting.

Mr. Allen turned this matter over to Herb Bolz, Sr. Legal Counsel, from the Legal Division to briefly outline the proposed action and answer any questions.

Herb Bolz, Senior Legal Counsel, briefly described the applicable provision of Penal Code section 326.5 (p)(6) relating to the proposed regulation, indicating that it authorizes the Commission to adopt regulations concerning means for providing assistance to players with disabilities in the play of bingo. Mr. Bolz explained that this regulation was previously adopted and approved as an emergency regulation to provide very straight forward ways to assist people with disabilities in the game of bingo.

Chairman Shelton invited the public to come forward and provide comments, objections or recommendations. There was no response to the invitation from those in attendance and this hearing and comment session was closed.

5. 45-Day Public Comment Hearing Concerning Regular Rulemaking to Make Permanent Emergency Regulation for Approval of Bingo Card-Minding Devices (Adopt Title 4, CCR Section 12486) (Pursuant to Penal Code section 326.5(p)(1), (2) and (3) (SB 1369))

James Allen, Regulatory Action Manager, indicated that agenda item No. 5 was scheduled as an APA public hearing regarding the proposed regulatory action to make permanent an emergency bingo regulation in Title 4, Division 18 of the California Code of Regulations. The regulatory action is described in the Notice of Proposed Action that was duly published in the *California Regulatory Notice Register* on May 15, 2009. Specifically, the commission is proposing to adopt Section 12486, concerning the interim approval of bingo card-minding devices.

Mr. Allen stated that, in view of the recent chaptering of Senate Bill 126, by Senator Cedillo (Chapter 562, Statutes of 2009), staff is recommending that this item be tabled and not taken up at this time. SB126, among other things, contains a provision that extends to December 31, 2011, the effective term of all emergency bingo regulations adopted by the Commission before July 1, 2009, which includes Section 12486. SB 126 was an urgency measure and took effect immediately upon chaptering, October 11, 2009. Since this emergency regulation will remain in effect for roughly another 26 months, there will be ample time to pursue the development and adoption of detailed permanent regulations establishing technical specifications, testing and certification procedures, and appropriate fees for the approval of card-minding devices and associated equipment. Those regulations are already being developed.

Without objection, the Chairman and Commissioners concurred in staff's recommendation and this matter was tabled with no further action.

GENERAL PUBLIC COMMENT

Chairman Shelton opened the floor for general public comment.

There were no comments from the public during this portion of the meeting.

ADJOURNMENT

Upon motion of 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 was adjourned at 10:15 a.m.