

## FINAL STATEMENT OF REASONS

### UPDATED INFORMATIVE DIGEST

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action.

The Board adopted Rule 1481, Occupational Licenses and Fees, Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant, and Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, at the April 18, 2019, Regular Board Meeting.

### LOCAL MANDATE DETERMINATION

The adoption of Rules 1481, 2071 and 2072 does not impose any mandate on local agencies or school districts.

### SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE 45-DAY NOTICE PERIOD OF MARCH 1, 2019 THROUGH APRIL 15, 2019.

No comments were received during the original notice period of March 1, 2019 through April 15, 2019.

### SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT THE APRIL 18, 2019 REGULATORY HEARING.

No comments were received at the April 18, 2019 regulatory hearing.

### ALTERNATIVE DETERMINATION

The Board has determined that no alternative would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulations or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The Board proposes to amend Rule 1481, Occupational Licenses and Fees; Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant; and Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant. The proposed amendment to Rule 1481 will modify subsection 1481(b)(2) to require officers, directors, partners or any individual or person who holds five percent or more of the outstanding shares of an advance deposit wagering (ADW) provider, mini-satellite wagering, or exchange wagering provider as persons who must obtain a valid license issued by the Board. In addition, the proposed amendment will change subsection 1481(b)(6) to require ADW, mini-satellite wagering and exchange wagering managerial personnel who exercise control over other licensees to obtain an occupational license. The proposed amendment to Rule 2071 will modify the form Application for License to Conduct Advance Deposit Wagering, CHRB-132 (Rev. 02/19) (CHRB-132). Rule 2071 incorporates by reference the CHRB-132. The proposed

amendment to Rule 2072 will modify the form Application for Approval to Conduct Advance Deposit Wagering, CHRB-133 (Rev. 02/19) (CHRB-133). The CHRB-133 is incorporated by reference into Rule 2072. The CHRB-132 and CHRB-133 will be amended to collect specific information regarding the individuals required to be licensed under the amended Rule 1481. The forms will also be amended to increase the period of time that financial documents submitted by the ADW applicant must cover from the preceding 12 months to the preceding 24 months. Additional changes to the CHRB-132 and CHRB-133 deal with the submission of financial information and profit and loss statements by applicants. The Board invited interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period. No alternatives were proposed.

No alternatives that would lessen any adverse economic impact on small businesses were proposed.