Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 920 (Archuleta) – As Amended May 14, 2026

Policy Committee: Governmental Organization Vote: 18 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the California Gambling Control Commission (CGCC) or the Department of Justice (DOJ) to have a regulation regarding the authorized purpose and use of a fee deposited into the Gambling Control Fund.

Specifically, this bill:

1) Requires the CGCC and DOJ, upon the adoption or adjustment of a fee deposited into the Gambling Control Fund after this bill's effective date, to: (a) adopt and maintain a regulation regarding the authorized purpose and use of the fee, including the program activities funded and certain categories of costs covered by the fee, and (b) post online the fee's purpose and use statement and related cost basis summary.

2) Prohibits such a fee or adjustment from taking effect until the required regulation is adopted or amended.

FISCAL EFFECT:

1) Absorbable costs to the CGCC to update regulations to reflect the collection of new or adjusted fees and post related information on the CGCC's website (Gambling Control Fund). However, the CGCC notes that this bill places regulatory burdens on the CGCC beyond what other agencies face when setting fees, which may delay future annual fee adjustment rulemaking proceedings and result in a temporary overcollection or under collection of outdated fee amounts that may not align with the most recent cost and fee data. The CGCC further notes that such outdated fee amounts would temporarily result in a proportionate surplus or shortall of an unknown magnitude in the Gambling Control Fund until regulations are appropriately updated through the regular rulemaking process, which includes specified public comment and review periods.

2) Minor and absorbable costs to DOJ to similarly update regulations and post information online. However, potential impact of an unknown magnitude to the Gambling Control Fund to the extent DOJ also faces delays when adopting or adjusting fees as a result of this bill.

COMMENTS:

1) **Purpose.** According to the author:

> SB 920 will ensure that all fees collected under the [Gambling Control Act (Act)] are clearly tied to their specified regulatory purposes and that stakeholders – including licensees, public officials, and the public – can readily understand how fee revenues are used to support the oversight responsibilities of the [CGCC] and the DOJ. Under current law, when fees are set or adjusted, the purpose and cost basis aren't consistently laid out in regulation. This makes budgeting opaque, invites cross-subsidies, and fuels friction in rulemaking. An audit report on [Gambling Control] Fund fees completed in 2018 identified this as an issue and recommended that the Legislature take action. This bill implements that recommendation and ensures transparency surrounding Act fees.

This bill is sponsored by Communities for California Cardrooms.

2) **Background.** ***Gambling Control Act.*** Under the Act, the CGCC is responsible for licensing and regulating various gambling activities and establishments and DOJ's Bureau of Gambling Control (Bureau) is responsible for investigating violations and enforcing controlled gambling activities. These efforts of the CGCC and DOJ are supported by appropriations from the Gambling Control Fund.

   State Auditor Report. In May 2019, the California State Auditor released an audit examining the CGCC's and DOJ's licensing processes for individuals and businesses in the cardroom gaming industry. The audit concluded that both agencies had fee structures that resulted in unequal treatment of license applicants and neither agency had addressed the misalignment between fees collected and the actual costs of providing regulatory oversight, contributing to a substantial surplus in the Gambling Control Fund. The audit recommended the CGCC and DOJ undertake a cost analysis to assess whether regulatory fees need to be adjusted to match actual administrative costs. In response, the CGCC and DOJ contracted with a third-party consulting company to conduct such a study, which was finalized on June 9, 2021, and prompted the CGCC to change its methodology for calculating annual fees.

   Another audit recommendation was that "the Legislature should require that when updating fee amounts, the commission and the bureau must also update their regulations to include clear statements about the need for an appropriate use of each type of fee." This bill provides such a requirement, but further details the specific information that must be disclosed in the regulation, including the categories of costs covered, such as shared administrative or support costs, and prohibits a fee from taking effect until the regulation is updated.

3) **Prior Legislation.** AB 553 (Ramos), Chapter 533, Statutes of 2023, required DOJ to develop and implement a policy and procedure for Bureau employees to formally track expenses charged to the Indian Gaming Special Distribution Fund.

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