

California Gambling Control Commission  
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Hiram Johnson State Office Building  
455 Golden Gate Ave, Room 5 & 6  
San Francisco, CA 941072  
Wednesday, August 25, 2003

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**MINUTES OF AUGUST 25, 2003  
COMMISSION MEETING**

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**OPEN SESSION**

Acting Chairman Smith called the meeting of August 25, 2003 to order at 1:34 p.m. with Commissioners Palmer and Sasaki present.

Staff Participating: Gary Qualset, Deputy Director, Licensing and Compliance Division, Cara Podesto, Manager Licensing Section, Peter Melnicoe, Chief Counsel and Herb Bolz, Senior Legal Counsel and Regulations Coordinator, Legal Division.

A motion to approve the June 25, 2003, Commission meeting minutes was made by Commissioner Sasaki and seconded by Acting Chairman Smith, with both Acting Chairman Smith and Commissioner Sasaki voting yes and Commissioner Palmer abstaining.

A motion to direct staff to prepare a record of Commission action exclusively for the June 25, 2003, Commission meeting minutes was made by Commissioner Sasaki and seconded by Acting Chairman Smith, with both Acting Chairman Smith and Commissioner Sasaki voting yes and Commissioner Palmer abstaining.

Upon motion of Commissioner Sasaki to approve the July 24, 2003, Commission meeting minutes with amendment to remove the underline from text on the last paragraph on page three, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and both Commissioners Palmer and Sasaki voting yes the Commission approved the amended minutes of the July 24, 2003 Commission meeting.

Upon motion of Commissioner Sasaki to approve the August 6, 2003, Commission

meeting minutes, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and both Commissioners Palmer and Sasaki voting yes the Commission approved the minutes of the August 6, 2003 Commission meeting.

## **DECISION ITEMS**

1. Applications for Renewal of State Gambling License:
  - a. Rooney's Cardroom: Waklter Yee, Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 1a, Rooney's Cardroom. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 1a, Rooney's Cardroom.

2. Indian Gaming Special Distribution Fund and Indian Gaming Revenue Sharing Trust Fund Report to Legislature per Assembly Bill 673, Chapter 210, Statutes of 2003 (Government Code 12012.90).

Deputy Director Qualset presented the Indian Gaming Special Distribution Fund and Indian Gaming Revenue Sharing Trust Fund Report to Legislature per Assembly Bill 673, Chapter 210, Statutes of 2003 to the Commission for its consideration of the following recommendation:

*It is recommended that the Commission approve this report that is now required and that determines the aggregate amount of shortfalls in payments pursuant to Government code section 12012.90 under the methodology prescribed therein and as is taking into consideration the distribution contingencies identified in Exhibits 1 and 2.*

Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the recommendation as presented by staff.

A copy of the report titled "Indian Gaming Special Distribution Fund and Indian Gaming Revenue Sharing Trust Fund Report to Legislature per Assembly Bill 673, Chapter 210,

Statutes of 2003 (Government Code Section 12012.90)" is incorporated into the minutes as Attachment A.

3. Emergency Readoption and Amendment of Regulations Concerning Gambling Equipment Manufacturers or Distributors (Title 4, California Code of Regulations, Sections 12300-12310).

Senior Legal Counsel Bolz presented to the Commission the staff recommendation to approve (1) emergency readoption and amendment of regulations concerning Gambling Equipment Manufacturers or Distributors, and (2) the associated Finding of Emergency. Mr. Bolz indicated that staff's proposal to readopt the emergency regulation was intended to keep the emergency regulation in effect while staff progressed with the rulemaking process to make the regulation permanent.

Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the Finding of Emergency and Amendment of Emergency Regulation Concerning Gambling Equipment Manufacturers or Distributors. A copy of the Finding of Emergency and the adopted Emergency Regulation are incorporated into the minutes as Attachment B and Attachment C respectively.

4. Emergency Regulation Concerning Initial and Renewal License Application Forms and Supplemental Information Forms (Gambling Control Act).

The Commission took no action on Item 4, which was continued at the request of staff.

5. Emergency Regulation Concerning "Third Party Providers of Proposition Player Services: Interim Registration: (Gambling Control Act).

Chief Counsel Melnicoe presented Item 5 to the Commission for discussion regarding the staff proposal for an emergency regulation concerning Third Party Provider of Proposition Player Services: Interim Registration, under the Gambling Control Act. The Commission took no action on Item 5.

John Sustaita, Consultant, commented on the proposed emergency regulation, indicating his concurrence with the criteria for registration.

Ron Ragge, Consultant, commented on the proposed emergency regulation's registration criteria and mentioned certain definitions lacked clarity.

6. Delegation of Authority to Submit Regulations to the Office of Administrative Law.

Senior Legal Counsel Bolz presented Item 6 for the Commission's consideration of the Resolutions concerning Delegation of Authority in Rulemaking to Deputy Directors Nancy Bither and Gary Qualset. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the Delegations of Authority to Deputy Directors Nancy Bither and Gary Qualset. A copy of the Resolutions Concerning Delegation of Authority to Deputy Directors Nancy Bither and Gary Qualset are incorporated into the minutes as Attachment D and Attachment E respectively.

7. Report on Review by the Office of Administrative Law of the Emergency Regulations Adopted by the Commission on August 8, 2003, Concerning Increase in Work Permit Application Fee and State Gambling License Application Fee.

Senior Legal Counsel Bolz gave an oral report on the status of the emergency regulations: "Increase in Work Permit Application Fee" and "State Gambling License Application Fee." Mr. Bolz indicated that the Office of Administrative Law approved the emergency regulation concerning work permit application fees. However, the Office of Administrative Law approved four of the elements of the emergency regulation concerning state gambling license application fees but did not approve the Division of Gambling Control's license processing cost charge of \$60 per hour as part of the Commission's regulation, noting that the Division of Gambling Control would be required to adopt a regulation concerning the hourly charge for license processing. No action was taken on Item 7.

A copy of emergency regulation: "License Renewals" as approved by the Office of Administrative Law, is incorporated into the minutes as Attachment F.

8. Emergency Regulation Concerning Increase in Work Permit Application Fee (Gambling Control Act).

Item 8 was removed at the request of Senior Legal Counsel Bolz, who indicated that the Commission had adopted the emergency regulation at the August 6, 2003, meeting and no further action was needed.

9. Emergency Regulation Concerning State Gambling License Applications and Fees.

Item 9 was removed at the request of Senior Legal Counsel Bolz, who indicated that the Commission had adopted the emergency regulation at the August 6, 2003, meeting and no further action was needed.

PUBLIC COMMENT

There was no comment from the public during this portion of the meeting.

CLOSED SESSION

Commissioner Smith announced that the Commission would be going into closed session. At 2:35 p.m. the Commission adjourned to closed session after Commission Counsel stated that discussions concerning personnel issues and pending litigation matters, under Government Code sections 11126(a), subsection (1) and 11126(e), would take place.

ADJOURNMENT

Commissioner Smith reconvened the open session at 4:05 p.m., and indicated that there were no announcements from closed session. Upon a motion to adjourn the meeting by Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the meeting was adjourned at 4:07 p.m.