#### CALIFORNIA DEPARTMENT OF JUSTICE

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

#### NOTICE OF PROPOSED RULEMAKING

Notice published April 11, 2025

The Department of Justice (Department) proposes to adopt sections 2076 and 2077 of Title 11, Division 3, Chapter 1 of the California Code of Regulations concerning rotation of the player-dealer position in specified controlled games.

The Department originally published this notice (OAL Notice File Number Z-2025-0204-09) on February 14, 2025, and subsequently received several requests to extend the public comment period. The Department agreed to extend the public comment period by withdrawing the earlier notice and restarting the rulemaking proceeding. This action is virtually identical to the previous action. See new information below regarding the public hearing.

# **PUBLIC HEARING**

The Department, by and through the Bureau of Gambling Control (Bureau), will hold a virtual public hearing to provide all interested persons an opportunity to present statements or arguments, either orally or in writing, with respect to the proposed regulation as follows:

**Date:** May 28, 2025

**Time:** 9:00 a.m. Pacific Time

To join by videoconference:

ZoomGov Link: https://doj-ca.zoomgov.com/j/1603976077

Meeting ID: 160 397 6077

To join by teleconference:

Dial: (669) 254-5252 Meeting ID: 160 397 6077

Meeting ID: 160 397 6077

NEW! Members of the public who wish to speak at the hearing are requested to RSVP in advance on the Bureau's website at <a href="https://oag.ca.gov/gambling/regulations">https://oag.ca.gov/gambling/regulations</a>. Speakers will be called in the order of the RSVP. The information provided will help the Bureau plan hearing logistics and accommodate participants.

The Department requests, but does not require, that persons who make oral statements or comments at a hearing also submit a written copy of their testimony at the hearing to BGC Regulations@doj.ca.gov.

#### WRITTEN COMMENT PERIOD

Any interested party, or their authorized representative may submit written comments relevant to the proposed regulatory action. The written comment period closes on **May 29, 2025**, at **5:00 p.m.** The Department will only consider comments received by that time, including any public comments received in the previous rulemaking (OAL Notice File Number Z-2025-0204-09) from February 14, 2025 to March 27, 2025. Please submit written comments to:

A. McMillen, Regulations Coordinator California Department of Justice, Bureau of Gambling Control 2450 Del Paso Road, Suite 100, Sacramento, CA 95834 Telephone: (916) 261-4256; Email: BGC Regulations@doj.ca.gov

NOTE: Written and oral comments, attachments, and associated contact information (e.g., address, phone, email, etc.) become part of the rulemaking record and can be released to the public upon request.

# **AUTHORITY AND REFERENCE**

Authority: Section 19826, Business and Professions Code.

Reference: Sections 19805 and 19826, Business and Professions Code.

# INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

#### **Summary of Existing Laws and Regulations:**

#### The Gambling Control Act

The Department is charged with the investigation and enforcement of controlled gambling activities in California as set forth in the Gambling Control Act (Act), codified at Business and Professions Code section 19800, et seq. (Gov. Code, § 15001.1.) The Department's Bureau of Gambling Control (Bureau) carries out those investigative and enforcement activities. (See Gov. Code, § 15002.5.) The Act was enacted in 1997, and it became effective January 1, 1998. (Stats. 1997, ch. 867.) In enacting this measure, the Legislature declared that "Unregulated gambling enterprises are inimical to the public health, safety, welfare, and good order." (Bus. & Prof. Code, § 19801, subds. (a), (d).) The purpose of the Act is not to expand opportunities for gambling, or to create any right to operate a gambling enterprise, or to have a financial interest in any gambling enterprise, but rather to regulate businesses that offer otherwise lawful forms of gambling games. (*Id.*, § 19801, subd. (f).)

The Act also provides that public trust requires comprehensive measures be enacted to ensure that permissible gambling will not endanger public health, safety, or welfare, is free from criminal and corruptive elements, and is conducted honestly and competitively. (Bus. & Prof. Code, § 19801, subd. (g).) The Legislature also declared that "[p]ublic trust and confidence can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities related to the operation of lawful gambling establishments . . . . " (Id.,

§ 19801, subd. (h).) The Act "is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes." (*Id.*, § 19971.)

Under the Act, the Department has the exclusive authority and responsibility to "[a]pprove the play of any controlled game<sup>1</sup>, including placing restrictions and limitations on how a controlled game may be played." (Bus. & Prof. Code, §§ 19826, subd. (g) and 19943.5. The Department is directed to "adopt regulations reasonably related to its functions and duties as specified in [the Act]." <sup>2</sup> (*Id.*, § 19826 subd. (f).)

#### Banking Games are Prohibited

The California Constitution<sup>3</sup> and Penal Code section 330 prohibits the play of any banking game. Prior to the enactment of the definition of "banking game" in Business and Professions Code section 19805, subdivision (c), "banking game" had generally been described as a game in which the house, <sup>4</sup> acting as the bank, "is a participant in the game, taking on all comers, paying all winners, and collecting from all losers." (*Sullivan v. Fox* (1987) 189 Cal.App.3d 673, 678; *Huntington Park Club Corp. v. County of Los Angeles* (1988) 206 Cal.App.3d 241, 250.) This judicial construction of the term "banking game" or "banked game" generally required that the house, i.e., the owner(s) of the gambling establishment, be involved in the play of the game.

In *Oliver v. County of L.A.* (1998) 66 Cal.App.4th 1397 (*Oliver*), however, the court expanded upon the definition of a banking game, and held that a banking game includes a game where *any* person or entity maintains or operates a bank. *Oliver* held that "a game will be determined to be a banking game if under the rules of that game, it is *possible* that the house, *another entity, a* 

<sup>&</sup>lt;sup>1</sup> A "controlled game" is defined as "any poker or Pai Gow game, and any other game played with cards or tiles, or both, and approved by the Department of Justice, and any game of chance, including any gambling device, played for currency, check, credit, or any other thing of value that is not prohibited and made unlawful by statute or local ordinance." (Pen. Code, § 337j, subd. (e)(1).)

<sup>&</sup>lt;sup>2</sup> The Act also provides that the California Gambling Control commission, to the extent that it adopts regulations, shall provide that the Department has the authority to approve game rules "to ensure fairness to the public and *compliance with state laws*." (Bus. & Prof. Code, § 19841, subd. (b), italics added.)

<sup>&</sup>lt;sup>3</sup> California Constitution, article IV, section 19, subdivision (e) requires the state to prohibit casinos that are the type currently operating in Nevada and New Jersey. This provision "was intended, in part, to constitutionalize Penal Code section 330." (*Hotel Employees and Restaurant Employees Inter. Union v. Davis* (1999) 21 Cal.4th 585, 609 fn. 5.)

<sup>&</sup>lt;sup>4</sup> "House" means the gambling enterprise, and any owner, shareholder, partner, key employee, or landlord thereof. (Bus. & Prof. Code, § 19805, subd. (t).) "Gambling enterprise" means a natural person or an entity, whether individual, corporate, or otherwise, that conducts a gambling operation and that by virtue is required to hold a state gambling license under the Act. (*Id.*, § 19805, subd. (m).) "Gambling operation" means exposing for play one or more controlled games that are dealt, operated, carried on, conducted, or maintained for commercial gain. (*Id.*, § 19805, subd. (q).)

player, or an observer can maintain a bank or operate as a bank during the play of the game." (*Id.* at p. 1408, italics added). Thus, the *potential* that under the game's rules a player may act as a bank determines whether the game is a banking game, not the current mode of play. (*Ibid.*) Accordingly, a game will be found to be an illegal banked game, no matter who is acting as the bank, if the game's rules allow the *possibility* that a person, entity, or an observer may maintain or operate a bank. (*Kelly v. First Astri Corp.* (1999) 72 Cal.App.4th 462, 492.) This definition of a banking game was adopted by the California Supreme Court in *Hotel Employees & Restaurant Employees Internat. Union v. Davis* (1999) 21 Cal.4th 585, 605.

The Act was then amended to add the definition of a "banking game" or "banked game," to require the player-dealer position to be continuously and systematically rotated among each player if a cardroom game features a player-dealer position:

"Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section, it is not the intent of the Legislature to mandate acceptance of the deal by every player if the department finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

(Bus. & Prof. Code, § 19805, subdivision (c).)<sup>5</sup>

### Games and Game Rules are Reviewed and Approved by the Bureau

A controlled game may not be offered for play unless the Bureau has approved the game rules. (Bus. & Prof. Code, § 19826, subd. (g); see also Pen. Code, § 337j, subd. (e)(1).) To obtain approval, applicants must submit an Application for Game Review (BGC-APP.026 (Rev. 09/2017)) to the Bureau, along with the payment of an application fee and a deposit. (Cal. Code Regs., tit. 11, §§ 2037, subd. (a)(1)(K), 2038.)

No regulations currently govern the approval of games featuring a rotating player-dealer position. Accordingly, the Department submits these proposed regulations to describe (1) how rotation of the player-dealer position shall be maintained, (2) prohibited betting arrangements, and (3) the limitations on use of a Third-Party Provider of Proposition Player Services (TPPPS) in games featuring a rotating player-dealer position. These regulations would ensure that

<sup>&</sup>lt;sup>5</sup> Business and Professions Code section 19805, subdivision (c) mirrors Penal Code section 330.11, creating a limited exception to the banked game prohibition in Penal Code section 330. The two statutes specify a pivotal role for the Bureau to ensure a game is not banked through the game approval process. The Bureau has authority to investigate violations of Chapters 9 and 10 of the Penal Code, including section 330. (Bus. & Prof. Code, § 19826, subd. (c).)

controlled games are not played in a manner that would allow the maintenance or operation of a bank in contravention of California law.

# **Effect of the Proposed Rulemaking:**

These proposed regulations provide specific guidance regarding: (1) who may hold the player-dealer position, and that game rules specify how to select a player-dealer; (2) the required notice to players as to when they may act as player-dealer, limitations on how much the player-dealer may win or lose, and how wagers will be settled; (3) the requirement that the player-dealer position be offered to all seated participants prior to start of every hand; (4) minimum standards of rotation of the player-dealer position, and consequences for failing to adhere to the minimum standards (5) specific prohibitions, including a provision prohibiting any person from placing a wager against the TPPPS when they are not the player-dealer; and a provision precluding a TPPPS from settling any wagers if they are not the player-dealer (6) the minimum number of TPPPS that may provide services at a table offering a player-dealer game; and, (7) the procedure the Bureau must follow when performing another review of previously-approved games featuring a player-dealer position.

#### The Player-Dealer Position

The proposed regulation would specify that only seated player participants may act as the player-dealer. This specification is required based upon the definition of a player-dealer under Business and Professions Code section 19805, subdivision (ag). The proposed regulation would require that the player-dealer position be offered to other seated players prior to the play of every hand. This specification is required to ensure that the player-dealer position is rotated on a continuous basis, so as to prevent the game from falling within the definition of a banking game or banked game under Business and Professions Code section 19805, subdivision (c).

# Consequences for Failing to Rotate the Player-Dealer Position

The proposed regulation would specify that if the player-dealer position is not rotated as specified within a 40-minute period, play of the game shall cease, and no further play shall be allowed unless and until another person accepts the player-dealer position. The proposed regulation would provide that if the 40-minute mark is reached during a round of play, the round of play may be completed before the game will be stopped.

#### Limitations on Specified Wagering Methods and Settling of Wagers

The proposed regulation would prevent the maintenance or operation of a bank by any person through other means by placing restrictions on the manner of placing wagers, and limiting who may settle wagers. The proposed regulation would prohibit any person from placing a wager directly against a TPPPS who is not occupying the player-dealer position. The proposed regulation would prohibit a TPPPS from settling any wagers if they are not occupying the player-dealer position.

# **Specialized Rule Regarding TPPPS**

In order to prevent or minimize circumventing the mandated rotation of the player-dealer position among the seated players at a table, the proposed regulation would limit the number of TPPPS that may provide proposition player services. The proposed regulation would provide that only one TPPPS may provide services at a table offering a controlled game featuring a rotating player-dealer position.

# Review of Previously Approved Games

The proposed regulations would establish a procedure for reviewing currently approved or pending games featuring a player-dealer position for compliance with the proposed regulations (section 2077). Within 60 days of the effective date of the regulations, a gambling enterprise must submit a request for review of a currently approved game, or seek modification of a currently approved game, to ensure that the game is compliant with these regulations. The Bureau thereafter shall have 120 days to approve or disapprove a game or modification of a game. Pending games shall be modified to comply with the regulations if the games are not compliant when these regulations become effective. If no request for review of a game featuring a player-dealer position is received within 60 days of the effective date of the regulations, and the game is not compliant with these regulations, the game will be disapproved. The disapproval may be appealed as specified. The proposed regulations would waive the fees normally required for the modification of a game for purposes of complying with these regulations. This fee waiver shall apply only to requests to modify a game that is filed with the Bureau within 60 days of the effective date of the regulations, and only for purposes of compliance with the proposed regulations.

#### **Anticipated Benefits of the Proposed Regulations:**

The California Legislature, in its legislative findings, declared that the purpose of the Act is to regulate businesses that offer otherwise lawful forms of gambling games, to enact comprehensive measures to ensure that gambling is free from criminal and corruptive elements, and to provide for the strict and comprehensive regulation of all activities related to the operation of lawful gambling establishments. (Bus. & Prof. Code, § 19801, subds. (a), (f), (g), (h).)

Banking games have long been prohibited in California under Penal Code section 330 and the State Constitution. The Act furthers this prohibition by allowing only the play of lawful gambling games in California gambling establishments. The Act further enables the Department to prevent and prohibit the play of banking games in gambling establishments through the game approval process.

The proposed regulations would further the Act's policies, as well as the Legislature's determination to prohibit banking games, by requiring that: (1) the player-dealer position must rotate to two players, other than the TPPPS, within a 40-minute period and then, if no rotation occurs, the game must end; (2) if the game ends, game play shall stop, no cards shall be dealt and no wagers shall be made until another person accepts the player-dealer position. Thus, the TPPPS would no longer be allowed to serve as player-dealer during every round of play.

The regulations will benefit the public's health, safety and welfare and the regulated industries because they will ensure that the public does not engage in, and the regulated industry does not offer, any form of gambling prohibited by Penal Code section 330 and the State Constitution. The notice requirement proposed by the regulations will benefit the public by informing players at each table who may act as the player-dealer at any time during the game and what the limitations are on amounts that may be won or lost while acting as the player-dealer. The proposed requirement that the player-dealer position be offered after every hand, and rotate in a specified manner, will also provide the benefit of stronger enforcement of gambling laws. This will benefit the Department in its enforcement responsibilities, because the proposed regulations provide for specific minimum rotation requirements that will be easily verifiable by Department staff.

#### **Comparable Federal Regulations**

There are no existing federal regulations or statutes comparable to the proposed regulation.

#### **Determination of Inconsistency/Incompatibility with Existing State Regulations:**

The Department has determined these proposed regulations are not inconsistent or incompatible with any existing state regulations, because there are no existing regulations that address the specific subject matter of the proposed regulations.

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None.

### **Other Statutory Requirements:**

None.

#### **DISCLOSURES REGARDING THE PROPOSED ACTION**

The Department has made the following initial determinations:

Mandate on local agencies or school districts: None.

<u>Cost or Savings to any state agency</u>: The proposed regulations may result in a loss of revenue to the Department arising from the new parameters governing the player-dealer position rotation.

Cost to any local agency or School District which for which reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other non-discretionary costs or savings imposed on local agencies: The proposed regulations may result in a loss of tax revenue to local governments that benefit from cardroom gaming activity. Local tax revenues from gaming may be disproportionately important to communities hosting cardroom activities. Cardrooms tend to be concentrated in major metropolitan

jurisdictions. But gaming revenue and the attendant local tax revenue are of special significance in many lower income counties too.

Cost or savings in federal funding to the state: None.

Cost impacts on representative person or business: The Department estimates that: (1) the compliance costs associated with the regulations over the period of 2026 to 2035 will result in a 50 percent decrease in TPPPS revenues from cardrooms and 25 percent of customers would shift their patronage to tribal casinos to avoid new player-dealer rotation requirements. Total net direct costs to the gaming sector would thus be \$198 million, while cardrooms would lose \$396 million. As a result, tribal casinos would gain \$198 million, and the combined costs and benefits (falling on different stakeholders) is \$594 million.

Significant effect on housing costs: None.

# Significant Statewide Adverse Economic Impact Directly Affecting Businesses:

The Department has made an initial determination that the adoption and amendment of this regulation may have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to complete with businesses in other states.

The proposed action will affect all third-party businesses supporting cardroom gaming in the state (known as third-party providers of proposition player services or TPPPS). Currently 36 TPPPS are licensed to operate in the state. The proposed action will also affect all California cardrooms. Currently 86 licensed cardrooms are located throughout the state.

The proposed action will require TPPPS and cardrooms to work within the limitations imposed upon player dealers. These proposed regulations impose minimum requirements for player-dealers and rotation of the player-dealer position.

The proposed action may indirectly affect a variety of associated attractions or appurtenant services including restaurants, bar, and hotels.

The Department has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Under Government Code section 11346.5, subdivision (a)(7), submissions of proposed alternatives to a proposed regulatory action may include the following considerations:

- The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- Consolidation or simplification of compliance and reporting requirements for businesses.
- The use of performance standards rather than prescriptive standards.
- Exemption or partial exemption from the regulatory requirements for businesses.

# RESULTS OF THE STANDARDIZED REGULATORY IMPACT ANALYSIS (SRIA):

Cardrooms and TPPPS businesses would be directly affected by the proposed regulations. Most notably, the proposal will likely reduce the number of cardrooms customers, TPPPS employees and TPPPS patronage, thereby impacting a significant revenue stream.

The Department estimates that TPPPS revenues from cardrooms would decline significantly by 50 percent, and that 25 percent of customers would shift their patronage to tribal casinos to avoid the player-dealer rotation requirement. Total net direct costs to the gaming sector would thus be \$198 million, while cardrooms would lose \$396 million. As a result, tribal casinos would gain \$198 million, and the combined costs and benefits (falling on different stakeholders) is \$594 million.

# Creation or Elimination of Jobs in California

The Department estimates that the proposed regulation (compared to baseline scenario) would result in 311 fewer jobs per year over the period of 2026-2035, with the employment impact consisting of gaming related operations and service sector jobs within the cardroom industry. Comparable to the majority of service sectors, the cardroom industry exhibits an average level of skill intensity. Job losses in the cardroom sector are more easily absorbed compared to those in highly skilled sectors. The loss would have a negligible effect on continued annual growth of employment across the state over the first decade of implementation.

## Creation or Elimination of Businesses in California

The Department has determined that this regulatory proposal will not have a significant impact on existing businesses or the expansion of businesses in California.

Competitive Advantages or Disadvantages for Existing Businesses in California, including the ability of California businesses to compete with businesses in other states

The Department does not have reliable estimates regarding the individual competitiveness of TPPPS businesses and cardrooms in light of the proposed regulations. However, it is likely that compliance costs associated with cardroom and TPPPS businesses operating within California may put them at some competitive disadvantage relative to tribal casinos.

With respect to out-of-state competition, the Department does not have reliable estimates regarding a gambling migration as a result of the proposed regulation.

#### Increase or Decrease in Investment in California

The Department estimates that the impact on state investment is relatively small. However, cardroom gaming restrictions will have a direct impact on investment by the regulated sector. Lower revenue and compliance requirements may discourage investment by some cardroom investors. Other investors may respond by making more innovative investments in alternatives. It is difficult to quantify the increase or decrease in investment due to the lack of currently

available data to predict the innovation or productivity impacts.<sup>6</sup> But it is reasonable to expect existing businesses to invest in new games to offset any loss of business arising from the new parameters governing the player-dealer position rotation.

#### Benefits of the Regulations

The regulations will benefit the health, safety and welfare of the public because they will provide clear standards for controlled games featuring a player-dealer position. And, in order to ensure that "permissible gambling will not endanger public health, safety, or welfare" (Bus. & Prof. Code, § 19801, subd. (g)), the regulated industry and the public will, via the proposed regulations, be more fully informed as to what games are allowed to be played in California gambling establishments. This will ensure the public does not engage in unlawful gambling activities.

#### Incentives for Innovation in Products, Materials, or Processes

Substantive industry regulations can induce innovation. When existing practices are subject to new restrictions, it is reasonable to expect affected businesses to invest in product differentiation to offset any loss of business. In the case of new player-dealer rotation rules, TPPPS may innovate roles to allow revenue-neutral rotation partnerships. Innovation processes are inherently subject to uncertainty, and it is not realistic to predict the advent of transformative technologies or products in the industry.

#### SUMMARY OF DEPARTMENT OF FINANCE'S COMMENTS ON SRIA AND RESPONSE:

The Department of Finance (DOF) stated that it generally concurs with the methodology applied in the SRIA, but raised three main points of disagreement that: (1) the SRIA should clearly identify the regulatory baseline used to analyze the change in behavior as a result of the proposed regulations in order to augment the analysis of the impacts to local governments; (2) the proposed regulatory alternatives should then be compared to the defined baseline and include quantified cost impacts; and (3) the SRIA must provide the rationale for any underlying assumptions that are material to the analysis. In response to these comments, the Department revised the SRIA to include an updated analysis of the regulatory baseline to augment the impact on local governments and outline the direct costs of alternative regulatory scenarios.

Additionally, the Department noted the lack of data on industry adjustments to gaming rules changes, which limits the ability to support underlying assumptions that are material to the analysis. In the absence of such data, the Department assumptions are intended to be indicative of change in behavior as a result of the proposed regulations. The revised SRIA is included in the regulatory package as Appendix B to the Initial Statement of Reasons.

**SMALL BUSINESS DETERMINATION**: The Department has determined that the proposed action affects small businesses.

<sup>&</sup>lt;sup>6</sup> The Department does not have reliable estimates on the increase or decrease in investment in California as a result of the proposed regulations.

#### **CONSIDERATION OF ALTERNATIVES**

Government Code section 11346.5, subdivision (a)(13) requires that the Department must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed, 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 and equally effective in implementing the statutory policy or other provision of law. The Department has determined that the proposed action is the most effective way to enforce the prohibition against traditional Blackjack games and the regulation of permissible blackjack-style games in California.

The Department invites interested persons to submit alternatives with respect to the proposed regulations at either the public hearing or during the written comment period.

Alternatives to the proposed regulation that the agency itself considered are described in the SRIA and Initial Statement of Reasons.

#### **CONTACT PERSONS**

Inquiries concerning the proposed administrative action may be directed to:

A. McMillen, Regulations Coordinator
California Department of Justice, Bureau of Gambling Control
2450 Del Paso Road, Suite 100, Sacramento, CA 95834
Telephone: (916) 261-4256; Email: BGC Regulations@doj.ca.gov

Questions regarding procedure, comments, or the substance of the proposed action should be addressed to the above contact person. In the event the contact person is unavailable, inquiries regarding the proposed action may be directed to the following backup contact person:

L. Terry, Crime Analyst II
California Department of Justice, Bureau of Gambling Control
2450 Del Paso Road, Suite 100, Sacramento, CA 95834
Telephone: (916) 830-9051; Email: BGC Regulations@doj.ca.gov

# AVAILABILITY OF INITIAL STATEMENT OF REASONS, PROPOSED TEXT, RELATED FORMS, AND RULEMAKING FILE

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process upon request to the contact person above. As of the date this Notice of Proposed Rulemaking (Notice) is published in the Notice Register, the rulemaking file consists of this Notice, the Text of Proposed Regulations (the "express terms" of the regulations), the Initial Statement of Reasons, and any information upon which the proposed rulemaking is based. The text of this Notice, the express terms, the Initial Statement of Reasons, and any information upon which the proposed rulemaking is based are available on the Department's

website at <a href="www.oag.ca.gov/gambling/regulations">www.oag.ca.gov/gambling/regulations</a>. Please refer to the contact information listed above to obtain copies of these documents.

## AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments, the Department will either adopt these regulations substantially as described in this notice or make modification based on the comments. If the Department makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the proposed regulations as revised. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

### **AVAILABILITY OF THE FINAL STATEMENT OF REASONS**

Upon its completion, a copy of the final statement of reasons will be available on the Department's website at <a href="www.oag.ca.gov/gambling/regulations">www.oag.ca.gov/gambling/regulations</a>. Please refer to the contact information included above to obtain a copy of the final statement of reasons.

# **AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of this Notice, the Initial Statement of Reasons, the Text of the Proposed Regulations, and any information upon which the proposed rulemaking is based will be posted and available for downloading on the Department's website at: <a href="www.oag.ca.gov/gambling/regulations">www.oag.ca.gov/gambling/regulations</a>.