

BILL ANALYSIS

Bill No: AB 278

SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION
Senator Edward Vincent, Chair
2003-2004 Regular Session
Staff Analysis

AB 278 Author: Bermudez
As Amended: July 2, 2003
Hearing Date: July 8, 2003
Consultant: Steve Hardy

SUBJECT

Gambling Control Act.

DESCRIPTION

1. AB 278 would increase from 10 to 16, the membership of the Gaming Policy Advisory Committee (GPAC), which is appointed by the Gambling Control Commission (CGCC) as specified under present law. Under provisions of this act, eight members must be from the general public, and eight must represent controlled gambling licensees.
2. Would revise the definition of controlled game to clarify that games of "skill" (certain poker games), in addition to games of "chance" may be legally conducted in Card clubs.
3. Allows a gambling establishment (card club), to waive the collection of described fees collected by the club for any hand or round of play, after the hand or round has begun, pursuant to the published rules of the game and notice provided to the public. If the establishment waives this fee, the fee will not constitute one of the specified collection rates.
4. Contains a "cost disclaimer" clause.

PRIOR/RELATED LEGISLATION

SB 8 (Lockyer) Chapter 867, Statutes of 1997. Repealed the

previous Gaming Registration Act, and re-enacted an updated Gambling Control Act.

AB 2446 (Firebaugh) 2002 Session. Contained similar provisions to this measure. (Held on Suspense File, Senate Appropriations Committee)

EXISTING LAW

Existing law provides that the CGCC is required to appoint 10 members to the GPAC, composed of equal numbers of controlled gambling licensees and the general public as specified.

Existing law makes it a misdemeanor to operate specified controlled games, and to regulate the collection of player fees in licensed gambling establishments as specified.

BACKGROUND

The author indicates that this bill seeks to give a voice on the GPAC to those cities and counties that have gambling establishments in their jurisdictions. There are currently no specific provisions for representation of these local agencies on the GPAC. In addition the bill clarifies that games of skill (certain poker games) may be played in addition to games of chance. Card clubs are currently playing games, which under definition, would be considered games of skill. This change will provide clarity to allow these games to be conducted.

The bill also will clarify the law relating to the collection of fees in card clubs by allowing the club to waive specified fees, a "player-friendly" change benefiting those players who do not receive action on their wager, or where a hand folds and there is no betting. Currently, clubs give a "free-play" token in when these instances occur. The Attorney General has advised the clubs that this change will clarify this section of law relating to these circumstances.

Supporters of this bill indicate that controlled gaming establishments (i.e., card clubs) provide important revenues to their local communities in the form of licensing fees. Small urban cities such as Commerce, Bell Gardens and Hawaiian Gardens are dependent on these revenues. Supporters believe that the change proposed by

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this bill will give these cities and clubs fair representation on the committee.

The author has previously amended the bill to address concerns raised by the California Nations Indian Gaming Association that delete their opposition. There is no known opposition to the bill.

SUPPORT: Commerce Club of California
Los Angeles Casino Political Action
Committee
City of Commerce
Hawaiian Gardens Casino

OPPOSE: None registered as of 7/5/03

FISCAL COMMITTEE: Senate Appropriations Committee

SMH:bkh