

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 120 (Salas) – As Introduced December 18, 2020

Policy Committee: Governmental Organization

Vote: 22 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes the California Gambling Control Commission (Gambling Commission) to take action to deny or approve an application for a state gambling license in its regular meetings rather than requiring the commission to hold evidentiary hearings, unless the commission is requested to do so by a denied applicant or if the application is approved with limits, restrictions or conditions.

FISCAL EFFECT:

No additional costs, probable cost savings and efficiencies resulting from the ability to reduce the need to hold evidentiary hearings (Gambling Control Fund).

COMMENTS:

Background and Purpose. The Gambling Control Act requires a person who owns or works in a card room to be 21 years of age and to hold a Gambling Commission-issued gaming license, which they must renew periodically. The Gambling Act prevents the licensing of any additional card rooms beyond those the commission has already licensed, therefore limiting the number of card rooms that can operate in the state. As of March 2019, the Gambling Commission reported 87 licensed card rooms in California. The size of these card rooms varies from businesses with just a few gaming tables to large establishments with more than 200 tables.

The Bureau of Gaming Control, the Gambling Commission and the Indian Gaming Law Section all have roles and responsibilities in determining whether to issue gambling licenses to applicants. This bill focuses on the Gambling Commission.

This bill implements a California State Auditor recommendation (CSA). When the CSA reviewed the Gambling Commission's licensing practices, it found based on the cases sampled and reviewed, it took an average of 258 calendar days for a gambling license determination to be made, following an evidentiary hearing. The auditor found this to be, in part, a result of the procedural requirements for the hearing, including the Gambling Commission's regulations designed to ensure an applicant has adequate time to prepare for an evidentiary hearing.

According to the CSA report, the Gambling Commission took an average of only 52 calendar days to make a licensing decision people with applications considered at its regular meetings. Of the applicants for hearing referrals reviewed by the CSA, approximately 57% either notified the

Gambling Commission they would not attend the hearing or stopped participating in the process without notifying the Gambling Commission. For those who did not provide notice, the Commission was still forced to move forward with evidentiary hearings because the individuals did not explicitly waive their rights to the hearings.

According to the author:

AB 120 is a good-government bill that will reduce inefficiencies and the unnecessary use of state resources by the CGCC. By allowing the CGCC to approve or deny applications at one meeting instead of having to call secondary hearings, this bill will improve the efficiency of the Commission and reduce the backlog of license applications, as recommended by the California State Auditor

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