

DEPARTMENT OF JUSTICE
DIVISION OF LAW ENFORCEMENT
BUREAU OF GAMBLING CONTROL

TITLE 11, DIVISION 3, CHAPTER 1

Article 3, Section 2021 Separation From Employment: Designation of Bureau Employees

Section 100. CHANGES WITHOUT REGULATORY EFFECT

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(b)(3), of the California Code of Regulations (CCR), the California Department of Justice, Division of Law Enforcement, Bureau of Gambling Control (Bureau) hereby submits this written statement explaining why the proposed changes to CCR Title 11, Division 3, Chapter 1, Section 2021, have no regulatory effect.

The Regulation Is Non-Duplicative of Statute

SB 666, (Vidak, Chapter 245, Statutes of 2017) became effective on January 1, 2018. This bill added further prohibition provisions to existing post-employment limitations in the Gambling Control Act. Specifically, SB 666 amended section 19981 of Business and Professions Code, and prohibits named positions within the California Gambling Control Commission, the chief, and any employee of the department who works on or supervises over gambling issues from holding a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of, a gambling establishment, gambling enterprise, registrant, or licensee for a period of two years after leaving office or terminating employment with the Bureau. Newly added subdivision (c) to this statute expands the scope of certain capacities prohibited, applies to all Bureau employees, and defines for this expanded scope a different time-period than what is listed in subdivision (a) in the existing statute.

This Section 100 action makes changes necessary to implement this new subdivision of statute. This Section 100 action partially duplicates statute only to clarify its applicability to all Bureau employees as well as to the classifications listed in existing regulation section 2021.

The Bureau Has No Discretion To Adopt A Change That Differs In Substance

This Section 100 action makes conforming changes to Section 2021 by adding text which expands the scope of the activities prohibited, applies to all employees of the Bureau, and sets forth the time period limitation of two-years which employees are subject to the new limitations. These regulatory changes are consistent with and mandated by the recent amendment to statute resulting from SB 666.

Specific Findings

With respect to the following, the Bureau submits the following specific findings concerning necessity and consistency:

Necessity

Leaving the existing regulations pertaining to post-Bureau employment restrictions unchanged would leave out reference to the amendments to Business and Professions Code section 19981. This would result in Bureau staff not being fully aware of the limitations to their prospective, future employment options. The only logical and practical solution available to the Bureau is to amend its regulations to include the statutory change enacted in SB 666.

Consistency

The current regulation pertaining to the separation from employment and designation of Bureau employees is applicable only to the classifications cited and those employees whose job description involves functions involving the issuance, amendment, awarding, or revocation of a permit, license, or approval. As discussed above, SB 666 expanded the scope of post-Bureau employment where only certain classifications were prohibited from acting in certain capacities in the private sector, to now any employee of the department who works on or supervises over gambling issues for a period of two years after leaving office or terminating employment, are prohibited from holding a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of, a gambling establishment, gambling enterprise, registrant, or licensee.

The Proposed Action Has No Regulatory Effect

The changes in this action will alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any regulation provision only to the extent mandated by the new statute and are, thus, without regulatory effect. The changes simply conform to the changes made by SB 666 to Business and Professions Code section 19981.

Changes to Text

The existing text in section 2021 was renumbered.

This change is non-substantive because it is a simple re-numbering, which was necessary for a subsequent change to the section.

Subdivision (b) is added and specifies the applicability of Business and Professions Code section 19981, subsection (c) to all Bureau employees. The added text indicates that in addition to those classifications state in the existing regulation, renumbered as discussed previously, any employee of the department who works on or supervises over gambling issues for a period of two years after leaving office or terminating employment, are prohibited from holding a direct or indirect interest in, hold employment with, represent, appear for, or negotiate on behalf of, a gambling establishment, gambling enterprise, registrant, or licensee.

Changes to the statute do not exempt any employee of the Bureau from the limitation to prospective, future employment outside of state service.