

ASSEMBLY BILL

No. 356

Introduced by Assembly Member Waldron

February 14, 2013

An act to amend Section 19801 of the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 356, as introduced, Waldron. Gaming.

The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission.

This bill would make a technical, nonsubstantive change to these provisions.

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

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

- 1 SECTION 1. Section 19801 of the Business and Professions
- 2 Code is amended to read:
- 3 19801. The Legislature hereby finds and declares all of the
- 4 following:
- 5 (a) State law prohibits commercially operated lotteries, banked
- 6 or percentage games, and gambling machines, and strictly regulates
- 7 parimutuel wagering on horse racing. To the extent that state law
- 8 categorically prohibits certain forms of gambling and prohibits

1 gambling devices, nothing herein shall be construed, in any manner,
2 to reflect a legislative intent to relax those prohibitions.

3 (b) The State of California has permitted the operation of
4 gambling establishments for more than 100 years. Gambling
5 establishments were first regulated by the State of California
6 pursuant to legislation which was enacted in 1984. Gambling
7 establishments currently employ more than 20,000 people in the
8 State of California, and contribute more than one hundred million
9 dollars (\$100,000,000) in taxes and fees to California's
10 government. Gambling establishments are lawful enterprises in
11 the State of California, and are entitled to full protection of the
12 laws of this state.

13 (c) Gambling can become addictive and is not an activity to be
14 promoted or legitimized as entertainment for children and families.

15 (d) Unregulated gambling enterprises are inimical to the public
16 health, safety, welfare, and good order. Accordingly, no person in
17 this state has a right to operate a gambling enterprise except as
18 may be expressly permitted by the laws of this state and by the
19 ordinances of local governmental bodies.

20 (e) It is the policy of this state that gambling activities that are
21 not expressly prohibited or regulated by state law may be prohibited
22 or regulated by local government. Moreover, it is the policy of this
23 state that no new gambling establishment may be opened in a city,
24 county, or city and county in which a gambling establishment was
25 not operating on and before January 1, 1984, except upon the
26 affirmative vote of the electors of that city, county, or city and
27 county.

28 (f) It is not the purpose of this chapter to expand opportunities
29 for gambling, or to create any right to operate a gambling enterprise
30 in this state or to have a financial interest in any gambling
31 enterprise. Rather, it is the purpose of this chapter to regulate
32 businesses that offer otherwise lawful forms of gambling games.

33 (g) Public trust that permissible gambling will not endanger
34 public health, safety, or welfare requires that comprehensive
35 measures be enacted to ensure that gambling is free from criminal
36 and corruptive elements, that it is conducted honestly and
37 competitively, and that it is conducted in suitable locations.

38 (h) Public trust and confidence can only be maintained by strict
39 and comprehensive regulation of all persons, locations, practices,
40 associations, and activities related to the operation of lawful

1 gambling establishments and the manufacture and distribution of
2 permissible gambling equipment.

3 (i) All gambling operations, all persons having a significant
4 involvement in gambling operations, all establishments where
5 gambling is conducted, and all manufacturers, sellers, and
6 distributors of gambling equipment must be licensed and regulated
7 to protect the public health, safety, and general welfare of the
8 residents of this state as an exercise of the police powers of the
9 state.

10 (j) To ensure that gambling is conducted honestly, competitively,
11 and free of criminal and corruptive elements, all licensed gambling
12 establishments in this state must remain open to the general public,
13 and the access of the general public to licensed gambling activities
14 must not be restricted in any manner, except as provided by the
15 Legislature. However, subject to state and federal prohibitions
16 against discrimination, nothing herein shall be construed to
17 preclude exclusion of unsuitable persons from licensed gambling
18 establishments in the exercise of reasonable business judgment.

19 (k) In order to effectuate state policy as declared herein, it is
20 necessary that gambling establishments, activities, and equipment
21 be licensed, that persons participating in those activities be licensed
22 or registered, that certain transactions, events, and processes
23 involving gambling establishments and owners of gambling
24 establishments be subject to prior approval or permission, that
25 unsuitable persons not be permitted to associate with gambling
26 activities or gambling establishments, and that gambling activities
27 take place only in suitable locations. Any license or permit issued,
28 or other approval granted pursuant to this chapter, is declared to
29 be a revocable privilege, and no holder acquires any vested right
30 therein or thereunder.

31 (l) The location of lawful gambling premises, the hours of
32 operation of those premises, the number of tables permitted in
33 those premises, and wagering limits in permissible games
34 conducted in those premises are proper subjects for regulation by
35 local governmental bodies. However, consideration of those same
36 subjects by a state regulatory agency, as specified in this chapter,
37 is warranted when local governmental regulation respecting those
38 subjects is inadequate or the regulation fails to safeguard the
39 legitimate interests of residents in other governmental jurisdictions.

1 (m) The exclusion or ejection of certain persons from gambling
2 establishments is necessary to effectuate the policies of this chapter
3 and to maintain effectively the strict regulation of licensed
4 gambling.

5 (n) Records and reports of cash and credit transactions involving
6 gambling establishments may have a high degree of usefulness in
7 criminal and regulatory investigations and, therefore, licensed
8 gambling operators may be required to keep records and make
9 reports concerning significant cash and credit transactions.