

1 CALIFORNIA GAMBLING CONTROL COMMISSION  
2 MODIFIED TEXT OF PROPOSED REGULATIONS  
3 ANNUAL FEE: PHASE II  
4 CGCC-GCA-2025-01-R  
5

6 Title 4. Business Regulations.  
7 Division 18. California Gambling Control Commission.  
8

9 CHAPTER 1. GENERAL PROVISIONS

10 ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES  
11

12 § 12002. General Definitions.

13 Unless otherwise specified, the definitions in Business and Professions Code section 19805,  
14 supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the Penal Code (commencing  
15 with section 330), govern the construction of this division. As used in this division:

16 (a) "Active licensee" means a valid cardroom business licensee or TPPPS business licensee who has  
17 generated revenue for at least the last fiscal year as reported pursuant to Section 12313.

18 (b)(a) ...

19 (c)(b) ...

20 (d)(e) ...

21 (e) "Annual fee" is the amount that a licensee is required to pay to cover Non-Application Costs,  
22 pursuant to Section 12094.

23 (f) "Application cost" means all costs borne by the Commission and the Department of Justice,  
24 ~~including the deposit related to~~ directly associated with the processing of a ~~specific application,~~ and  
25 funded pursuant to Section 12090 to Title 11, CCR, Section 2037.

26 (g)(d) ...

27 (h)(e) ...

28 (i)(f) ...

29 (j)(g) ...

30 (k)(h) ...

31 (l)(i) ...

32 (m)(j) ...

33 (n)(k) ...

34 (o)(l) ...

35 (p)(m) ...

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1 ~~(q)(n)~~ ...

2 ~~(r)(o)~~ ...

3 ~~(s)(p)~~ ...

4 ~~(t)(q)~~ ...

5 ~~(u)(r)~~ ...

6 ~~(v)(s)~~ ...

7 ~~(w)(t)~~ ...

8 ~~(x)(u)~~ ...

9 ~~(y)(v)~~ “Former business licensee ~~Surrendered or revoked licensee~~” means a ~~former~~ cardroom  
10 business licensee or TPPPS business licensee who ~~stopped operating and~~ ceased to ~~hold~~ ~~maintain~~ a valid  
11 cardroom business license or TPPPS business license prior to August 31 of the same year in which the  
12 annual fee invoices are ~~created~~ provided pursuant to Section 12092.

13 ~~(z)(y)~~ ~~(v)~~ ...

14 ~~(aa)(z)~~ ~~(w)~~ ...

15 ~~(ab)(aa)~~ ~~(x)~~ ...

16 ~~(ac)(ab)~~ ~~(y)~~ ...

17 ~~(ad)(ac)~~ ~~(z)~~ ...

18 ~~(ae)(ad)~~ ~~(aa)~~ ...

19 ~~(af)(ae)~~ ~~(ab)~~ ...

20 ~~(ag)(af)~~ ~~(ae)~~ ...

21 ~~(ah)(ag)~~ ~~(ad)~~ ...

22 ~~(ai)(ah)~~ ~~(ae)~~ ...

23 ~~(aj)(ai)~~ ~~(af)~~ ...

24 ~~(ak)(aj)~~ ~~(ag)~~ ...

25 ~~(al)(ak)~~ ~~(ah)~~ ...

26 ~~(am)(al)~~ ~~(ai)~~ ...

27 ~~(an)(am)~~ “Non-application costs” means all costs other than Application Costs borne by the  
28 Commission, Department of Justice, and all other State operations expenditures for the administration  
29 and enforcement of the Act.

30 ~~(ao)(an)~~ “Non-operational licensee” means a cardroom business licensee or TPPPS business  
31 licensee that maintains a valid cardroom business license or TPPPS business license and has not  
32 generated revenue in the past year as reported pursuant to Section 12313. Where there is a sale,  
33 assignment, transfer, ~~pledge, hypothecation,~~ or other disposition of a cardroom business licensee or its

1 entire gambling operation, or TPPPS business licensee or its entire operation, the consideration of the  
2 past year's revenue data will be based on the transferor and the transferee's combined consecutive gross  
3 revenue.

4 ~~(ap) (ao)~~(aj) ...

5 ~~(aq) (ap)~~(ak) ...

6 ~~(ar) (aq)~~(al) ...

7 ~~(as) (ar)~~(am) ...

8 ~~(at) (as)~~(an) ...

9 ~~(au)~~(ao) ...

10 ~~(av)~~(ap) ...

11 ~~(aw)~~(aq) ...

12 ~~(ax)~~(av) ...

13 ~~(ay)~~(ar) ...

14 ~~(az)~~(as) ...

15 ~~(ba)~~(at) ...

16 ~~(bb)~~(au) ...

17 (bc) "TPPPS operation" means the totality of third-party proposition player services provided by a  
18 TPPPS business licensee to all cardroom business licensees for which the TPPPS business licensee has  
19 approved contracts.

20 ~~(bd)~~(aw) ...

21 ~~(be)~~(ax) ... "TPPPS supervisor license" means a license issued to any natural person employed in a  
22 supervisory capacity by a TPPPS business licensee, or who has any supervisory responsibilities  
23 identified in a job duty statement or otherwise empowered to make discretionary decisions that regulate  
24 TPPPS ~~activities~~operations, including, without limitation, the authority to, on behalf of the TPPPS  
25 business licensee, to authorize or approve the distribution of currency, chips, or other wagering  
26 instruments to authorized players engaged in the provision of third-party proposition player services in a  
27 gambling establishment.

28 ~~(bf)~~(ay) "TPPPS worker license" means a license issued to any natural person employed or hired by a  
29 TPPPS business licensee, including a subcontractor or independent contractor, whose duties include being  
30 at a gambling establishment, but who does not have any supervisory responsibilities identified in a job  
31 duty statement or otherwise empowered to make discretionary decisions that regulate TPPPS  
32 ~~activities~~operations, including, without limitation, the authority to, on behalf of the TPPPS business

licensee, to authorize or approve the distribution of currency, chips, or other wagering instruments to players engaged in the provision of third-party proposition player services in a gambling establishment.

~~(bg)(az)~~ ...

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19854, Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19816, 19853 and 19984, Business and Professions Code.

### § 12003. General Requirements.

...

(b)(1) All records required by the Commission or Bureau must be maintained for a minimum of five years, unless otherwise specified, in a secure location on the premises of the gambling establishment or at the main offices of the TPPPS business licensee. Records may be maintained at another facility within California when approved in advance by the Bureau. Any change in an approved location must be reported to the Bureau by written notice mailed or delivered prior to establishing or changing a storage location. The location will be deemed approved if not disapproved by the Bureau within 30 calendar days of receipt of the written notice.

(2) Whenever there is a sale, assignment, transfer, ~~pledge, hypothecation,~~ or other disposition of a cardroom business licensee or its entire gambling operation, or TPPPS business licensee or its entire TPPPS operation, the transaction document must provide that the transferee must receive and maintain the transferor's records in accordance with (b)(1) until the expiration of the relevant maintenance period, pursuant to paragraph (1).

...

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19827, 19841, 19857, 19866 and 19984, Business and Professions Code.

## ARTICLE 4. FEES

### § 12091. Annual Fees in Transactions.

Whenever there is a sale, assignment, transfer, ~~pledge, hypothecation,~~ or other disposition of a cardroom business licensee or its entire gambling operation, or TPPPS business licensee or its entire TPPPS operation, the transaction document must state whether any annual fees due by the transferor will be paid by the transferee prior to the transaction closing. If the transaction does not require the transferee to pay any annual fees due, then the transferor must pay all annual fees due prior to the transaction closing. The transaction cannot provide any extension for when annual fees are due pursuant to Section 12092.

Note: Authority cited: Sections 19811(b), 19824, 19840, 19841, 19901, 19951 and 19984, Business and Professions Code. Reference: Sections 19841, 19901, 19951 and 19984, Business and Professions Code.

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1 § 12092. Annual Fee.

2 (a) The Bureau will provide each cardroom business licensee and each TPPPS business licensee an  
3 invoice, pursuant to Section 12006, by October 5, 2024, and each October 5 thereafter, of their annual  
4 fee, as provided in Section 12094. The invoice is due and payable upon receipt. Unless installment  
5 payments are approved under section (c), payments after January 5 are delinquent.

6 (b) The annual fee may be paid in installments. The cardroom business licensee or TPPPS business  
7 licensee must submit a written request to the Bureau to make installment payments within 30 calendar  
8 days from the date the invoice was served.

9 (c) A request for installment payments will be considered approved, unless within 14 calendar days of  
10 the request being received, the Bureau provides notification, pursuant to Section 12006, that the request  
11 has been disapproved. The Bureau will disapprove the request if the cardroom business license or TPPPS  
12 business licensee has a history of failing to make installment payments as required or has not submitted  
13 the request pursuant to subsection (b). Installment payments must be made in the year following the  
14 request pursuant to subsection (b) as follows: one-third of the annual fee to be submitted no later than  
15 January 5, one-third no later than April 5, and the balance no later than June 30.

16 (d) The license certificate for the cardroom business licensee or TPPPS business licensee will not be  
17 issued until the Bureau has received the annual fee or has approved the cardroom business licensee or  
18 TPPPS business licensee for installment payments.

19 (e) Any application for a renewal cardroom business license or TPPPS business license will not be  
20 approved by the Commission until any delinquent annual fees have been paid in full.

21 (f) No application for a TPPPS contract may be approved by the Bureau until any delinquent annual  
22 fees owed by both the contracting cardroom business licensee and TPPPS business licensee have been  
23 paid in full.

24 (g)(1) Upon the issuance of an initial license or first temporary license to a cardroom business  
25 licensee or TPPPS business licensee, the Bureau will issue an invoice, pursuant to Section 12006, in the  
26 amount of the applicable Daily Rate, as provided in Section 12094 multiplied by the number of remaining  
27 calendar days in the year following the date of issuance. The cardroom business licensee or TPPPS  
28 business licensee must submit to the Bureau the annual fee within 30 calendar days of service.

29 (2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006,  
30 the cardroom business licensee or TPPPS business licensee the unadjusted annual fee required of an  
31 active licensee with a gross revenue under \$1,500,000, as provided in Section 12094 for the following  
32 calendar year. If the license is approved after October 5, this invoice will be issued at the same time as  
33 the invoice required in paragraph (1).

1 (3) Subsection (g) does not apply when there has been a sale, assignment, transfer, ~~pledge,~~  
2 ~~hypothecation,~~ or other disposition of a cardroom business licensee or its entire gambling operation, or  
3 TPPPS business licensee or its entire TPPPS operation.

4 (h) If three years of gross revenue data is unavailable to calculate the 3-year average gross revenue  
5 required to determine an active cardroom business licensee's or TPPPS business licensee's annual fee  
6 pursuant to Section 12094, the Commission will utilize the available gross revenue data for that purpose.  
7 as follows:

8 (1) If only one year of gross revenue data is available within the previous three years, that year's  
9 gross revenue will serve in place of the 3-year average gross revenue to determine the cardroom business  
10 licensee's or TPPPS business licensee's annual fee pursuant to Section 12094.

11 (2) If only two years of gross revenue data are available within the previous three years, the average  
12 of those two years' gross revenue will serve in place of the 3-year average gross revenue to determine the  
13 cardroom business licensee's or TPPPS business licensee's annual fee pursuant to Section 12094.

14 (3) Where there is a sale, assignment, transfer, pledge, hypothecation, or other disposition of a  
15 cardroom business licensee or its entire gambling operation, or TPPPS business licensee or its entire  
16 TPPPS operation, the 3 years of gross revenue data will be based on the transferor and transferee's  
17 combined consecutive gross revenue.

18 Note: Authority cited: Sections 19811(b), 19823, 19824, 19826, 19840, 19841, 19876(a), 19951, 19955 and 19984,  
19 Business and Professions Code. Reference: Sections 19841, 19876(a), 19951, 19954 and 19984, Business and  
20 Professions Code.

21  
22 **§ 12094. Annual Fee Amounts.**

<u>Type of Business Licensee</u>	<u>TPPPS Annual Fee</u>	<u>Cardroom Annual Fees</u>
<u>Surrendered or Revoked Licensee</u>	<u>\$0</u>	<u>\$0</u>
<u>Non-Operational Licensee</u>	<u>\$2,411</u>	<u>\$6,234</u>
<u>Daily Rate</u>	<u>\$13.21</u>	<u>\$34.16</u>
<u>Active Licensee – 3-Year Average Gross Revenue Under \$1.5 million</u>	<u>\$4,823</u>	<u>\$12,468</u>
<u>Active Licensee – 3-Year Average Gross Revenue of \$1.5 million or More</u>	<u>1.48%</u> <u>of the 3-Year Average</u> <u>Gross Revenue</u>	<u>1.33%</u> <u>of the 3-Year Average</u> <u>Gross Revenue</u>

23 Note: Authority cited: Sections 19811(b), 19823, 19824, 19826, 19840, 19841, 19876(a), 19951, 19955 and 19984,  
24 Business and Professions Code. Reference: Sections 19826, 19841, 19867, 19951, 19954, 19955 and 19984,  
25 Business and Professions Code.



1 (14)(20) ...

2 (15)(21) ...

3 (16)(22) ...

4 Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference:  
5 Sections 19805, 19841, 19853 and 19984, Business and Professions Code.

6  
7 **§ 12252. TPPPS Business Licensee Annual Fee.**

8 ~~(a) The Bureau will provide each TPPPS business licensee an invoice, pursuant to Section 12006, by~~  
9 ~~October 5, 2024, and each October 5 thereafter, of their annual fee, as provided in Section 12252.2.~~

10 ~~(b) The annual fee may be paid in installments. The TPPPS business licensee must submit a written~~  
11 ~~request to the Bureau to make installment payments within 30 calendar days from the date the invoice~~  
12 ~~was served.~~

13 ~~(c) A request for installment payments will be considered approved, unless within 14 calendar days of~~  
14 ~~the request being received, the Bureau provides notification, pursuant to Section 12006, that the request~~  
15 ~~has been disapproved. The Bureau will disapprove the request if the TPPPS business licensee has a~~  
16 ~~history of failing to make installment payments as required or has not submitted the request pursuant to~~  
17 ~~subsection (b). Installment payments must be made in the year following the request pursuant to~~  
18 ~~subsection (b) as follows: one third of the annual fee to be submitted no later than January 5, one third no~~  
19 ~~later than April 5, and the balance no later than June 30. If installment payments were not requested or a~~  
20 ~~request for installment payments was disapproved, the entire amount of the annual fee must be submitted~~  
21 ~~no later than January 5.~~

22 ~~(d) The TPPPS license certificate will not be issued until the Bureau has received the annual fee or~~  
23 ~~has approved the TPPPS business licensee for installment payments.~~

24 ~~(e) Any application for a renewal TPPPS business license will not be approved by the Commission~~  
25 ~~until any delinquent annual fees have been paid in full.~~

26 ~~(f) No application for a TPPPS contract may be approved by the Bureau until any delinquent annual~~  
27 ~~fees have been paid in full.~~

28 ~~(g)(1) Upon the first issuance of a TPPPS business license, as either a temporary TPPPS business~~  
29 ~~license or an initial TPPPS business license, whichever occurs first, the Bureau will issue an invoice,~~  
30 ~~pursuant to Section 12006, in the annual fee amount required of an active licensee with a gross revenue~~  
31 ~~under \$1,500,000, as provided in Section 12252.2, divided by 12, multiplied by the number of whole~~  
32 ~~months remaining in the current calendar year. The TPPPS business licensee must submit to the Bureau~~  
33 ~~the annual fee within 30 calendar days of service.~~

(2) For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the TPPPS business licensee the unadjusted annual fee required of an active licensee with a gross revenue under \$1,500,000, as provided in Section 12252.2 for the following calendar year. If the license is approved after October 5, this invoice will be issued at the same time as the invoice required in paragraph (1).

(h) If three years of gross revenue data is unavailable to calculate the 3-year average gross revenue required to determine an active TPPPS business licensee's annual fee pursuant to Section 12252.2, the Commission will utilize the available gross revenue data for that purpose, as follows:

(1) If only one year of gross revenue data is available within the previous three years, that year's gross revenue will serve as the 3-year average gross revenue to determine the TPPPS business licensee's annual fee pursuant to Section 12252.2.

(2) If only two years of gross revenue data are available within the previous three years, the average of those two years' gross revenue will serve as the 3-year average gross revenue to determine the TPPPS business licensee's annual fee pursuant to Section 12252.2.

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841 and 19984, Business and Professions Code.  
Reference: Sections 19841 and 19984, Business and Professions Code.

**§ 12252.2. TPPPS Business Licensee Annual Fee Amounts.**

Type of TPPPS Business Licensee	Annual Fee
Surrendered or Revoked Licensee	\$0
Non-Operational Licensee	\$2,411
Active Licensee— 3-Year Average Gross Revenue Under \$1.5M	\$4,823
Active Licensee— 3-Year Average Gross Revenue of \$1.5M or More	1.48% of the 3-Year Average Gross Revenue

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841 and 19984, Business and Professions Code.  
Reference: Sections 19826, 19841, 19867 and 19984, Business and Professions Code.

**CHAPTER 5. ACCOUNTING AND TRANSACTION APPROVALS**

**ARTICLE 1. ACCOUNTING AND FINANCIAL REPORTING**

**§ 12312. Record Retention and Maintenance; General Provisions.**

Each licensee must:

(a)(1) Maintain all records required by this article for a minimum of seven years.

(2) Whenever there is a sale, assignment, transfer, ~~pledge, hypothecation,~~ or other disposition of a cardroom business licensee or its entire gambling operation or TPPPS business licensee or its entire TPPPS operation, the transaction document must provide that the transferee must receive and maintain the transferor's records in accordance with (a)(1) until the expiration of the seven year period.

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1 ...

2 Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code.  
3 Reference: Sections 19826, 19841, 19857 and 19984, Business and Professions Code.

4

5 **CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS**

6 **ARTICLE 1. GENERAL PROVISIONS**

7

8 **§ 12360. Chapter Definitions.**

9 ...

10 (b) As used in this chapter:

11 ~~(1) "Active Licensee" means a valid cardroom business licensee who has generated revenue for at~~  
12 ~~least the last year as reported pursuant to Section 12313.~~

13 ~~(2) "Annual fee" is the amount that a cardroom business licensee is required to pay to cover non-~~  
14 ~~application costs pursuant to Section 12368.2.~~

15 ~~(3) "Application Cost" means all costs, including the deposit, related to the processing of an~~  
16 ~~application.~~

17 (1)(4) ...

18 (2)(5) ...

19 (3)(6) ...

20 (4)(7) ...

21 (5)(8) ...

22 (6)(9) ...

23 ~~(10) "Non Application Cost" means all costs other than application costs borne by the Commission,~~  
24 ~~Department of Justice, and all other State operations expenditures for the administration and enforcement~~  
25 ~~of the Act.~~

26 ~~(11) "Non Operational Licensee" means a cardroom business licensee that maintains a valid~~  
27 ~~cardroom business license or registration, and has not generated revenue in the past year as reported~~  
28 ~~pursuant to Section 12313.~~

29 (7)(12) ...

30 ~~(13) "Surrendered or Revoked Licensee" means a former cardroom business licensee who stopped~~  
31 ~~operating and ceased to maintain a cardroom business license prior to August 31 of the year the invoices~~  
32 ~~are created.~~

33 (8)(14) ...

34 Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference:  
35 Sections 19805, 19841, 19860 and 19924, Business and Professions Code.

1  
2 **§ 12368. Cardroom Business Licensee Annual Fee.**

3 (a) ~~The Bureau will provide each cardroom business licensee an invoice, pursuant to Section 12006,~~  
4 ~~by October 5, 2024, and each October 5 thereafter, of their annual fee, as provided in Section 12094.~~

5 (b) ~~The annual fee may be paid in installments. The cardroom business licensee must submit a written~~  
6 ~~request to the Bureau to make installment payments within 30 calendar days from the date the invoice~~  
7 ~~was served.~~

8 (c) ~~A request for installment payments will be considered approved, unless within 14 calendar days of~~  
9 ~~the request being received, the Bureau provides notification, pursuant to Section 12006, that the request~~  
10 ~~has been disapproved. The Bureau will disapprove the request if the cardroom business licensee has a~~  
11 ~~history of failing to make installment payments as required or has not submitted the request pursuant to~~  
12 ~~subsection (b). Installment payments must be made in the year following the request pursuant to~~  
13 ~~subsection (b) as follows: one third of the annual fee to be submitted no later than January 5, one third no~~  
14 ~~later than April 5, and the balance no later than June 30. If installment payments were not requested or a~~  
15 ~~request for installment payments was disapproved, the entire amount of the annual fee must be submitted~~  
16 ~~no later than January 5.~~

17 (d) ~~The cardroom business license certificate will not be issued until the Bureau has received the~~  
18 ~~annual fee or has approved the cardroom business licensee for installment payments.~~

19 (e) ~~Any application for a renewal cardroom business license will not be approved by the Commission~~  
20 ~~until any delinquent annual fees have been paid in full.~~

21 (f) ~~No application for a TPPPS contract with a cardroom business licensee may be approved by the~~  
22 ~~Bureau until any delinquent annual fees owed by that cardroom business licensee have been paid in full.~~

23 (g)(1) ~~Upon the first issuance of a cardroom business license, as either a temporary cardroom~~  
24 ~~business license or an initial cardroom business license, whichever occurs first, the Bureau will issue an~~  
25 ~~invoice, pursuant to Section 12006, in the annual fee amount required of an active licensee with a gross~~  
26 ~~revenue under \$1,500,000, as provided in Section 12368.2, divided by 12, multiplied by the number of~~  
27 ~~whole months remaining in the current calendar year. The cardroom business licensee must submit to the~~  
28 ~~Bureau the annual fee within 30 calendar days of service.~~

29 (2) ~~For the first full calendar year of licensure, the Bureau will invoice, pursuant to Section 12006, the~~  
30 ~~cardroom business licensee the unadjusted annual fee required of an active licensee with a gross revenue~~  
31 ~~under \$1,500,000, as provided in Section 12368.2 for the following calendar year. If the license is~~  
32 ~~approved after October 5, this invoice will be issued at the same time as the invoice required in paragraph~~  
33 ~~(1).~~

(h) If three years of gross revenue data is unavailable to calculate the 3-year average gross revenue required to determine an active cardroom business licensee's annual fee pursuant to Section 12368.2, the Commission will utilize the available gross revenue data for that purpose, as follows:

(1) If only one year of gross revenue data is available within the previous three years, that year's gross revenue will serve as the 3-year average gross revenue to determine the cardroom business licensee's annual fee pursuant to Section 12368.2.

(2) If only two years of gross revenue data are available within the previous three years, the average of those two years' gross revenue will serve as the 3-year average gross revenue to determine the cardroom business licensee's annual fee pursuant to Section 12368.2.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and Professions Code. Reference: Sections 19841, 19876(a), 19951, 19954 and 19955, Business and Professions Code.

**§ 12368.2. Cardroom Business Licensee Annual Fee Amounts.**

Type of Cardroom Business Licensee	Annual Fee
Surrendered or Revoked Licensee	\$0
Non-Operational Licensee	\$6,234
Active Licensee— 3-Year Average Gross Revenue Under \$1.5M	\$12,468
Active Licensee— 3-Year Average Gross Revenue of \$1.5M or More	1.33% of the 3-Year Average Gross Revenue

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and Professions Code. Reference: Sections 19826, 19841, 19876(a), 19951, 19954 and 19955, Business and Professions Code.

**ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR CARDROOM BUSINESS LICENSEES**

**§ 12396. Surveillance.**

(a) The policies and procedures for all Tiers must meet or exceed the following standards for surveillance:

...

(7)(A) Unless otherwise requested by the Bureau, all recordings must be retained for a minimum of 14 complete days of operation, except that recordings that are determined by the Bureau or a law enforcement agency to be of evidentiary value must be retained for a period specified in writing by the determining agency. Recordings of any criminal offense subject to reporting pursuant to paragraph (4) of subsection (a) of Section 12395 must be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Whenever there is a sale, assignment, transfer, ~~pledge, hypothecation, or other disposition of a cardroom business licensee or its entire gambling operation, the transaction document must provide that~~

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1 *the transferee must receive and maintain the transferor's recordings in accordance with (7)(A) until*  
2 *disposal is authorized.*

3 ...

4 Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections  
5 19827, 19841, 19922 and 19924, Business and Professions Code.

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