

California Gambling Control Commission
2399 GATEWAY OAKS DRIVE, SUITE 220
SACRAMENTO, CA 95833
(916) 263-0700 FAX (916) 263-0499
www.cgcc.ca.gov

**MINUTES OF JULY 21, 2009
REGULATION HEARING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:00 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. 45-Day Public Comment Period Hearing and Consideration of Final Adoption of Regulations Establishing Minimum Internal Control Standards (MICS) for Gambling Establishments and Approval for Filing with the Office of Administrative Law. (Amending Title 4, California Code of Regulations, Section 12388.)

- Extension of Credit
- Check Cashing

Regulation Manager, Jim Allen indicated that the staff recommended that the Commission adopt and approve for filing with the Office of Administrative Law, the proposed amendments to Title 4, CCR, Section 12388, as previously noticed June 5, 2009, contingent upon the receipt of no additional substantive written public comments by the close of the public comment period at 5:00 p.m., July 21, 2009; and authorize the Chairman and Executive Director to determine whether any additional written comments received before the close of the public comment period are substantive and require further consideration by the Commission.

Discussion commenced on this item and the Commission heard comments from David Fried representing the Regulation Sub Committee of the California Gaming Association, Aaron Wong and Ron Burge, representing the Bureau of Gambling Control.

A transcript of this discussion is incorporated into these minutes as Attachment A.

Chairman Shelton moved to make the following changes in the specific language of proposed regulations:

On page 1, line 28 and 29

Current – "...credit to an employee of the licensee to act as a 'house prop player' or 'public relations player' in a game that has a player-dealer position."

Change – "...credit to an employee of the licensee to act as a 'house prop player' or 'public relations player' in a game."

On page 3, line 19 through 23

Current – "Three or more banking days after receipt of a personal check a licensee shall not allow a patron to redeem, reclaim or repurchase that personal check with a subsequent personal check, unless that patron has been approved for an extension of credit as provided in this Article and the amount of the check or checks to be replaced is within the patron's approved credit limit, or unless the check replaces a check that was dishonored."

Change – Direct staff to draft modified text to clarify check replacement limitations and to provide for a prohibition of repeated or serial check replacements that would circumvent credit extension policies and procedures.

The motion was seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

The modified language of the proposed regulatory action will be noticed and made available for a 15-day public comment period as provided in Government Code section 11346.8(c) and Title 1, CCR, Section 44.

4. Preliminary Commission Review and Consideration of Regulations and Approval for Commencement of the Formal APA Rulemaking Process; Portable Personal Key Employee Licenses. (Adopt Title 4, CCR Sections 12350, 12351, 12352, 12353 and 12355; amend Title 4, CCR, Sections 12008, 12335, 12340, 12341, 12342, 12343, 12344, 12345, 12346, and 12354.)

- Initial and renewal application process and timeframes.
- Request to transfer license due to change of employment.
- Request for a replacement license.
- Mandatory and discretionary grounds for denial of applications.

Kelly Schmidt, Regulation Analyst indicated that staff recommended the Commission approve initiation of the formal rulemaking process for this proposed regulatory action, including the recent modifications to establish a portable personal key employee license program in regulation, in accordance with the provisions of SB 730.

David Fried had concerns regarding Article 3, page 7 of the general provisions. He suggested that the time frame to review an application to deem it complete could be more efficient if it were done by the Commission or the Bureau of Gambling Control rather than both organizations.

Chairman Shelton indicated that the staff would look into Mr. Fried's suggestion.

A transcript of this item is incorporated into these minutes as Attachment A.

Upon motion of Chairman Shelton, 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.

PUBLIC COMMENT

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

ADJOURNMENT

Chairman Shelton adjourned the meeting at 10:55 a.m.