

Initial Statement of Reasons
Proposed Regulations: Nonprofit Organization Charitable Fundraiser

Summary

The Bureau of Gambling Control (Bureau) proposes to adopt California Code of Regulations, Title 11, Article 8, sections 2080-2116, concerning nonprofit organizations conducting fundraisers using controlled games.

Purpose and Rationale for Proposed and Amended Regulations

The proposed new regulations implement a new statutory standard, effective January 1, 2007. This action is needed to comply with a recently passed bill, AB 839 that mandates the Bureau adopt regulations necessary to effectuate the registration and regulation of nonprofit organizations that wish to conduct fundraisers using controlled games.

Section 2080. The purpose of section 2080 is to identify the Bureau of Gambling Control as the regulatory agency vested with the registration of nonprofit organization fundraisers in the state. This section is necessary to set out the Bureau's intent that events shall be conducted in a manner consistent with the purpose of fundraising for qualified nonprofit organizations.

Section 2082. This section mandates nonprofit organizations and suppliers of gaming equipment or services to nonprofit organizations to register with the Bureau prior to conducting a fundraising event.

Section 2084. Outlines the application for registration process and requires the nonprofit organization to utilize the Bureau's form, BGC-SP. 001.

Section 2086. Outlines the application for registration requirements.

Section 2088. Outlines how the Bureau will process applications for nonprofit organization fundraisers.

Section 2090. Outlines criteria used to determine applicant ineligibility.

Section 2092. Outlines the criteria used when canceling the registration of a nonprofit organization.

Section 2094. Outlines the term of registration for a nonprofit organization to conduct a fundraiser utilizing controlled games.

Section 2096. This section requires the approved applicant to display the Bureau issued registration at the fundraising event.

Section 2098. The purpose of this section is to provide guidelines to those persons or entities (19986(b)) who act as suppliers of gaming equipment. The

Initial Statement of Reasons
Proposed Regulations: Nonprofit Organization Charitable Fundraiser

section also requires these persons or entities to register with the Bureau on an annual basis and utilize BGC-SP. 002.

Section 2100. Outlines how the Bureau will process applications for suppliers of gaming equipment

Section 2102. Outlines the criteria used to determine ineligibility for the registration of suppliers of gaming equipment

Section 2104. This section outlines the cancellation process of a supplier of gambling equipment and/or services registration.

Section 2106. Outlines the term of registration for suppliers of gaming equipment to provide gaming equipment or services to qualified nonprofit organization's fundraisers.

Section 2108. This section requires the approved supplier of gambling equipment and/or services to display the Bureau issued registration at the fundraising event.

Section 2110. The purpose of this section is to provide applicants with general requirements for which a fundraising event is to be conducted.

Section 2112. The purpose of this section is to require applicants to display problem gambling informational signs during the event. The signs will be provided by the Bureau, at no cost to the nonprofit organization.

Section 2114. The purpose of this section is to require nonprofit organizations to report the outcome of their nonprofit organization fundraiser using controlled games to the Bureau.

Section 2116. The purpose of this section is to set guidelines for the retention of records for nonprofit organization fundraisers.

Required Determinations

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

The Bureau did not rely upon any technical, theoretical, or empirical studies, reports or documents in proposing the adoption of this regulation.

LOCAL MANDATE

These regulations do not impose a mandate on local agencies or school districts.

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REASONABLE ALTERNATIVES TO THE PROPOSED REGULATIONS AND REASONS FOR REJECTING THOSE ALTERNATIVES.

The Bureau is not aware of any reasonable alternatives that would as effectively achieve the regulatory purpose of registering nonprofit organizations and persons or entities (defined by 19986(b)) applications and achieving compliance in situations where nonprofit organization fundraising events have been requested.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES

The Bureau is not aware of any reasonable alternatives that would lessen any adverse impact on small businesses.

IMPACT ON PRIVATE PERSONS

The Bureau is not aware of any reasonable alternatives that would be more effective or as effective and less burdensome to private persons.

IMPACT ON BUSINESS

The Bureau has made a determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.