

CALIFORNIA GAMBLING CONTROL COMMISSION

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION
CHAPTER 8

**REPEAL OF SECTIONS 12500, 12501, 12503, 12504, 12505, APPENDIX C and Sections 12508,
12510, 12511, 12514**

CGCC-GCA-2024-01-N

SECTION 100. CHANGES WITHOUT REGULATORY EFFECT

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(a)(2), of the California Code of Regulations (CCR), the California Gambling Control Commission (Commission) hereby submits this written statement explaining why the proposed changes to CCR Title 4, Division 18, Chapter 8, Sections 12500, 12501, 12503, 12504, 12505, APPENDIX C, and Sections 12508, 12510, 12511, 12514¹ have no regulatory effect.

REPEALED TEXT

Chapter 8. Bingo

Article 3. Remote Caller Bingo Interim Licenses and Interim Work Permits

- § 12500. Interim Licenses; Initial and Renewal; Conditions.
- § 12501. Interim License Denial; Applicant Disqualification.
- § 12503. Interim Work Permits; Initial and Renewal; Conditions.
- § 12504. Interim Work Permit Denial; Applicant Disqualification.
- § 12505. Authorization of Organizations Conducting Remote Caller Bingo Games.

REPEALED TEXT (CONTINUED)

Appendix C

- § 12508. Remote Caller Bingo Requirements.
- § 12510. Cosponsor Requirements.
- § 12511. Standards of Play for Remote Caller Bingo.
- § 12514. Audits.

¹ All references to the California Code of Regulations hereinafter refer to Division 18 of Title 4, unless otherwise specified.

HISTORY

The Remote Caller Bingo Act (Act) was created in response to the passage of Senate Bill (SB) 1369 (Chapter 748, Statutes of 2008). This legislation authorized “remote caller bingo” (RCB) as a game that would allow specific non-profit and charitable organizations to use audio and video technology to remotely link designated in-state facilities to co-sponsor live bingo games. Charities across the state would be able to virtually combine their games and offer larger prizes, thereby compounding their fundraising abilities and reaching those outside of their local region.

The Act was established under the oversight of the California Gambling Control Commission (Commission) and appropriated a loan from the Gambling Control Fund (GCF) to the California Bingo Fund for startup costs incurred by the Commission during the formation of the RCB Program.

Specifically, it added Business and Professions Code 19850.6 “to provide the commission with full authority and sufficient flexibility to adopt all needed regulations...[s]ubsequent regulatory actions may amend or repeal earlier regulatory actions, as necessary, to reflect program experience and concerns of the regulated public.”

This statute, in part, required the Commission to regulate the licensure and operation of remote caller bingo, which included the development of regulations enabling the review and approval of entities who intended to conduct remote caller bingo games; the Commission was also required to license persons and entities that manufacture, distribute, supply, vend, or otherwise provide card-minding devices for bingo.

Although the Commission made considerable efforts to shape the program and stimulate its growth, it became evident that the program would neither be successful, nor sustainable, due to the lack of interest from the RCB industry. In May 2012, the Commission discontinued regulatory activities, and declined to renew licenses and permits for non-profits, in relation to the RCB Program.

After its unsuccessful development and materialization, the RCB program became fully inoperative effective July 1, 2016, and was repealed on January 1, 2017, by a Maintenance of the Codes bill, SB 1304 (Committee on Judiciary, Chapter 71, Statutes of 2014) repealing Penal Code section 326.3.

Current regulation of charitable bingo persons, entities, and operations occurs at the local government level (city, county, or city and county), while regulation of charitable bingo individuals, manufacturers, distributors, and vendors of card minding devices are regulated by the Bureau of Gambling control pursuant to Penal Code 326.5.

SPECIFIC FINDINGS

With respect to the foregoing, the Commission finds as follows:

NECESSITY:

The Commission no longer has the statutory authority to administer the RCB Program as previously and expressly provided by the now repealed Penal Code section 326.3 and its expression in Business and Professions Code (BPC) sections 19850.5(a) and 19850.6.

In an effort to foreclose any implied authority to regulate any RCB Program or related component, the Commission proposes repeal of the referenced Sections. This repeal is non-substantive within the meaning of Section 100(a)(2), Title 1 of CCR by seeking consistency with the repeal of Penal Code 326.3.

CONSISTENCY:

The provisions of CCR Title 4, Division 18, Article 3 is inconsistent with the Commission’s current authority and practice. Repeal of these Articles and their Sections will provide consistency with the repeal of the Act.

While BPC sections 19850.5 and 19850.6 relating to the Remote Caller Bingo Act remain intact; section 19850.5 explicitly states:

“No requirement contained in this chapter [Chapter 5, Gambling Control Act] shall apply to remote caller bingo *unless expressly made applicable by Section 326.3 of the Penal Code.*” (Emphasis added.)

The Commission may pursue future legislative cleanup for repeal of these sections of the Code and does not find that their presence conflicts with the specific findings or prohibits necessity of this proposed action.

THE PROPOSED ACTION HAS NO REGULATORY EFFECT

The proposed changes will not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision.