

ASSEMBLY BILL

No. 1188

Introduced by Assembly Member Gipson

February 27, 2015

An act to amend Section 19805 of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

AB 1188, as introduced, Gipson. Gambling: key employee.

Existing law, 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 Department of Justice. For purposes of the act, existing law defines “key employee” as 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, among others, pit bosses, shift bosses, credit executives, cashier operations supervisors, gambling operation managers and assistant managers, and managers or supervisors of security employees.

This bill would revise the definition of “key employee” to mean any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions with regard to gambling operations. The bill would also delete pit bosses and shift bosses from the definition of “key employee,” and would instead include shift managers and surveillance managers and supervisors in these provisions.

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

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 department 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 department 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) “Chief” means the head of the entity within the department that is responsible for fulfilling the obligations imposed upon the department by this chapter.

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

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

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

(h) “Department” means the Department of Justice.

1 (i) “Director” means any director of a corporation or any person
2 performing similar functions with respect to any organization.

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

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

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

11 (m) “Gambling enterprise” means a natural person or an entity,
12 whether individual, corporate, or otherwise, that conducts a
13 gambling operation and that by virtue thereof is required to hold
14 a state gambling license under this chapter.

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

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

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

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

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

37 (s) “Hours of operation” means the period during which a
38 gambling establishment is open to conduct the play of controlled
39 games within a 24-hour period. In determining whether there has
40 been expansion of gambling relating to “hours of operation,” the

1 department shall consider the hours in the day when the local
2 ordinance permitted the gambling establishment to be open for
3 business on January 1, 1996, and compare the current ordinance
4 and the hours during which the gambling establishment may be
5 open for business. The fact that the ordinance was amended to
6 permit gambling on a day, when gambling was not permitted on
7 January 1, 1996, shall not be considered in determining whether
8 there has been gambling in excess of that permitted by Section
9 19961.

10 (t) “House” means the gambling enterprise, and any owner,
11 shareholder, partner, key employee, or landlord thereof.

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

14 (1) Collects debt evidenced by a credit instrument.

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

18 (v) “Initial license” means the license first issued to a person
19 authorizing that person to commence the activities authorized by
20 that license.

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

35 (x) “Key employee” means any natural person employed in the
36 operation of a gambling enterprise in a supervisory capacity or
37 empowered to make discretionary decisions-~~that regulate with~~
38 *regard to* gambling operations, including, without limitation, ~~pit~~
39 ~~bosses, shift-bosses, managers,~~ credit executives, cashier operations
40 supervisors, gambling operation managers and assistant managers,

1 managers or supervisors of security employees, *surveillance*
2 *managers or supervisors*, or any other natural person designated
3 as a key employee by the department for reasons consistent with
4 the policies of this chapter.

5 (y) “Key employee license” means a state license authorizing
6 the holder to be employed as a key employee.

7 (z) “License” means a gambling license, key employee license,
8 or any other license issued by the commission pursuant to this
9 chapter or regulations adopted pursuant to this chapter.

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

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

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

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

18 (A) A share of the revenue.

19 (B) Any other compensation by way of income.

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

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

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

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

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

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

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

1 (ai) “Qualified racing association” means a corporation licensed
2 to conduct horse racing and simulcast wagering pursuant to Chapter
3 4 (commencing with Section 19400) that is a wholly owned
4 subsidiary of a corporation whose stock is publicly traded.

5 (aj) “Renewal license” means the license issued to the holder
6 of an initial license that authorizes the license to continue beyond
7 the expiration date of the initial license.

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