

California Legislature

March 14, 2019

The Honorable Xavier Becerra
California Attorney General
Department of Justice
1300 I Street
Sacramento, CA 95814

Re: Bureau of Gambling Control – Cardroom Gaming Approvals

Dear Attorney General Becerra:

This letter serves to follow up on your correspondence from November 6, 2018, regarding the Bureau of Gambling Control's (Bureau) ongoing review of previously approved controlled games.

It is our understanding that the Bureau has held six public workshops throughout the state and received thousands of public comments from concerned citizens, legislators, local elected officials, law enforcement officials and card room employees. With this broad group of impacted parties, we would like to reengage the Bureau to better understand the impetus for the decision to promulgate new regulations for games and rescind game approvals. At this point, there has been a lack of clarity, which has left all the impacted parties with a high degree of confusion and uncertainty about the future.

Cardrooms have operated in a landscape where the previous four California Attorneys General continuously approved games for over two decades. However, the Bureau has recently stopped approving games, even though it continues to accept game applications and collect fees. Given the Bureau has not completed the regulatory process, we believe it is obligated to continue to approve games under the existing standards applied by the Bureau over the last two decades.

As you know, the card room industry produces a tremendous amount of employment opportunities and tax revenues for the communities in and around our districts, many of which are in traditionally underserved communities. Given the extent of lives touched by the industry, a clear explanation is necessary as to why the Bureau is not implementing the existing standard while it works through its rule making process.

The Bureau should also share its beliefs on how regulations will create competitive advantages or disadvantages for the industry. This would provide the community a full and fair opportunity to respond and provide input before the Bureau concludes on what regulations should be proposed.

The California Legislature has gone to great lengths to provide legal authority for the Department of Justice to approve lawful games. We encourage you to take the necessary action to give the industry the legal clarity it needs to operate effectively. Any new restrictions on currently approved games will have a major impact on card room revenues and local government budgets, likely in the range of hundreds of millions of dollars throughout the state.

For decades, California cardrooms have operated lawfully and served as a dependable source of economic and social development. We urge you to begin a dialogue with the cardroom industry and come to the table to pursue a workable solution rather than move forward with regulations that endanger the livelihood of those who depend on them.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike A. Gipson", with a large, stylized flourish extending from the end of the signature.

MIKE A. GIPSON
Assemblymember, 64th AD