

AMENDED IN ASSEMBLY JUNE 26, 2006

AMENDED IN ASSEMBLY JUNE 28, 2005

AMENDED IN SENATE MAY 27, 2005

SENATE BILL

No. 175

Introduced by Senator Vincent

February 9, 2005

An act to amend Sections 19962 and 19963 of, and to add Section 19858.5 to, the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 175, as amended, Vincent. Gambling Control Act: licenses.

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Division of Gambling Control within the Department of Justice. Under that act, a person is deemed unsuitable to hold a state gambling license, a requirement for owning a gambling establishment, if that person, or any partner, officer, director, or shareholder of that person, has a financial interest in a business or organization engaged in any form of prohibited gambling, as specified.

This bill would revise that provision by authorizing the commission to grant a license to an applicant to own a gambling establishment, even if the applicant has a financial interest in another business conducting ~~lawful gambling in California, or another business conducting~~ lawful gambling outside of California that would violate California law if conducted within the state, as specified. ~~The bill would also authorize the commission to grant a license to an applicant~~

to own a gambling establishment, even if that applicant is an Indian tribe authorized to conduct in-state gaming pursuant to a compact, as specified.

The act prohibits, until January 1, 2010, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. Additionally, the commission is prohibited, until January 1, 2010, from issuing a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, except as specified.

This bill would extend the operation of these provisions to January 1, 2015.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. It is the intent of the Legislature, to permit an
2 owner of a gambling establishment to have a financial interest in
3 another ~~business inside California, or outside California that~~
4 ~~otherwise may violate Section 330 of the Penal Code~~ *lawful*
5 *gambling business inside or outside California, provided that if*
6 *that owner's financial interest is in a public corporation that*
7 *directly or indirectly owns or operates a gambling business*
8 *outside California, that owner shall not own or control, either*
9 *directly or indirectly, more than 1 percent of the outstanding*
10 *shares in that corporation, or to in any way control that*
11 *corporation.* It is not the intent of the Legislature to change the
12 prohibitions in existing law that preclude a publicly traded
13 corporation from owning an interest in a gambling establishment,
14 except as currently provided for in Section 19852 or 19858 of the
15 Business and Professions Code.

16 SEC. 2. Section 19858.5 is added to the Business and
17 Professions Code, to read:

18 19858.5. (a) Notwithstanding Section 19858, the
19 commission may, pursuant to this chapter, deem an applicant
20 suitable to hold a state gambling license to own ~~a~~ *another*
21 *gambling establishment, even if the applicant has a financial*
22 *interest in either of the following:*

1 ~~(1) Another business that conducts lawful gambling in~~
2 ~~California.~~

3 ~~(2) Another business that conducts lawful gambling outside~~
4 ~~the state, even if the conduct outside the state may violate~~
5 ~~Section 330 of the Penal Code if conducted in California.~~

6 ~~(b) Notwithstanding Section 19858, the commission may,~~
7 ~~pursuant to this chapter, deem an applicant suitable to hold a~~
8 ~~state gambling license to own a gambling establishment, even if~~
9 ~~that applicant is an Indian tribe that has been authorized to~~
10 ~~conduct gambling activities on Indian land in California pursuant~~
11 ~~to a tribal-state gaming compact, provided that the gaming~~
12 ~~activities that the tribe conducts on Indian land in California are~~
13 ~~limited to those expressly authorized by the applicable compact.~~

14 ~~(c) Except as otherwise provided by this article, a corporation~~
15 ~~that is publicly traded is not eligible for a gambling license.~~

16 ~~SEC. 3. Section 19962 of the Business and Professions Code is~~
17 ~~amended to read:~~

18 ~~19962. (a) On and after the effective date of this chapter,~~
19 ~~neither the governing body nor the electors of a county, city, or~~
20 ~~city and county that has not authorized legal gaming within its~~
21 ~~boundaries prior to January 1, 1996, shall authorize legal gaming.~~

22 ~~(b) An ordinance in effect on January 1, 1996, that authorizes~~
23 ~~legal gaming within a city, county, or city and county may not be~~
24 ~~amended to expand gaming in that jurisdiction beyond that~~
25 ~~permitted on January 1, 1996.~~

26 ~~(c) This section shall remain in effect only until January 1,~~
27 ~~2015, and as of that date is repealed, unless a later enacted~~
28 ~~statute, that is enacted before January 1, 2015, deletes or extends~~
29 ~~that date.~~

30 ~~SEC. 4. Section 19963 of the Business and Professions Code is~~
31 ~~amended to read:~~

32 ~~19963. (a) In addition to any other limitations on the~~
33 ~~expansion of gambling imposed by Section 19962 or any~~
34 ~~provision of this chapter, the commission may not issue a~~
35 ~~gambling license for a gambling establishment that was not~~
36 ~~licensed to operate on December 31, 1999, unless an application~~
37 ~~to operate that establishment was on file with the division prior to~~
38 ~~September 1, 2000.~~

39 ~~(b) This section shall remain in effect only until January 1,~~
40 ~~2015, and as of that date is repealed, unless a later enacted~~

1 ~~statute, that is enacted before January 1, 2015, deletes or extends~~
2 ~~that date.~~ *another business that conducts lawful gambling outside*
3 *the state that, if conducted within California, would be unlawful,*
4 *provided that owner may not own, either directly or indirectly,*
5 *more than a 1 percent interest in, or have control of, that*
6 *business if it is owned or operated either directly or indirectly by*
7 *a publicly held corporation.*

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