

SENATE THIRD READING
SB 920 (Archuleta)
As Amended August 13, 2026
Majority vote

SUMMARY

This bill would require the California Gambling Control Commission (CGCC) or the Department of Justice (DOJ), upon the adoption or amendment of a fee that is deposited into the Gambling Control Fund (Fund), to post on its public internet website a detailed statement of the need for, purpose of, and authorized use of the fee, including the general activities the fee is intended to support, along with reference to publicly available rulemaking materials.

Major Provisions

- 1) Provides, upon the adoption or amendment of a fee that is deposited into the Fund, the CGCC or DOJ shall post on its public internet website a detailed statement of the need for, purpose of, and authorized use of the fee, including the general activities the fee is intended to support, along with reference to publicly available rulemaking materials.
- 2) Provides this provision does not apply to a fee adopted or amended prior to January 1, 2027.

COMMENTS

Background.

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 Fund.

Existing law establishes the Fund within the State Treasury and provides that, upon appropriation by the Legislature, monies in the Fund shall be expended by DOJ and the CGCC exclusively to support their respective duties and responsibilities under the Act.

2019 California State Auditor Report. In May 2019, the California State Auditor (Auditor) released a report titled, *Bureau of Gambling Control and California Gambling Control Commission: Their Licensing Processes are Inefficient and Foster Unequal Treatment of Applicants*. The audit examined how the DOJ's and the Commission's process licenses for individuals and businesses working in California's cardroom gaming industry.

The audit concluded that both agencies have implemented fee structures that result in unequal treatment of license applicants. Although the audit did not find evidence of discrimination by either entity based on applicants' ethnicity or other protected characteristics, it determined that the DOJ's incomplete and inconsistent procedures led to disparities in the level of scrutiny applied to different applicants. Relevant to this bill, the audit also found that neither the DOJ nor the CGCC has addressed the misalignment between the fees they collect and the actual costs of providing regulatory oversight. The audit noted that this misalignment has contributed to a substantial surplus in the Fund and may raise questions regarding the legality of certain fees.

In order to ensure that all fees that generate revenue for the Fund have a clear, stated purpose limiting their use, the Auditor recommended 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."

The Auditor's report further recommended a cost analysis to assess whether DOJ and CGCC should adjust their regulatory fees to match actual administrative costs. In response to the Auditor's recommendation, the Commission and DOJ contracted with a third-party consulting company to conduct a cost and fee study. The study, which was finalized on June 9, 2021, led the Commission to change its methodology for calculating annual fees.

According to the Author

According to the author's, "SB 920 will ensure that all fees collected under the 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 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."

Arguments in Support

According to the Communities for California Cardrooms, "By requiring published statements of purpose and cost basis summaries, SB 920 advances good governance practices that promote greater transparency in fee adoption and expenditure and protect the integrity of regulatory funding mechanisms. This bill is an important step toward ensuring that all fees collected under the 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."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations analysis, "Minor and absorbable costs to the CGCC and DOJ to post fee information online."

VOTES

SENATE FLOOR: 29-1-10

YES: Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Wahab, Weber Pierson, Wiener

NO: Jones

ABS, ABST OR NV: Allen, Alvarado-Gil, Becker, Choi, Grove, Hurtado, Niello, Padilla, Stern, Valladares

ASM GOVERNMENTAL ORGANIZATION: 18-0-3

YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Dixon, Fong, Gabriel, Gipson, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Wallis

ABS, ABST OR NV: Carrillo, Macedo, Valencia

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

VERSION: August 13, 2026

CONSULTANT: Eric Johnson / G.O. / (916) 319-2531

FN: 0003635