

Date of Hearing: April 4, 2018

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 2838 (Low) – As Introduced February 16, 2018

SUBJECT: Gambling: local ordinances

SUMMARY: Requires the Bureau of Gambling Control (Bureau) within the Department of Justice (DOJ) to review and comment on any submitted ordinance within 30 days of receiving the ordinance.

EXISTING LAW:

1. Provides, under the Gambling Control Act (Act), for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission (CGCC) and the investigation and enforcement of those activities and establishments by DOJ.
2. Requires any amendment to a city or county ordinance relating to gambling establishments, or the Act, to be submitted to DOJ for review and comment, before the ordinance is adopted by the city or county.

FISCAL EFFECT: Unknown

COMMENTS:

Purpose of the bill: According to the author: “For the past 5 years, the Bureau has often taken more than a year to respond to local governments regarding review of their proposed ordinance amendments, as required by law. This has created much confusion and unwarranted delay in implementation of new ordinances, which has drastically impaired local communities from appropriately amending their ordinances. These delays have resulted in substantial economic harms to these jurisdictions as they are not able to benefit from increased jobs or tax revenues. Recently these extreme delays have resulted in litigation. AB 2838 would place a 30-day limit on the amount of time the Bureau of Gambling Control has to review a local ordinance and make recommendations. This requirement will coincide with Government Code Section 36937. This 30-day limit for review will require a more expedient process and ensure that local governments are not delayed unnecessarily in the process of expanding gambling in their jurisdiction.”

Background: The Act, established in 1998, created a comprehensive scheme for statewide regulation of legal gambling under a bifurcated system of administration involving the DOJ 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.

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.

Additionally, 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, reviews local ordinances related to gaming and is ultimately responsible for enforcing compliance with all state laws pertaining to gambling.

Prior/Related Legislation: SB 654 (Dodd), Chapter 244, Statutes of 2017. Allows city, county, or city and county to amend its local ordinance to increase the operation hours of a gambling establishment to up to 24 hours a day, seven days a week.

AB 2641 (Williams), 2015-2016 Legislative Session. Would have authorized the City of Ventura to determine the hours of operation of any gambling establishments located in the City of Ventura that was operating prior to January 1, 2016. (Never heard in Assembly Governmental Organization Committee)

AB 1039 (Hall), Chapter 745, Statutes of 2013. Allowed a city, county, or city and county to amend its local ordinance to increase the number of tables by two, above the number of tables authorized by local ordinance in effect on January 1, 2013.

AB 241 (Hall), Chapter 316, Statutes of 2011. Extended the gambling moratorium related to the expansion of cardrooms and the issuance of new cardroom licenses from January 1, 2015 to January 1, 2020.

AB 2193 (Hall), 2009-2010 Legislative Session. Would have extended the gambling moratorium related to the expansion of cardrooms and the issuance of new cardroom licenses from January 1, 2015 to January 1, 2020. (Vetoed by Governor)

SB 213 (Florez) of the 2009-2010 Legislative Session. Among other things, would have extended the moratorium on the issuance of new gambling establishments from January 1, 2015 to January 1, 2020. (Vetoed by Governor)

AB 441 (Hall), Chapter 530, Statutes of 2010. Modified provisions of the Act as it relates to the limit on increases in the number of gambling tables that a local jurisdiction may authorize without voter approval.

AB 293 (Mendoza) Chapter 233, Statutes of 2009. Made numerous changes to the Act, including replacing references to "gambling establishments" with "gambling enterprises" in specific sections of the Act.

AB 163 (Mendoza) Chapter 647, Statutes of 2008. Authorized a city or county, without voter approval, to amend an ordinance to increase the number of gambling tables that may be operated in a gambling establishment by 3 tables if the ordinance in effect on July 1, 2007, provided for 5 to 8 tables, and by 4 tables if the ordinance in effect on July 1, 2007, provided for 9 to 12 tables.

SB 730 (Florez) Chapter 438, Statutes of 2007. Among other things, authorized CGCC to issue licenses for a two-year period and required CGCC to establish a portable key employee license program.

AB 1973 (Bermudez) Chapter 854, Statutes of 2006. Among other things, extended the moratorium on the expansion of gambling from January 1, 2010, to January 1, 2015.

SB 1198 (Florez) Chapter 181, Statutes of 2006. Deleted "wagering limits" from the list of items that are considered expansion of gambling pursuant to the moratorium on the expansion of existing gaming in a locality.

AB 635 (Bermudez) Chapter 694, Statutes of 2005. Permitted local governments to revise their ordinances limiting the number of tables in card rooms by 24.99 percent or two tables, whichever is greater, as compared with the level or number operated or authorized on January 1, 1996, without voter approval.

AB 864 (Firebaugh) Chapter 872, Statutes of 2004. Permitted cities and counties to adopt ordinances permitting the expansion of gambling that result in less than a 25 percent increase, without voter approval.

SB 814 (Vincent) Chapter 799, Statutes of 2003. Authorized CGCC to renew gambling licenses for a period of up to 2 years. Specified that for any license issued for more than one year the licensee shall continue to pay the annual gambling license fee. Also, extended the moratorium on the expansion of gambling from January 1, 2007 to January 1, 2010.

SB 8 (Lockyer), Chapter 867, Statutes of 1997. Repealed the Gaming Regulation Act, and instead enacted the Act, which provided for DOJ to investigate and enforce controlled gambling in the state. It also establishes CGCC to regulate gambling in this state to issue, suspend, or revoke gambling licenses and extended the moratorium to January 1, 2001.

SB 100 (Maddy) Chapter 387, Statutes of 1995. Established the original moratorium on card room expansion, prohibiting the creation of new card rooms until January 1, 1999.

REGISTERED SUPPORT / OPPOSITION:

Support

Capitol Casino
Casino Madera
Casino Merced
Lucky Chances Casino
Oceana Casino
Parkwest Casinos
Pinnacle Casino
Rancho's Club
Seven Mile Casino
Stones Gambling Hall

Opposition

None on file.

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