

Date of Hearing: March 29, 2017

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 987 (Cristina Garcia) – As Introduced February 16, 2017

SUBJECT: Gaming Policy Advisory Committee

SUMMARY: Makes changes to the membership of the Gaming Policy Advisory Committee (GPAC). Specifically, **this bill:**

- 1) Increases the membership of GPAC from 10 to 12 members.
- 2) Requires GPAC to be composed of 5 representatives of controlled gambling licensees, 5 members of the general public, and 2 representatives from the Department of Justice.

EXISTING LAW:

- 1) Establishes within the Gambling Control Act (Act) a regulatory framework for gaming in California, creating the California Gambling Control Commission (CGCC) with the authority to approve deny, revoke, or suspend gambling licenses and permits for reasonable cause.
- 2) Establishes a 10-member GPAC, composed of representatives of controlled gambling licensees and members of the general public in equal numbers.
- 3) Requires the executive director of the CGCC to periodically convene the GPAC to discuss recommended controlled gambling regulatory policy.
- 4) Requires recommendations concerning gambling policy made by the GPAC shall be presented to the CGCC.
- 5) Provides that the GPAC may not advise the CGCC on Indian gaming.

FISCAL EFFECT: Unknown

COMMENTS:

Purpose of the Bill: According to the Author's Office, "AB 987 is intended to codify the important role of the Department of Justice on the Gaming Policy Advisory Committee (GPAC.) This Advisory committee currently consists of 5 members representing controlled gaming and 5 members of the general public. Current membership also includes law enforcement and a member from the Bureau of Gaming Control. The role of both DOJ and the Commission has proven to be very beneficial in determining the scope and authority of the Advisory Committee and in advising on upcoming issues to be considered by the committee."

Background: The Act, established in 1998, created a comprehensive scheme for statewide regulation of legal gambling under a bifurcated system of administration involving the Bureau of Gambling Control (Bureau) within the Attorney General's Office and the five-member CGCC appointed by the Governor. The CGCC is authorized to establish minimum regulatory standards

for the gambling industry and to ensure that the state gambling licenses are not issued to or held by unsuitable or unqualified individuals. CGCC is also charged with establishing and convening the GPAC.

The Bureau monitors the conduct of gaming operations to ensure compliance with state gambling laws and conducts extensive background investigations of applicants seeking a state gambling license. The Bureau also conducts background checks for all key employees and state gambling license and vendor applications.

The Bureau inspects premises where gambling is conducted, examines gambling equipment, audits papers, books, and records of the gambling establishment, investigates suspected violations of gambling laws, and is ultimately responsible for enforcing compliance with all state laws pertaining to gambling.

GPAC: The stated mission statement for GPAC is to provide advisory recommendations to the CGCC 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.

Current make-up of GPAC is as follows: One member is a representative of DOJ, one member is a representative of the problem gambling field, one member is a representative of a licensed or registered Third Party Provider of Proposition Player Services, two members are a representative of larger (25 tables or more) licensed gambling establishments, two members are a representative of small (less than 25 tables) licensed gambling establishments, one member is a law enforcement officer/investigator from local government where an approved ordinance allows controlled gaming, one member is a professional with an accounting background and one member is a member of the general public at large.

Prior/Related Legislation: AB 701 (Garcia), 2015-2016 Legislative Session. Would have made changes to the membership of GPAC. The bill was gutted and amended in the Senate Governmental Organization Committee.

AB 654 (Hall), 2013-2014 Legislative Session. Would have required GPAC to meet at least twice a year and would require the CGCC to consult with the GPAC on recommended proposed regulations, as specified. The bill was gutted and amended in the Senate Governmental Organization Committee.

AB 1290 (Lara), 2011-2012 Legislative Session. Would have required the GPAC to meet twice a year. The bill was gutted and amended on the Senate floor.

SB 8 (Lockyer), Chapter 867, Statutes of 1997. Repealed the Gaming Regulation Act and enacted the Gambling Control Act of 1997. Established CGCC and charged it with, among other things, the authority to issue, deny, revoke, suspend, or impose conditions, restrictions, or limitations on licenses, permits, or approvals to ensure that unsuitable or unqualified persons are not involved in the operation of gambling. Furthermore, established the Bureau of Gambling Control (formerly known as the Division of Gambling Control) within the DOJ and charged it with specified investigative and enforcement duties.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Kenton Stanhope / G.O. / (916) 319-2531