

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

SB 1235 (Committee on Governmental Organization) – As Introduced February 19, 2026

SENATE VOTE: 38-0

SUBJECT: California Gambling Control Commission

SUMMARY: This bill would require the Governor to notify the Senate and Assembly Committees on Governmental Organization of the removal of a member of the California Gambling Control Commission (CGCC or Commission).

EXISTING LAW:

- 1) Provides, under the Gambling Control Act (Act), for the licensure and regulation of various legalized gambling activities and establishments by the Commission and the investigation and enforcement of those activities and establishments by the Bureau of Gambling Control (Bureau), under the California Department of Justice (DOJ).
- 2) Provides that the Commission is composed of five members who are appointed by the Governor, subject to confirmation by the Senate.
- 3) Prohibits the appointment of an individual to the Commission if, within two years prior to appointment, the person was employed by or derived substantial income from, any gambling establishment. Prohibits a member of the Commission from engaging in any other business, vocation, or employment.
- 4) Requires one member of the Commission to be a certified public accountant or a person with experience in banking or finance, one member to be an attorney and a member of the State Bar or California with regulatory law experience, one member to have a background in law enforcement and criminal investigation, and one member to have a background in business with at least five years of business experience or five years of governmental experience, and one member be from the public.
- 5) Authorizes the Governor to remove any member of the CGCC for incompetence, neglect of duty, or corruption upon first giving the member a copy of the charges and an opportunity to be heard.
- 6) Requires the Governor to fill any vacancies on the Commission, subject to confirmation, within 60 days of the date of the vacancy.

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

Purpose of the bill. According to the author's office, "SB 1235 requires the Governor to notify the Senate and Assembly Governmental Organization Committees whenever a member of the Commission is removed. By establishing this notification requirement, the bill seeks to enhance

transparency and strengthen legislative oversight of the Commission that regulates California's cardroom industry. The notification would help ensure that the Legislature remains informed about changes in the composition of the regulatory body responsible for licensing and overseeing cardrooms in the state."

Background.

Gambling regulation/enforcement in California. The Act created a comprehensive scheme for statewide regulation of legal gambling under a bifurcated system of administration involving the Bureau of Gambling Control within the Attorney General's Office and the five-member Commission by the Governor. The CGCC is authorized to establish minimum regulatory standards for the gambling industry and to ensure that the state gambling licenses are not issued to or held by unsuitable or unqualified individuals. In addition, the CGCC acts as the regulatory body over Tribal casinos, pursuant to the CGCC's authority under the tribal-state gaming compacts.

Some of the CGCC's primary responsibilities related to cardrooms and third-party providers include: issuing work permits to employees in specific jurisdictions; taking reasonable actions to ensure that no ineligible, unqualified, or unsuitable individuals are associated with gaming activities; granting temporary/interim licenses, permits or approvals; and, adjudicating recommendations concerning license denials, revocations, or disciplinary actions. There are 80 cardrooms currently licensed by the CGCC.

The CGCC, pursuant to the Compacts, the Act, the Governor's Executive Order D-31-01 and Governor's Executive Order D-66-03, also has various fiduciary, regulatory and administrative responsibilities related to Tribal gaming and the distribution of revenues to eligible Indian Tribes. There are currently 65 Tribal casinos open and operated by 62 Tribes.

The Bureau monitors the conduct of gaming operations to ensure compliance with state gambling laws and conducts extensive background investigations of applicants seeking a state gambling license. The Bureau also conducts background checks for all key employees and state gambling license and vendor applications.

The Bureau inspects premises where gambling is conducted, examines gambling equipment, audits papers, books, and records of the gambling establishment, investigates suspected violations of gambling laws, and is ultimately responsible for enforcing compliance with all state laws pertaining to gambling.

CGCC membership. The Commission is composed of five members, all of whom are appointed by the Governor and confirmed by the California State Senate. State law establishes several requirements to ensure professional expertise and political balance on the Commission. For example, no more than three of the five commissioners may belong to the same political party. The statute also requires that the commission collectively include individuals with diverse professional backgrounds, such as experience in finance or accounting, law with regulatory expertise, law enforcement or criminal investigation, business or government, and representation of the general public.

Current law authorizes the Governor to remove any member of the CGCC for incompetence, neglect of duty, or corruption upon first giving the member a copy of the charges and an

opportunity to be heard. The Governor is required to fill any vacancies on the Commission, subject to confirmation, within 60 days of the date of the vacancy.

Related legislation. AB 2793 (Committee on Governmental Organization) of 2026. This bill would modify the requirement that one member of the Commission be an attorney and a member of the State Bar of California with regulatory law experience, to instead require that one member of the CGCC be an attorney and a member of the State Bar of California with regulatory or gaming law experience.

SB 864 (Padilla) of 2025. This bill would have required the Commission to post a public record of every vote on its Internet Web site no later than two business days after the meeting at which the vote was taken. (Gutted and amended to an unrelated issue.)

Prior legislation. SB 666 (Vidak) Chapter 245, Statutes of 2017. Prohibited a member of the CGCC, the executive director, the chief, and any employee of the CGCC or DOJ who works on or supervises gambling issues, for a period of two years after leaving office, from holding a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of a gambling establishment, gambling enterprise, registrant, or licensee.

AB 1973 (Bermudez), Chapter 854, Statutes of 2006. Changed the eligibility requirements that one member of the Commission shall be "a certified public accountant with auditing experience" to "a certified public accountant or a person with experience in banking or finance."

SB 8 (Lockyer), Chapter 867, Statutes of 1997. Repealed the Gaming Regulation Act, and instead enacted the Act, which provided for DOJ to investigate and enforce controlled gambling in the state. It also established the CGCC to regulate gambling in this state and to issue, suspend, or revoke gambling licenses.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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