

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 17, 2010
POSITION: Neutral

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.

This measure would further provide that if a licensee fails to make timely payment of fees, the Commission may order the temporary closure of the gambling establishment for up to 90 days after the payment due date, after which time, if the fees or any portion thereof remain unpaid, the gambling establishment's license shall be deemed surrendered.

FISCAL SUMMARY

The Commission estimates that revenues generated by the late penalties would be in the range of less than \$50,000 annually beginning in 2010-11.

The Commission indicates that this measure would result in one-time costs associated with updating its information systems. The Commission estimates this would cost approximately \$45,000 (Gambling Control Fund), with those costs spread evenly over 2010-11 and 2011-12. Because this bill does not provide an appropriation, the Commission would have to absorb these costs in 2010-11. Any request for additional expenditure authority in 2011-12 would be subject to review and approval in the annual budget process.

COMMENTS

Existing law provides for the licensure of certain individuals and establishments involved in gambling activities, and for the regulation of those activities by the Commission and the Department of Justice. Existing law requires that an application for renewal of a license be filed with the Commission no later than 120 days prior to expiration of the current license.

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.

This measure would further provide that if a licensee fails to make timely payment of fees, the Commission may order the temporary closure of the gambling establishment for up to 90 days after the payment due date, after which time, if the fees or any portion thereof remain unpaid, the gambling establishment's license shall be deemed surrendered.

Analyst/Principal (0211)J. Osborn	Date	Assistant Program Budget Manager Zlatko Theodorovic	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
1258/Renewal Fees	RV	No		-----	See Fiscal Summary	-----			0567
0855/GamblCtlComm	SO	No	C	\$23	C	\$22		--	0567

<u>Fund Code</u>	<u>Title</u>
0567	Gambling Control Fund