DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral, note concerns

BILL NUMBER: AB 2596
AUTHOR: A. Portantino

BILL SUMMARY: Gambling: Licenses

This bill would allow the Gambling Control Commission (Commission) to assess reasonable late penalties in order to expedite the processing of a renewal application for a gambling license that is not filed in a timely manner.

FISCAL SUMMARY

The Commission estimates that late penalties would generate about $17,000 in additional Gambling Control Fund revenues on an annual basis. The Commission also would have to develop regulations to implement this measure, and estimates those regulations would cost $112,000 Gambling Control Fund in fiscal year 2010-11 and $370,000 Gambling Control Fund in fiscal year 2011-12. Finance notes that these costs appear high, but does not have additional information on the specific staffing needs. Finance also notes that these costs, while above the amount considered absorbable for the Commission, would have to be absorbed in 2010-11 given that no appropriation for this purpose exists in the latest Governor's fiscal plan.

COMMENTS

Finance is neutral on this measure, but has concerns about the expense of the regulations and workload involved to implement this bill.

This bill would allow the Gambling Control Commission to assess reasonable late penalties in order to expedite the processing of a renewal application that is not filed in a timely manner. Additionally, the bill would provide that where a complete renewal application has not been submitted within 30 days of the expiration of the existing license and notice has been given to the licensee, the Commission may determine that the license has been abandoned.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) 2009-2010	FC	2010-2011	FC	2011-2012	Fund Code
1258/Renewal Fees	RV	No		--	U	$9	U	$17	0567
0855/GamblCtlComm	SO	No		--	C	$112	C	$370	0567

Fund Code	Title
0567	Gambling Control Fund

Analyst/Principal (0211)J. Osborn — Date

Assistant Program Budget Manager Zlatko Theodorovic — Date

Department Deputy Director — Date

Governor's Office: By: Date: Position Approved_____ Position Disapproved_____