

GAMING POLICY ADVISORY COMMITTEE

2399 GATEWAY OAKS DRIVE, SUITE 220

SACRAMENTO, CA 95852-4231

(916) 263-0700 · FAX (916) 263-0499

WWW.CGCC.CA.GOV

MINUTES OF AUGUST 25, 2016 GAMING POLICY ADVISORY COMMITTEE MEETING

OPEN SESSION

1. Call to Order and Welcome – Stacey Luna Baxter, Executive Director

Executive Director Stacey Luna Baxter called the August 26, 2016, meeting of the Gaming Policy Advisory Committee (GPAC), to order at 1:30 p.m.

3. Roll Call of GPAC Members and Committee Advisory Members

Roll call of the Committee Members was taken. Joy Harn, Haig Kelegian, Jr., Darrell Miers, Yolanda Morrow, Keith Sharp, Tom Hallinan, Robert Jacobson and Brent Meyer were present. Kermit Schayltz and Leonard Powell were absent.

4. Approval of Meeting Minutes from June 23, 2016

Robert Jacobson moved to approve the June 23, 2016 meeting minutes. Yolanda Morrow seconded the motion and by consensus the Committee Members approved the minutes. Brent Meyer abstained from the vote.

5. Discussion of Proposed Personnel and Equipment Regulations

Josh Rosenstein presented GPAC with the proposed text for the Personnel and Equipment regulations for their review and comments. Mr. Rosenstein solicited comments from the members. Below is a summary of the sections in the proposed regulations that were discussed during the meeting.

§12360. Chapter Definitions

§12360(b)(7) foreign chip – Keith Sharp asked for clarification as to the reason for requiring a reciprocal agreement between two gambling enterprises. Joy Harn expressed concerns that “reciprocal agreement” did not belong in the definition and that it should stand alone from the term “foreign chip.”

§12360(b)(5) confidential document - Robert Jacobson suggested revising the definition since many Title 31 forms can be confidential and might not be obtained from the subject.

§12360(b)(10) house proposition player – Comments were made by Keith Sharp, Joy Harn, and Haig Kelegian. There were concerns about the use of the term “round

games” in the definition. There were discussions concerning the requirements for compliance under both the Labor Code and the Gambling Control Act. It was suggested that additional options be made available for the Commission’s consideration.

§12360(b)(14) promotional chip – Keith Sharp suggested making the definition broader to include other promotional representations (i.e. coupons).

OPTION 1: House Prop Players employed by the gambling enterprise

§12XXX. House Proposition Players

(c) – Darrell Miers had concerns with the “three player” requirement suggesting that the number should be higher.

(b)(1)(2)(3)(4) – Haig Kelegian had concerns with the restrictions that a house proposition player may only participate in round games. Joy Harn wanted clarification that the limitations in these sections would only apply when a house proposition player was on the clock. Robert Jacobson stated that §(b)(4) seemed redundant and incomplete.

(h)(2) – Keith Sharp and Joy Harn had concerns that this section restricted employees from being able to play games while they were on standby.

(h)(6) – Keith Sharp indicated that this section was too broad and did not allow for extending a line of credit for play to employees.

OPTION 2: House Prop Players employed by a TPPPS company

§12XXX. House Proposition Players - Darrell Miers commented that he thinks option 2 would be harder for the small clubs because it adds several new fees to the process.

Discussion took place concerning expanding the role of a TPPPS or perhaps creating a new vendor category for third party vendor services to provide house prop players for poker games.

OPTION A: Allow Reciprocal Chip Agreements

§12402. Reciprocal Chip Agreements - Josh Rosenstein asked for input from GPAC regarding what they thought should be included as requirements in reciprocal chip agreements. Keith Sharp indicated that he would provide staff with some ideas.

§12404. Chip Redemption during Abnormal Closures - Keith Sharp and Joy Harn raised concerns that it may be difficult to find a location where chips can be redeemed during abnormal closures that would meet all the requirements included in this section. Todd Vlaanderen mentioned that a limited reciprocal chip agreement may fulfill these requirements. Josh Rosenstein indicated that this section is intended to require that a gambling establishment have a plan of action in the event of a closure.

§12406. Discontinuing of Use of a Series of Chips - Haig Kelegian advised that according to the states escheat laws chips cannot be made unredeemable.

§12408. Chips – Joy Harn requested that “document” be change to “verify” in subsection (d) and throughout the regulation text when it was a requirement of a key employee or licensee.

§12410. Gambling Equipment Inventory Log

(a)(1) – Joy Harn suggested this section should identify a licensee or key employee position instead of individual person to avoid having to update the policy and procedures every time new employees filled the position. Haig Kelegian indicated that this section should also include leased equipment.

(a)(2)(C) – Keith Sharp had concerns with the requirement for two signatures from employees from different departments. He indicated his issue is that the employees must be from different departments who may not have the training to know what they are signing.

§12412. Cards and Tiles

Joy Harn suggested that “must” should be “may” on both lines 19 and 27. Robert Jacobson suggested that “distance” should be “depth” on lines 18 and 27.

Option Y – Haig Kelegian expressed concerns regarding the cost of requiring that tiles have identifying features unique to each cardroom.

§12470. Personnel

(a)(2) – Keith Sharp stated concerns with the requirement to have an adequate number of employees on staff indicating that this section was too general.

(a)(4) (A)-(J) – Robert Jacobson commented that these sections do not account for electronic record keeping.

(a)(5)-(7) – Joy Harn and Keith Sharp suggested that these sections may be duplicative and unnecessary.

(a)(4)(J) – Robert Jacobson suggested that “written” should be “printed.”

§12472. Tips

(a)(1) – Keith Sharp indicated that “accounting employees” is too broad a term and could be interpreted to include cage personnel.

(a)(2)(C) – Keith Sharp mentioned that requiring patrons to put tips for cashiers in a designated tip-container would negatively impact the amount of tips cashiers receive. He indicated that requiring cardrooms to have a policy for accepting tips would be a better option. He also indicated that this section requires all cardrooms to become involved in the management of employees tips and he believes several cardrooms would reject this proposal.

6. Update and Discussion of Current Projects:

- A. Surveillance Requirements for Video Clarity and Format (Sub-committee Members: Darrell Miers & Leonard Powell)

Stacey Luna Baxter announced that Leonard Powell has asked to step-down from being a sub-committee member and asked if there was anyone who would like to take his place on the committee. Since there were no volunteers Stacey indicated that she would speak with Leonard to see if he would consider remaining on the committee.

- B. Revision of the GPAC Selection Process (Sub-committee Member: Robert Jacobson)

Robert Jacobson announced that the Commission had approved the revised application for appointment to GPAC. The project is completed and it will be removed from future agendas.

- C. Review of the Licensing Structure (Sub-committee Members: Haig Kelegian, Jr. & Yolanda Morrow)

Yolanda Morrow announced that she had nothing new to report, but has enlisted the help of Bureau of Gambling Control staff to assist with her review.

- D. Delegating Additional Authority to the Executive Director and/or Bureau (Sub-committee Member: Keith Sharp)

Keith Sharp reported that he had contacted an administrative law attorney to get an opinion on what actions under the Gambling Control Act requires an official action by the Commission and what duties the Commission may delegated to the Executive Director. He indicated that he was informed that the Commission could delegate certain duties to the Executive Director but that it was best done through regulation.

7. Open Discussion for New Items

- A. Introduction and Discussion of Possible New GPAC Projects

None.

8. Next Meeting

It was decided that the next GPAC meeting would be scheduled on October 6, 2016 at 1:30 p.m.

9. Public Comment

None.

Adjournment

The meeting was adjourned at 3:45 p.m.