

CALIFORNIA DEPARTMENT OF JUSTICE

**TITLE 11. LAW
DIVISION 3. GAMBLING CONTROL
CHAPTER 1. THE BUREAU OF GAMBLING CONTROL**

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

The Initial Statement of Reasons (ISOR), as published on April 11, 2025, is included in the file and is hereby incorporated by reference as if fully set forth herein.

The Initial Statement of Reasons has a cross-reference error. All cross-references to footnote 6 should instead be a cross-reference to footnote 7.

Additionally, the Harrah's Northern California hyperlink <https://www.caesars.com/harrahs-northern-california/casino> listed under the heading "Technical, Theoretical, and/or Empirical Studies, Reports, or Similar Documents Relied Upon" (ISOR page 17) has been removed because it no longer provides the quoted language "*Of all the casino table games, there is none more classic than Blackjack, also known as 21.*"

CORRECTIONS AND NON-SUBSTANTIAL EDITS

A "non-substantial change" is one that clarifies "without materially altering the requirements, rights, responsibilities, conditions or prescriptions contained in the original text." (Cal. Code Regs., tit. 1, § 40.) The following minor additional issues were noted since publication of the Notice of Proposed Rulemaking and Initial Statement of Reasons:

- Section 2010, subdivision (g) is added and replaces subdivision (h). Subdivision (g) is the correct subdivision being modified in the regulations.
- Section 2010, authority and reference section: Section 19826 has been underlined to reflect its addition to the text.
- Section 2010, authority and reference section: the word "and" is not being deleted from the last sentence of this section. The cross-out has been removed.
- Section 2073, authority and reference section: Penal Code section 330 is deleted as a reference.
- Sections 2073, subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) have been underlined to reflect their additions to the text.
- Section 2073, subdivision (b)(1)(A): a semicolon was added to the end of this subdivision for grammatical purposes.
- Section 2073, subdivision (b)(1)(B): a semicolon and the word "and" were added to the end of this subdivision for grammatical purposes.

- Section 2073, subdivision (b)(1)(C): a period was added to the end of this subdivision for grammatical purposes.
- Section 2074, subdivision (a): the phrase “may be approved” in section 2074, subdivision (a) is used because the review and approval of a controlled game is subject to other statutes, regulations, and city, county, or city and county ordinances, that are outside the scope of section 2074. (See Bus. & Prof. Code, § 19805, subd. (g), Pen. Code, § 337j, subd. (e)(1).)
- Section 2075 (a): “60 days after the effective date of section 2074” is replaced with “May 31, 2026.” This revision is necessary because May 31, 2026 is 60 days after April 1, 2026, the date the regulations will become effective. When the last day for filing a document with a state agency falls on a Sunday, the document may be filed upon the next business day. (Gov. Code, § 6707.) The next business day after May 31, 2026 is June 1, 2026.
- Section 2075, subdivision (a)(2): this subdivision is revised to reflect the correct reference to the Application Game Review form as reflected in 11 CCR § 2038, subdivision (a).
- Section 2075, subdivision (d): “one year after the effective date of this section” is replaced with “April 1, 2027.” This revision is necessary because April 1, 2027 is one year after the April 1, 2026, the date the regulations will become effective.

SUMMARY OF COMMENTS AND DEPARTMENT RESPONSES

Originally published in the California Regulatory Register on February 14, 2025, and scheduled to end April 4, 2025, the Department of Justice (Department) withdrew its previous regulatory action to allow more time for public comments after receiving multiple requests for extensions. A subsequent new 45-day comment period commenced on April 11, 2025, and ended May 29, 2025. The Department received more than 800 comment letters during the 45-day comment period. The summary of the comments and the Department’s responses are attached as the following appendices:

- Appendix A. Summary and Response to Comments Submitted during 45-Day Period
- Appendix B. List of Commenters from 45-Day Period (Written Comments)
- Appendix C. List of Commenters from the Public Hearing (Oral Comments)
- Appendix D. Public Comment Index (45-Day Period)
- Appendix E. Public Comment Index (Oral comments at the public hearing)

For ease of reference, the Department assigned a unique number to each written comment and oral testimony received. Because most comment letters contained multiple substantive comments that needed to be addressed, for each substantive comment, the Department assigned sub-numbers to the comment submission number. Please refer to appendix A “Summary and Response to Comments” to reference the applicable sub numbers and the Department’s corresponding responses to each substantive point. Additionally, transcript references have been included for convenience.

The “Summary and Response to Comments” is organized according to the sequential order of the proposed regulations that they address. Comments relating to multiple sections of the regulations are grouped together at the beginning of each section number. Comments generally about the regulations, but not regarding a particular section or subsection of the regulations, are grouped together at the end under the heading of “General Policy Concerns.” Additional subheadings have been included where comments are related to similar topics. Page numbers and transcript references have also been included for ease of reference. The “List of Commenters” for Appendix B and Appendix C identify the individuals and/or entities that submitted the comment during the 45-day comment period or provided an oral testimony during the public hearing. The “Public Comment Index” for Appendix D and Appendix E identify individuals by their comment sub numbers and corresponding response number from Appendix A.

Please refer to the Appendix A “Summary and Response to Comments” to reference the applicable sub-numbers and the Department’s corresponding responses to each substantive point.

COMMENTS RECEIVED OUTSIDE THE PUBLIC COMMENT PERIOD

While the Administrative Procedure Act requires that comments made outside any public comment period be included in the rulemaking file for the proposed action, it does not require that those comments be summarized or responded to in the Final Statement of Reasons. Any public comments received after the close of the public comment period on May 29, 2025, are included in the rulemaking file for the proposed action but are not summarized or responded to in the Final Statement of Reasons.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.

ALTERNATIVES DETERMINATIONS

In accordance with Government Code section 11346.9, subdivision (a)(4), the Department has determined that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES

The Department considered several alternatives in drafting the proposed regulations. In considering the following alternatives, the Department sought to balance the benefits to consumers, the burden to businesses, and the purposes of the proposed regulatory. Set forth below are the alternatives that were considered and the reasons each alternative was rejected.

Section 2010, subdivision (h):

The Department considered and rejected an alternative with respect to the proposed definition for “round of play”. The alternative would have included a hand-off approach that left the term undefined. However, leaving the term undefined would likely result in vague and confusing language and less protection for the public. The Department has determined that defining a “round of play” will provide a clear definition of the terms used in the sections 2073 and 2074 so that the regulated industry and the public are able to understand the regulations.

Section 2073, subdivision (a):

The Department considered and rejected an alternative that would narrow Penal Code section 330 to a single version of the game of twenty-one, rather than including blackjack, which is a recognized variation of twenty-one. Penal Code section 330 prohibits “any” game of twenty-one, and not only one iteration of the game. The proposed regulations are intended to identify essential characteristics of blackjack that will not be approved for play. The regulations are not intended to address any other game rules that are not specifically addressed in the regulation.

Section 2073, subdivision (b):

Subdivision (b) identifies game modifications that do not distinguish a cardroom game from the prohibited form of twenty-one. The Department considered and rejected an alternative that would allow these modifications to the game rules identified in subdivision (a). This alternative does not account for inconsequential modifications that fail to distinguish a cardroom game from the prohibited game of Blackjack. Even though this approach may be less burdensome for cardrooms, the Department has determined that the regulation is necessary to identify certain variations of the cards used in currently approved Blackjack games that do not materially change the game from the rules described in section 2073, subdivision (a). Furthermore, this language is necessary to prevent the use of artifices in order to distinguish a currently approved, new, or pending blackjack-style game from the prohibited form of Blackjack.

Section 2073, subdivision (c), Section 2074, subdivision (b), and Section 2075 subdivision (d)

The Department considered and rejected an alternative to allow gambling establishments to use “21” or “Blackjack” in the name of a game. This approach was determined to be ineffective, as it would likely create confusion and offer less protection to the public. This restriction is necessary to preclude Bureau approval of any game named after a prohibited game of twenty-one, thereby ensuring that the public is not misled about which games are legally permissible. Cardrooms using “21” or “Blackjack” in the name of a currently approved game will have the opportunity to rename a game to comply with the proposed regulations.

Section 2074, subdivisions (a)(1)-(a)(3)

The Department considered and rejected alternative approved game rules that omit the restrictions specified in proposed section 2074, subdivision (a)(1) through (a)(3). However, excluding those game rules would still leave intact essential rules that typify Blackjack. As explained in the Initial Statement of Reasons, the game of Blackjack is characterized as having essential features such as: (1) a player who exceeds the target point count will automatically lose, (2) a target point count that is 21, or that is functionally 21, and (3) a hand that consists of an ace and a 10-point card will automatically win. Accordingly, the Department has determined that, in order to fully implement the Gambling Control Act, permissible alternatives to Blackjack should not retain any of those three restrictions.

Section 2074, subdivision (a)(4)

The Department considered and rejected an alternative approve game rule omitting the requirement that, in the event of a tie between a player and the player-dealer, the player wins. The Department rejected this alternative because, as explained in the Initial Statement of Reasons, a tie with a player-dealer resulting in a push (neither a win or loss) is an essential characteristic of twenty-one and Blackjack. The Department has determined that this game rule requirement is necessary to clearly distinguish between games that are different from the prohibited game of twenty-one and those that are not.

Section 2075 subdivisions (a) and (e):

The Department considered and rejected the alternative of maintaining the status quo by not requiring cardrooms to modify blackjack-style games that have already been approved by the Bureau. The Department has determined that this alternative is ineffective and would undermine the purpose of the regulations. The intent is to establish a clear procedure for reviewing currently approved or pending blackjack-style games, identify which games will no longer be eligible for approval, and allow resubmittal of compliant games for Bureau review and reapproval.

Subdivision (e) is necessary to ensure that a permissible alternative to Blackjack does not retain essential rules that typify Blackjack.

The Department also considered and rejected an alternative that would extend the 60-day period in subdivision (a) to 120 days for cardrooms to modify blackjack-style games to comply with the proposed regulations. This alternative was deemed less effective in implementing the proposed timeframe, particularly because the regulations address only blackjack-style games. Cardrooms offer other games that are not impacted by the proposed regulation. Also, the Department proposed this concept to the industry in 2023, which provided significant opportunity for cardrooms to anticipate new restrictions on blackjack-style games. The Department has determined that the 60-day request period provides the regulated industry with a reasonable timeframe in which to modify their games to comply with sections 2073 and 2074.

NON-DUPLICATION

Some of the regulations may repeat or rephrase in whole or in part a state or federal statute or regulation. This was necessary to satisfy the clarity standard set forth in Government Code section 11349.1, subdivision (a)(3).