

Assembly Bill No. 1780

CHAPTER 276

An act to amend and renumber Sections 19805 and 19835.6 of the Business and Professions Code, relating to gaming.

[Approved by Governor August 23, 2004. Filed with Secretary of State August 23, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1780, Committee on Governmental Organization. Gambling establishments.

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission. The act defines certain terms, including the phrase "finding of suitability," which provides, among other things, that the person applying for the license not be disqualified on specified grounds. A recent legislative enactment, Chapter 738 of the Statutes of 2002, reorganized various sections and article headings within the act.

This bill would make a technical change in the definition of the phrase "finding of suitability." The bill would also renumber a provision within the Gambling Control Act to correct its placement among those reorganized sections and make conforming changes to it in accordance with that legislative enactment.

The people of the State of California do enact as follows:

SECTION 1. Section 19805 of the Business and Professions Code is amended to read:

19805. As used in this chapter, the following definitions shall apply:

(a) "Affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

(b) "Applicant" means any person who has applied for, or is about to apply for, a state gambling license, a key employee license, a registration, a finding of suitability, a work permit, a manufacturer's or distributor's license, or an approval of any act or transaction for which the approval or authorization of the commission or division is required or permitted under this chapter.

(c) "Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position



and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the division finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

(d) “Commission” means the California Gambling Control Commission.

(e) “Controlled gambling” means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game.

(f) “Controlled game” means any controlled game, as defined by subdivision (e) of Section 337j of the Penal Code.

(g) “Director,” when used in connection with a corporation, means any director of a corporation or any person performing similar functions with respect to any organization. In any other case, “director” means the Director of the Division of Gambling Control.

(h) “Division” means the Division of Gambling Control in the Department of Justice.

(i) “Finding of suitability” means a finding that a person meets the qualification criteria described in subdivisions (a) and (b) of Section 19857, and that the person would not be disqualified from holding a state gambling license on any of the grounds specified in Section 19859.

(j) “Game” and “gambling game” means any controlled game.

(k) “Gambling” means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game.

(l) “Gambling enterprise employee” means any natural person employed in the operation of a gambling enterprise, including, without limitation, dealers, floor personnel, security employees, countroom personnel, cage personnel, collection personnel, surveillance personnel, data-processing personnel, appropriate maintenance personnel, waiters and waitresses, and secretaries, or any other natural person whose employment duties require or authorize access to restricted gambling establishment areas.

(m) “Gambling establishment,” “establishment,” or “licensed premises” except as otherwise defined in Section 19812, means one or more rooms where any controlled gambling or activity directly related thereto occurs.



(n) “Gambling license” or “state gambling license” means any license issued by the state that authorizes the person named therein to conduct a gambling operation.

(o) “Gambling operation” means exposing for play one or more controlled games that are dealt, operated, carried on, conducted, or maintained for commercial gain.

(p) “Gross revenue” means the total of all compensation received for conducting any controlled game, and includes interest received in payment for credit extended by an owner licensee to a patron for purposes of gambling, except as provided by regulation.

(q) “House” means the gambling establishment, and any owner, shareholder, partner, key employee, or landlord thereof.

(r) “Independent agent,” except as provided by regulation, means any person who does either of the following:

(1) Collects debt evidenced by a credit instrument.

(2) Contracts with an owner licensee, or an affiliate thereof, to provide services consisting of arranging transportation or lodging for guests at a gambling establishment.

(s) “Institutional investor” means any retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees, any investment company registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), any collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, any closed-end investment trust, any chartered or licensed life insurance company or property and casualty insurance company, any banking and other chartered or licensed lending institution, any investment advisor registered under the Investment Advisors Act of 1940 (15 U.S.C. Sec. 80b-1 et seq.) acting in that capacity, and other persons as the commission may determine for reasons consistent with the policies of this chapter.

(t) “Key employee” means any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate gambling operations, including, without limitation, pit bosses, shift bosses, credit executives, cashier operations supervisors, gambling operation managers and assistant managers, managers or supervisors of security employees, or any other natural person designated as a key employee by the division for reasons consistent with the policies of this chapter.

(u) “Key employee license” means a state license authorizing the holder to be associated with a gambling enterprise as a key employee.

(v) “Licensed gambling establishment” means the gambling premises encompassed by a state gambling license.



(w) “Limited partnership” means a partnership formed by two or more persons having as members one or more general partners and one or more limited partners.

(x) “Limited partnership interest” means the right of a general or limited partner to any of the following:

(1) To receive from a limited partnership any of the following:

(A) A share of the revenue.

(B) Any other compensation by way of income.

(C) A return of any or all of his or her contribution to capital of the limited partnership.

(2) To exercise any of the rights provided under state law.

(y) “Owner licensee” means an owner of a gambling enterprise who holds a state gambling license.

(z) “Person,” unless otherwise indicated, includes a natural person, corporation, partnership, limited partnership, trust, joint venture, association, or any other business organization.

(aa) “Player” means a patron of a gambling establishment who participates in a controlled game.

(bb) “Player-dealer” and “controlled game featuring a player-dealer position” refer to a position in a controlled game, as defined by the approved rules for that game, in which seated player participants are afforded the temporary opportunity to wager against multiple players at the same table, provided that this position is rotated amongst the other seated players in the game.

(cc) “Publicly traded racing association” means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) whose stock is publicly traded.

(dd) “Qualified racing association” means a corporation licensed to conduct horse racing and simulcast wagering pursuant to Chapter 4 (commencing with Section 19400) that is a wholly owned subsidiary of a corporation whose stock is publicly traded.

(ee) “Work permit” means any card, certificate, or permit issued by the commission, or by a county, city, or city and county, whether denominated as a work permit, registration card, or otherwise, authorizing the holder to be employed as a gambling enterprise employee or to serve as an independent agent. A document issued by any governmental authority for any employment other than gambling is not a valid work permit for the purposes of this chapter.

SEC. 2. Section 19835.6 of the Business and Professions Code is amended and renumbered to read:

19846. (a) Notwithstanding any other provision of law and except as provided in subdivision (b), a gambling establishment that ejects or



excludes an individual based upon Section 19844 or 19845 is not subject to civil liability for a mistake as to the grounds for ejecting or excluding a person if the ejection or exclusion was based upon a reasonable and good faith belief, after a reasonable investigation, that these sections applied to the individual in question.

(b) Notwithstanding subdivision (a), a gambling establishment may not be relieved from liability for any damages arising from the means of ejection or exclusion.

