

ASSEMBLY THIRD READING

AB 3169 (Gipson)

As Amended June 4, 2020

Majority vote

SUMMARY:

Establishes a portable gaming license for employees of gambling enterprises and extends the length of a renewal of a key employee license to three years.

Major Provisions

- 1) Provides that a person or entity that is issued a state gambling license shall not be required to apply for an additional license in order to hold the same position at a different gambling enterprise.
- 2) Requires the California Gambling Control Commission (CGCC) to issue approved licenses for key employees for an initial period of two years from the date of issuance and for a period of three years upon each renewal.

COMMENTS:

Audit Report: In May 2019, the California State Auditor issued a report that examined licensing and enforcement practices of both the CGCC and the Department of Justice's Bureau of Gambling Control (Bureau). The State Auditor's report concluded that inefficiencies created unnecessary delays and backlogs in processing licenses. The report also found that fees collected from applicants did not align with regulatory costs.

Supporters of this bill argue it will help employees and their employers by streamlining processes to reduce the current backlog in licensing applications. The author points to the recent State Auditor report as evidence of the need for this bill.

Key Employees: Key employees are considered part of the "house" and are held to a higher standard than other employees of the gambling establishment, especially with respect to reporting obligations. Among other things, key employees must report violations of the Act to the CGCC and/or the Bureau and must remain on premises to ensure compliance with the Act and the CGCC's regulations.

According to the Author:

"The State Auditor found that many cardrooms and third-party applications have been backlogged for years. This bill seeks to streamline the licensing process for employees working at gambling establishments by requiring a single portable license which would allow licensees to work at multiple gambling enterprises and extend the period the license is valid. Removing these restrictions will be beneficial to those employees who may not be able to receive full-time work at one location. Furthermore, by extending the length of the license upon renewal regulatory licensing burdens will be greatly reduced which will help prevent future licensing backlogs."

Arguments in Support:

The Communities 4 California Cardrooms argues, "this bill is a practical, reasonable, and measured response to two obstacles in employment in controlled gaming: portability of the

employee's license and a short renewal term of the license. This bill comes at a time where restrictive licensing measures that add no protection to the people of California and instead restrict the ability to work must end." The Players Casino argues in support, "given the economic uncertainty all Californians are facing due to this pandemic, this bill allows controlled gaming to adapt to the changing marketplace and needs of the businesses."

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

According to the Assembly Committee on Appropriations, this bill would result in "a reduction in license fee revenues, likely in the hundreds of thousands of dollars annually, deposited into the Gambling Control Fund."

VOTES:**ASM GOVERNMENTAL ORGANIZATION: 18-0-3**

YES: Gray, Bigelow, Berman, Bonta, Brough, Cooley, Daly, Gallagher, Eduardo Garcia, Gipson, Jones-Sawyer, Low, Mathis, Melendez, Quirk-Silva, Robert Rivas, Blanca Rubio, Salas
ABS, ABST OR NV: Aguiar-Curry, Cooper, Lackey

ASM APPROPRIATIONS: 18-0-0

YES: Gonzalez, Bigelow, Bauer-Kahan, Bloom, Bonta, Calderon, Carrillo, Chau, Megan Dahle, Diep, Eggman, Fong, Gabriel, Eduardo Garcia, Petrie-Norris, McCarty, Robert Rivas, Voepel

UPDATED:

VERSION: June 4 2020

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