

Introduced by Committee on Governmental Organization (Senators Wright (Chair), Calderon, Denham, Florez, Harman, Negrete McLeod, Oropeza, Padilla, Price, Wyland, and Yee)

March 8, 2010

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

LEGISLATIVE COUNSEL'S DIGEST

SB 1485, as introduced, Committee on Governmental Organization. Gambling Control Act: licenses.

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. Existing law requires certain persons employed in the operation of a gambling enterprise, known as key employees, to apply for and obtain a key employee license.

This bill would include surveillance managers or supervisors in the definition of "key employee" and make other technical changes to 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:

- 1 SECTION 1. Section 19805 of the Business and Professions
- 2 Code is amended to read:
- 3 19805. As used in this chapter, the following definitions shall
- 4 apply:

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

4 (b) “Applicant” means any person who has applied for, or is
5 about to apply for, a state gambling license, a key employee license,
6 a registration, a finding of suitability, a work permit, a
7 manufacturer’s or distributor’s license, or an approval of any act
8 or transaction for which the approval or authorization of the
9 commission or department is required or permitted under this
10 chapter.

11 (c) “Banking game” or “banked game” does not include a
12 controlled game if the published rules of the game feature a
13 player-dealer position and provide that this position must be
14 continuously and systematically rotated amongst each of the
15 participants during the play of the game, ensure that the
16 player-dealer is able to win or lose only a fixed and limited wager
17 during the play of the game, and preclude the house, another entity,
18 a player, or an observer from maintaining or operating as a bank
19 during the course of the game. For purposes of this section, it is
20 not the intent of the Legislature to mandate acceptance of the deal
21 by every player if the department finds that the rules of the game
22 render the maintenance of or operation of a bank impossible by
23 other means. The house shall not occupy the player-dealer position.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (s) “Hours of operation” means the period during which a
31 gambling establishment is open to conduct the play of controlled
32 games within a 24-hour period. In determining whether there has
33 been expansion of gambling relating to “hours of operation,” the
34 department shall consider the hours in the day when the local
35 ordinance permitted the gambling establishment to be open for
36 business on January 1, 1996, and compare the current ordinance
37 and the hours during which the gambling establishment may be
38 open for business. The fact that the ordinance was amended to
39 permit gambling on a day, when gambling was not permitted on
40 January 1, 1996, shall not be considered in determining whether

1 there has been gambling in excess of that permitted by Section
2 19961.

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

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

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

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

11 (v) “Initial license” means the license first issued to a person
12 authorizing that person to commence the activities authorized by
13 that license.

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

27 (x) “Key employee” means any natural person employed in the
28 operation of a gambling enterprise in a supervisory capacity or
29 *who is* empowered to make discretionary decisions ~~that regulate~~
30 *with regard to* gambling operations, including, without limitation,
31 ~~pit bosses, shift bosses~~ *managers*, credit executives, cashier
32 operations supervisors, gambling operation managers and assistant
33 managers, managers or supervisors of security employees,
34 *surveillance managers or supervisors*, or any other natural person
35 designated as a key employee by the department for reasons
36 consistent with the policies of this chapter.

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

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

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

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

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

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

12 (A) A share of the revenue.

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

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

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

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

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

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

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

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

34 (ai) “Qualified racing association” means a corporation licensed
35 to conduct horse racing and simulcast wagering pursuant to Chapter
36 4 (commencing with Section 19400) that is a wholly owned
37 subsidiary of a corporation whose stock is publicly traded.

38 (aj) “Renewal license” means the license issued to the holder
39 of an initial license that authorizes the license to continue beyond
40 the expiration date of the initial license.

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

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