



February 19, 2016

TO: ALL CALIFORNIA GAMBLING ESTABLISHMENTS

RE: **NOTIFICATION REGARDING RULES OF GAMES FEATURING PLAYER-DEALER POSITION**

Penal Code section 330.11, applicable to controlled games with a player-dealer feature, commonly referred to as "California Games," affords all seated players an opportunity to wager against multiple players at the table, as long as the rules of the game preclude the maintenance or operation of a bank in the course of the game. Penal Code section 330.11 provides:

"Banking game" or "banked game" does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the division finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

"Banking games" are specifically prohibited by Penal Code section 330. Penal Code section 330.11 by its terms applies only to controlled games, i.e., games that by definition are not prohibited by statute or local ordinance. Under Penal Code section 330.11, a controlled game that features a player-dealer position is not a "banking game" if the game's published rules, in addition to meeting other specified conditions, provide for continuous and systematic rotation of the player-dealer position, and preclude the maintenance or operation of a bank by the house, another entity, a player, or an observer, during the course of the game.

In the past, the Bureau has accepted submission of rules for controlled games featuring a player-dealer position that provided that the player-dealer position would be offered to each player, but did not necessarily provide for acceptance of the player-dealer position. **Effective immediately, the Bureau will not approve any new game rules if they permit only offering the player-dealer position.**

The Bureau's inspection practice with respect to compliance with Penal Code section 330.11 was previously set forth in a letter dated December 20, 2007. Effective immediately, the Bureau's letter of December 20, 2007, is suspended pending review of the Bureau's inspection and game approval process. **By June 30, 2016, the Bureau will issue a notification of the revised enforcement and game approval practice relating to the rotation of the player-dealer position in a controlled game.** This notification will include options that the Bureau has deemed to be in compliance with Penal Code section 330.11. At that time, gambling establishments offering games with a player-dealer position will be advised to review their approved game rules for compliance. Gambling establishments will be given a specified period of time to modify existing game rules as needed to comply with any proposed changes issued by the Bureau. Approvals for games not in compliance with the Bureau's revised enforcement and game approval practice will be withdrawn at a date that will be established in the Bureau's future notification. Until that time, gambling establishments may continue to play previously approved games in accordance with the currently approved rules. Please note: Business and Professions Code section 19943.5 provides:

If a gambling enterprise conducts play of a controlled game that has been approved by the department pursuant to Section 19826, and the controlled game is subsequently found to be unlawful, so long as the game was played in the manner approved, the approval by the department shall be an absolute defense to any criminal, administrative, or civil action that may be brought, provided that the game is played during the time for which it was approved by the department and the gambling enterprise ceases play upon notice that the game has been found unlawful. In any enforcement action, the gambling enterprise shall have the burden of proving the department approved the controlled game and that the game was played in the manner approved.

Sincerely,



WAYNE J. QUINT, JR.
Bureau Chief

For KAMALA D. HARRIS
Attorney General

cc: Third-Party Providers of Proposition Player Services