

INDUSTRY MATTERS

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COMMISSION-SUPPORTED AB 1271 PAVES WAY FOR LICENSING STREAMLINING REGULATIONS IN 2024

On October 4, 2023, Governor Gavin Newsom signed Assembly Bill (AB) 1271 into law, and it became effective on January 1, 2024. Commission staff were pleased to work with author Assemblyman Mike Gipson’s office and Commission stakeholders on this bill throughout the legislative process.

In part, this bill allows the Commission to develop regulations that will streamline the licensure process for many owner category licensees. Specifically, this bill requires the Commission to adopt regulations implementing a new owner license type that allows for a person to be endorsed on the license certificates of multiple gambling enterprises.

Additionally, this bill authorizes the Commission to adopt regulations to waive application requirements, including supplemental forms, background investigations, and associated deposits when an applicant already possesses a current state gambling license in good standing.

Commission staff look forward to engaging with stakeholders in the process of developing regulations to implement AB 1271, and anticipates starting the rulemaking process in 2024.

This bill also clarifies and codifies transferability of Key Employee Licenses and Commission-issued work permits for employees seeking to work in more than one gambling establishment.

Finally, this bill clarifies that Commission approval is required in advance for the sale or transfer of a cardroom by a sole proprietor, which addresses a previous loophole and ensures that all owners are treated equally.

For more information, please visit [this page](#) on the Commission’s website, which hosts summaries of all gambling-related legislation chaptered in 2023.

In addition, the [Regulations page](#) on the Commission’s website has information on [proposed regulations](#); regulations that have been [recently adopted, amended, or repealed](#); the [Commission Resource Book](#); a link to the [rulemaking emailing list subscription form](#); and much more.

Inside this issue:

GPAC Appointees	2
Hail and Farewell	2
Excellence Awards	3
Regulations Update	4
Email Subscriptions	4
Holiday Giving	4
GCA Hearings	5
Email Options	5

CGCC Calendar

Upcoming Licensing Meetings

January 11

January 25

February 8

February 22

March 7

March 21

Upcoming State Holidays (Office Closed)

January 15

(Martin Luther King, Jr. Day)

February 19

(Presidents’ Day)

April 1

(Cesar Chavez Day)

California Gambling Control Commission

Chair

Paula LaBrie

Commissioners

Cathleen Galgiani

Eric Heins

William Liu

Edward Yee

Executive Director

Stacey Luna Baxter

Chief Counsel

Jason Pope

Deputy Director, Legislative & Regulatory Affairs

Rebecca Kirk

Deputy Director, Licensing Division

Brian Gilleland

Deputy Director, Operations Services

Division

Alana Carter

Public Information Officer

Fred Castaño

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2399 Gateway Oaks Drive #220
 Sacramento, CA 95833
 916-263-0700
cgcc.ca.gov
comments@cgcc.ca.gov

COMMISSION APPOINTS NEW GAMING POLICY ADVISORY COMMITTEE MEMBERS

At the December 21, 2023 Commission Meeting, the Commission appointed the following members to the [Gaming Policy Advisory Committee](#):

Category A: An employee from the Department of Justice, Bureau of Gambling Control

Jamin Teague, Assistant Director, Bureau of Gambling Control

Category B: An agency or nonprofit concerned with problem gambling and/or gambling addiction

Sosha Marasigan-Quintero, MPA, Principal of Behavioral Health Promotion Section, California Department of Public Health

Category D: A licensee, agent, or employee from an actively licensed cardroom with 25 tables or more in operation

David Fried, Designated Agent, Law Office of David M. Fried (re-appointment)

Category E: A licensee, agent, or employee from an actively licensed cardroom with less than 25 tables in operation

John Michael Stacy, Assistant General Manager, 500 Club Casino

Category F: An applicant affiliated with local law enforcement from a local government where an approved ordinance allows legalized gaming

Kirill Yermanov, Gaming Administrator, San Jose Police Department

HAIL AND FAREWELL

The Commission welcomes Brian Gilleland as the new Deputy Director of the Licensing Division! You are likely already familiar with Brian from his time at the Department of Justice’s Bureau of Gambling Control. We’re excited to have another experienced hand like Brian on board at the Commission!

The Commission wishes a very happy retirement to Denise deLotty Smith! Denise worked for the Commission’s Operations Services Division for an incredible 15 years, and had 16 years of state service in total. Congratulations Denise!

The Commission also wishes a very happy retirement to Bob Ralls! Bob retires after more than two years in the Commission’s Information Technology Unit and 17 years with the Department of Justice. Congratulations Bob!

The Commission bids farewell to former Licensing Manager Efen Zuniga, who departed from the Commission on November 30 and joined CalTrans. We wish him well!

COMMISSION STAFF DRAWS ON EXPERIENCE, DEDICATION, AND EXCELLENCE FOR ANOTHER SUCCESSFUL YEAR SERVING CALIFORNIA

By Stacey Luna Baxter
Executive Director

The California Gambling Control Commission is filled with amazing people who are exceptionally knowledgeable and dedicated. We have 34 staff members, but it seems we accomplish the work of hundreds. During the past year, the Commission conducted 61 public meetings (19 evidentiary hearings, 24 licensing meetings, five regulatory meetings, one precedential decision hearing, assisted with seven Tribal Nation Grant Fund meetings, and facilitated five Gaming Policy Advisory Committee meetings).

In addition, we process an average of approximately 7,400 license or finding of suitability requests per year. Honestly, these stats represent half of the work the Commission accomplishes on an annual basis. The grueling work behind the scenes is where most of the time and effort is spent. Every single one of our Commission staff members keep the Commission operating efficiently, professionally, and successfully. To say that I am proud of the work the Commission accomplishes each year is an understatement.

The Commission's Leadership Team knows employee recognition is very important. As such, our Leadership Team never misses an opportunity to recognize staff for jobs well done throughout the year. In addition, in December of each year, I have the honor of recognizing those employees whose dedication and efforts throughout the year make a significant impact on the Commission as a whole.

This year, the Operations Services Division's Human Resource Specialist **ALAINA LUTZ** received the "Awesome Award" in recognition of her vast knowledge and expertise, dedication, exceptional support, invaluable guidance, and constant professionalism. As the Human Resources Specialist, Alaina has one of the hardest jobs at the Commission, and each request made to her is usually accompanied by a "this is needs to be done as soon as possible" caveat attached to it. Alaina does incredible work in short time frames, and we thank her!

The 2023 Director's Award was presented to Commission **INFORMATION TECHNOLOGY UNIT** staff members Chief Information Officer **JACOB MUSCAN**, Information Technology Specialists **EDWARD DIGGS** and **OVI BUSH**, and Information Technology Associate **QUINN HEDGES** in recognition of their extraordinary efforts, time worked around the clock, patience, dedication, and continued professionalism. Without these individuals, the Commission literally would not be able to operate, let alone be able to provide remote flexibility to not only our staff but to our stakeholders attending our public meetings and hearings.

The Commission continues to maintain a staff where half of its members have been with the Commission for at least 10 years. Incredibly, 10 employees have 15 years or more with the Commission. Joining the list of employees celebrating their 15th year with the Commission in 2023 are **NIECESHA WILLIAMS**, **QUINN HEDGES**, and **JASON POPE**. In addition, **SHANA MARQUEZ** and **FRED CASTAÑO** are entering their 10th year with the Commission!

Each staff member of the Commission is a rock star, and I do not take for granted how lucky the Commission is to have every one of our team members. Thank you for your dedication and hard work put forth in 2023, and now onto another highly productive year in 2024!



**Please note that no State funds were used for the purchasing of the awards presented.*

REGULATIONS UPDATE: ANNUAL FEE PUBLIC COMMENT PERIOD ENDS FEBRUARY 12; ADVERTISING REGULATIONS WORKSHOP FORTHCOMING

By Rebecca Kirk, Josh Rosenstein, Alex Hunter, and Doris Pires
Legislative and Regulatory Affairs Division

Update to Annual Fees

The 45-day written comment period for the [proposed regulation](#) ends on February 12, 2024. The proposed regulations update the annual fee amounts for cardroom business and Third-Party Providers of Proposition Player Services (TPPPS) business licensees.

Additionally, the proposed regulations clarify how the annual fee amount is determined for active cardroom business and TPPPS business licensees for which three years of gross revenue data is unavailable, and will change the annual invoice date from October 1 to October 5.

Advertising

The Commission will hold a regulations workshop in early 2024 for the Commission to deliberate on public comments previously received on the [proposed regulations](#), and for consideration of approval to commence the formal rulemaking process anew, due to the expiration of the previous rulemaking period. For additional information, please see the [Notification Letter](#) issued December 20, 2023.

In advance of the workshop, Commission staff will provide summaries and proposed responses to written comments previously received, as well as any proposed modifications to the previous version of the regulation text.

Surveillance

The 15-day written comment period for amendments to the proposed Surveillance [regulations](#) ended December 20, 2023. The proposed regulations amend Minimum Internal Control Standards regulations concerning surveillance requirements for gambling establishments.

Following approval by the Office of Administrative Law, these regulations will be implemented with a delayed effective date of 12 months from the date of filing with the Secretary of State to provide cardroom business licensees adequate time to make any required updates to their existing surveillance policies and systems.

Hearing Results

*(Decisions Effective
October 1—
December 31)*

Third-Party Provider License

[Arise, LLC, approved via
stipulated settlement
December 21](#)

Commission Holiday Giving Update

For the past eight years, Alaina Lutz has coordinated the Commission's holiday giving efforts to the [Sacramento Children's Home](#), which provides services to over 7,000 children and 4,300 families each year.

This year Commission staff donated \$840! A HUGE thank you to Alaina and staff!

YOUR NEW YEAR'S RESOLUTION: TO RENEW YOUR COMMISSION EMAIL SUBSCRIPTIONS

The Commission sent notices to all subscribers of the rulemaking and meeting agenda mailing lists, informing them that they need to renew their subscriptions to continue receiving notifications.

Please visit the Commission's website [here](#) to renew your rulemaking list subscription; and visit the website [here](#) to renew your meeting agenda list subscription. You must fill out all of the required information to ensure receipt of all future notifications. For greatest efficiency and the timeliest notifications, we encourage you to subscribe to receive information by electronic mail, as opposed to subscribing to the hard copy mailing list.

The Commission is required to update its mailing lists annually [[Govt. Code § 14911](#)]. The Commission utilizes these lists primarily to mail invitations to regulatory meetings and workshops, regulatory hearing notices, other rulemaking information, and meeting agendas.

HAVE AN UPCOMING EVIDENTIARY HEARING? PREPARE BY WATCHING A COMMISSION GAMBLING CONTROL ACT HEARING

By Kate Patterson
Staff Counsel



When the Commission refers an applicant to an evidentiary hearing, it is often the applicant's first experience with participating in a Gambling Control Act (GCA) hearing. Watching a live GCA hearing is a great way for an applicant, their counsel, or designated agent, to prepare for an upcoming GCA hearing.

Watching live hearings can help an applicant or their representatives understand the process; the type of evidence frequently introduced and how to offer it to the Commission; how to make an opening statement and closing argument; and many other aspects that applicants may be unfamiliar with. Viewing a live hearing can give applicants some familiarity with the Commissioners and the process so they are prepared for their own hearing.

The Commission updated its website to make it easier to watch live GCA hearings by listing the dates and times of all upcoming hearings. The [Pending Administrative Hearings](#) page on the Commission website has a chart of all upcoming GCA hearings and the Zoom link to watch them live.

Pleading documents for each hearing can be found on the Pending Administrative Hearings page by searching for the applicant's name. Applicants and any other member of the public may observe live GCA hearings, but must remain on mute with their video camera off to preserve bandwidth.

Additionally, the Commission updated its [Frequently Asked Questions](#) page for GCA hearings. These updates explain the hearing process from start to finish, including how to prepare for a hearing, an overview of the hearing process, and information on receiving a decision after the hearing. Some of these updates were made to account for a change in Commission procedure as a result of hearings being conducted by Zoom.

For questions about hearings, please contact the Administrative Hearings Coordinator at (916) 263-0700.

LICENSING DIVISION OFFERS EMAIL OPTIONS FOR MEETING NOTICES, HEARING INFORMATION, AND MORE

By Ericka Ramirez
Licensing Analyst



As a result of the Commission adopting [evidentiary hearing regulations](#) in April 2020, the Commission can send various notices and correspondence to applicants and Designated Agents solely via email, which makes for a more efficient way to facilitate the licensing process.

If the Commission places conditions on an applicant's license at a Commission Meeting, the applicant can complete their written assent to the conditions and email it to the appropriate Licensing Analyst or to the general Licensing Division inbox at licensing@cgcc.ca.gov. The Licensing Division can also email meeting notices to applicants or their Designated Agent for when the Commission will consider their license application.

Also, if an applicant has been referred to an evidentiary hearing, they or their Designated Agent have the option of selecting the appropriate box on the [Notice of Defense form](#) to receive all correspondence regarding the evidentiary hearing solely via email.

The email option is fast, cost-efficient, and even creates a digital record to help make navigating the licensing process a little more organized. For any questions, please call 916-263-6292 or email licensing@cgcc.ca.gov.