

GAMING POLICY ADVISORY COMMITTEE

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MINUTES OF FEBRUARY 27, 2020 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 February 27, 2020 meeting of the Gaming Policy Advisory Committee (GPAC) to order at 1:30 p.m.

2. Introduction of New Members

Stacey introduced new GPAC members Jieho Lee who is serving in category C and James Rodgers serving in category H.

3. Roll Call of GPAC Members

Roll call of the Committee Members was taken. David Fried, Luis Jaramillo, Haig Kelegian, Jr., Jieho Lee, William Liu, Cyndi Maivia, Yolanda Morrow, James Rodgers, Keith Sharp, and Art Van Loon were present.

4. Review and Approval of December 12, 2019 Meeting Minutes.

Art Van Loon moved to approve the December 12, 2019 meeting minutes. Luis Jaramillo seconded the motion and by consensus the Committee Members approved the minutes.

5. Gaming Policy Advisory Committee Roles and Responsibilities

- a. Review and Discussion of GPAC Mission Statement:

To provide advisory recommendations to the California Gambling Control Commission concerning matters of controlled gaming regulatory policy and other relevant gambling related issues, with special attention to guaranteeing the integrity of gambling operations and to deal effectively with problem gambling.

Stacey asked the members to review the current GPAC Mission Statement and identify change requests. There were no comments or concerns regarding the current GPAC Mission Statement.

b. Bagley-Keene Open Meeting Act

Todd Vlaanderen provided a copy of the 2020 Bagley-Keene Open Meeting Act to all the members of the GPAC and presented an overview of the Bagley-Keene Open Meeting Act, indicating that as an Advisory Committee the GPAC is a statutorily established state body subject to the Open Meeting Act.

6. Review and Discussion: Proposed Regulations on Incident Reports

The Commission's Legislative and Regulatory Affairs Specialist Joshua Rosenstein presented to the GPAC proposed draft regulations concerning incident reporting. Below is a summary of the discussion that occurred concerning the draft regulations.

Section 12395((a)(1) David Freid asked for clarification that would indicate that surveillance systems in this section of the text actually means server room. There was also discussion regarding the necessity of the requirement that a key employee or work permittee must be present to observe when maintenance work such as HVAC was being completed in the server room.

Section 12395(a)(3) There was discussion concerning when the Bureau should be notified of an incident. Suggested language for this section was to use terms obtaining knowledge, sufficient evidence or obtaining evidence.

Section 12395(C) There was discussion to not remove "possession."

Section 12395(L) Page 3, Line 21, Change (supervising pimping) to (supervising prostitution).

Option 1 There was a suggestion to change six-month reporting requirement to an annual report.

There was discussion that "business day" needs to be defined; however, Stacey indicated that this would be taken on by the Commission to add a general definition for all Commission regulations.

Stacey indicated that staff will conduct additional review of the regulations based on the comments made at this meeting and then begin the rulemaking process.

7. Review and Discussion: Proposed Regulations on Southern California Hearings

The Commission's Legislative and Regulatory Affairs Specialist Alex Hunter presented to the GPAC proposed draft regulations concerning Southern California Gambling Control Act hearings. There were no comments from the GPAC members concerning the proposed regulations.

8. Update and Discussion of Current Projects:

- a. Marketing Group/Independent Promoter Regulations (Sub-Committee Members: Keith Sharp and Yolanda Morrow)

GPAC requested that Keith and Yolanda make revisions to the proposed regulation text to incorporate the Commissioners comments from the December 12, 2019 meeting for a final review and discussion by the members at the next scheduled GPAC meeting.

- B. Discussion Outline for Licensing, Work Permit, Hearing and Discipline Changes (Sub-Committee Members: David Fried and Art Van Loon)

David Fried presented for discussion an outline concerning legislative proposal changes for licensing, work permit, and hearing and discipline. There were discussions concerning a limited or reduced licensing process such as state issued works permits for out of state owners with no more than 5% interest. There was also discussion concerning different background requirements for an individual purchasing an interest in a gambling enterprise verses an individual beneficiary receiving interest through an inheritance. There was discussion concerning how often compliance reporting should be done if operating under a five-year renewal process. Another topic discussed was to address Administrative Procedure Act hearing delays by requiring the that Bureau must file a request to set within 60 days of the matter being filed.

9. Discussion of Possible New GPAC Projects

- a. Notice of Work Permits Issued by Local Jurisdictions

Stacey spoke of hypothetical examples of local work permittees who were terminated for theft or had their local permit revoked, but were able to get a work permit issued in another jurisdiction to continue working in the industry because the Bureau, Commission, and the local jurisdiction were not aware of the prior derogatory actions. This is a shared concern amongst the Bureau, Commission, and industry and the Commission would like to address it. She had asked the GPAC to consider taking this on as a new project. Luis Jaramillo and Haig Kelegian, Jr. volunteered to co-chair the project.

- b. Dual Licensure within Cannabis and Control Gambling Industries

Stacey informed the GPAC that the Commission has asked that the GPAC consider taking on a project researching the concerns with dual licensure within the cannabis and controlled gambling industries within California. Stacey indicated that this would be a topic of discussion at the next GPAC meeting.

c. Open Discussion for Committee Members to Propose Project Topics for Next Agenda

Haig Kelegian, Jr. mentioned concerns regarding adequate financing for cardrooms not covering the financial health of the cardroom as a whole and player dealer rotation. Stacey advised Haig to speak to the Bureau directly regarding the adequate financing topics as the Bureau's adequate financing review may already be addressing his concerns. The player dealer rotation was not pursued as a GPAC project because the player dealer rotation issue is not under the Commission's authority and is being handled under the Bureau regulations.

Jieho Lee asked that a future agenda topic include consideration of licensing of individuals that may have some criminal background but are actively involved in a recognized recovery program.

10. Next Meeting

April 16, 2020 at 1:30 p.m.

11. Public Comment

None

ADJOURNMENT:

GPAC adjourned at 4:10 p.m.