

Date of Hearing: April 6, 2016

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 2218 (Burke) – As Introduced February 18, 2016

**SUBJECT:** Gambling: licenses

**SUMMARY:** This bill extends from 45 to 60 days the time after receipt of an order by the Gambling Control Commission (CGCC) within which a person must apply for a gambling license or a finding of suitability.

**EXISTING LAW:**

- 1) The Gambling Control Act (Act) provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the CGCC.
- 2) Requires every person who is required to hold a state license to obtain the license prior to engaging in the activity or occupying the position with respect to which the license is required, except as specified.
- 3) Requires every person who, by order of the CGC, is required to apply for a gambling license or a finding of suitability to file an application within 45 calendar days after receipt of the order.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

Background: The Act provides the CGCC with jurisdiction over the operation of gambling establishments in California. The Act assigns the CGCC the responsibility of assuring that gambling licenses are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is harmful to the public health, safety, or welfare. The Act directs the CGCC to issue licenses only to those persons of good character, honesty and integrity, whose prior activities, criminal record, if any; reputation, habits and associations do not pose a threat to the public interest of this state. The Department of Justice Bureau of Gambling Control (DOJ or Bureau) conducts background and field investigations and enforces the provisions of the Act in this regard.

Purpose of the bill: According to the author, current law authorizes the CGCC to require various employees of a card club or persons holding an interest in a card club to come forward for licensing. When the Commission calls an individual forward to apply for a gaming license, that individual must file an application for licensing, including all of the background (including financial and other) information within 45 days.

By extending the timeline to 60 days, AB 2218 allows individuals subject to licensing additional time to put together the most comprehensive document package possible, and ensures that the Commission receives the most complete information from an applicant up front, which will

assist the CGCC and Bureau in performing the necessary and thorough background investigations in as timely a fashion.

Prior/Related Legislation: SB 472 (Hill) 2013-2014 Session Chapter 760, Statutes of 2013. Requires every person who, by order of the commission, is required to apply for a gambling license or a finding of suitability to file an application within 45 calendar days after receipt of the order.

AB 777 (Hall) 2011-2012 Session. Would have required every person who is required to hold a state gaming license to obtain the license before engaging in the activity or occupying the position with respect to which the license is required. (Not heard)

AB 2526 (Hall) 2011-2012 Session. Would have changed several definitions within the Gambling Control Act, e.g., revised the definition of a “key employee” to any person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions with regard to the gambling operations, (2) added surveillance managers and supervisors to the definition of “key employee” for licensing purposes, etc. (Died, Senate Inactive File)

SB 730 (Florez), Chapter 438, Statutes of 2007. Made various changes to the licensing and regulatory processes related to key employees for gambling establishments under the Gambling Control Act.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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