

**TITLE 11. CALIFORNIA BUREAU OF GAMBLING CONTROL
NOTICE OF PROPOSED RULEMAKING**

**“Nonprofit Organization Fundraiser; Required Forms; Registration and Operation
of Fundraising Event**

The California Bureau of Gambling Control (Bureau) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION: The Bureau proposes to adopt sections 2080, 2082, 2084, 2086, 2088, 2090, 2092, 2094, 2096, 2098, 2100, 2102, 2104, 2106, 2108, 2110, 2112, 2114, and 2116 of Title 11, Article 8 of the California Code of Regulations, concerning definitions, registration qualifications and requirements, and operation of a charitable gaming event.

PUBLIC HEARING

The Bureau will hold a public hearing starting at 10:00 am on January 7, 2008, at The California Department of Consumer Affairs, 1625 N. Market Blvd. Suite South-102 Sacramento, CA 95834. The room is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Bureau requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Bureau at any time during the 45-day public comment period. To be considered for summary and response, all written comments must be received no later than 5:00 p.m., January 7, 2008.

Written comments for the Bureau’s consideration should be directed to:

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Bureau of Gambling Control
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AUTHORITY AND REFERENCE

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions Code sections 19800 et seq. In particular, Business and Professions Code sections 19810, 19822(a), 19826(a), (f), 19827, 19985, 19986, and 19987.

The proposed regulations implement, interpret, or make specific following reference citations: Business and Professions Code sections 19950(b), 19985, 19986 and 19987.

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

Chapter 5 of Division 8 of the Business and Professions Code. Section 19800 et seq. Notwithstanding any other provision of state law a nonprofit organization may conduct a fundraiser using controlled games as a funding mechanism to further the purposes and mission of the nonprofit organization. Nonprofit organizations shall register annually with the Division of Gambling Control. The division shall furnish a registration form on its Internet Web site or, upon request, to eligible nonprofit organizations. The division shall, by regulation, collect only the information necessary pursuant to this section on this form. The division may require an eligible organization to pay an annual registration fee of up to one hundred dollars (\$100) per year to cover the actual costs of the division to administer and enforce this section. The annual registration fees shall be deposited by the division into the Gambling Control Fund. The division, by regulation or order, may require any person or entity who, directly or indirectly, manufactures, distributes, supplies, vends, leases, or otherwise provides, supplies, devices, or other equipment designed for use in the playing of controlled games by any nonprofit organization registered to conduct controlled games, to register with the division.

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 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.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Bureau has made the following initial determinations:

Required Determinations

LOCAL MANDATE

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

IMPACT ON PRIVATE PERSONS/BUSINESSES

The Bureau is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

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.

IMPACT ON SMALL BUSINESS

The Bureau has made a determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting small business. The implementation of the proposed regulations will not adversely affect small business entities.

COST OR SAVINGS TO ANY STATE AGENCY:

None.

COST TO ANY LOCAL AGENCY OR SCHOOL DISTRICT THAT MUST BE REIMBURSED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 17561:

None.

OTHER NON-DISCRETIONARY COST OR SAVINGS IMPOSED UPON LOCAL AGENCIES:

None.

COST OR SAVINGS IN FEDERAL FUNDING TO THE STATE:

None.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Bureau must determine that no reasonable alternative considered by the Bureau or that has otherwise been identified and brought to the attention of the Bureau 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.

The Bureau invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Bureau has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

CONTACT PERSON

Inquiries concerning this rulemaking should be directed to:

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Requests for a copy of the proposed text of the regulation or Initial Statement of Reasons, should be directed to:

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AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED

REGULATIONS

The Bureau Regulations Coordinator will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting the Bureau Regulations Coordinator at the address, telephone number or e-mail address listed above or by accessing the Bureau's website at <http://caag.state.ca.us/gambling/index.htm>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Bureau Regulations Coordinator or viewed on the website.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following receipt of public comment, the Bureau may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Bureau adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of the Bureau Regulations Coordinator at the address indicated above. The Bureau will accept written comments on the modified regulation for 15 days after the date on which it is made available.

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 processing charitable gaming event applications and achieving compliance in situations where charitable gaming events have been requested.