



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites	
------	------------------	----------------	--------------	-----------------	------------------	--------------	--

Code: Section:

[Up^](#) [Add To My Favorites](#)

BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 8. SPECIAL BUSINESS REGULATIONS [18400 - 22949.92.2] (Division 8 added by Stats. 1941, Ch. 44.)

CHAPTER 5. The Gambling Control Act [19800 - 19987] (Chapter 5 repealed and added by Stats. 1997, Ch. 867, Sec. 3.)

ARTICLE 7. Restrictions on Certain Transactions [19900 - 19906] (Article 7 repealed (in Sec. 3) and added by Stats. 1997, Ch. 867, Sec. 40.)

19900. (a) Except as may be provided by regulation of the commission, the following security interests shall not be enforced without the prior approval of the commission and compliance with regulations adopted pursuant to subdivision (b):

(1) In a security issued by a corporation that is a holder of a gambling license in this state.

(2) In a security issued by a holding company that is not a publicly traded corporation.

(3) In a security issued by a partnership, limited partnership, or limited liability company that is a holder of a gambling license in this state.

(b) The commission shall adopt regulations establishing the procedure for the enforcement of a security interest. Any remedy provided by the regulations for the enforcement of the security interest is in addition to any other remedy provided by law.

(Amended by Stats. 2009, Ch. 233, Sec. 16. (AB 293) Effective January 1, 2010.)

19901. It is unlawful for any person to sell, purchase, lease, hypothecate, borrow or loan money, or create a voting trust agreement or any other agreement of any sort to, or with, any licensee in connection with any controlled gambling operation licensed under this chapter or with respect to any portion of the gambling operation, except in accordance with the regulations of the commission.

(Added by renumbering Section 19901A by Stats. 2002, Ch. 738, Sec. 74. Effective January 1, 2003.)

19902. When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall not specify a closing date for the transaction that is prior to that approval or licensing by the commission. Any provision of a contract that specifies an earlier closing date is void for all purposes, but the invalidity does not affect the validity of any other provision of the contract.

(Amended by Stats. 2011, Ch. 391, Sec. 1. (AB 156) Effective January 1, 2012.)

19903. When any person contracts to sell or lease any property or interest in property, real or personal, under circumstances that require the approval or licensing of the purchaser or lessee by the commission pursuant to subdivision (a) of Section 19853, the contract shall contain a provision satisfactory to the commission regarding responsibility for the payment of any fees due pursuant to any subsequent deficiency determinations made under this chapter that shall encompass any period of time before the closing date of the transaction.

(Added by renumbering Section 19903A by Stats. 2002, Ch. 738, Sec. 76. Effective January 1, 2003.)

19904. The purported sale, assignment, transfer, pledge, or other disposition of any security issued by a corporation, membership interest of a limited liability company, or ownership interest of a partnership or sole proprietor that holds a gambling license, or the grant of an option to purchase that interest or security, is void unless approved in advance by the commission.

(Amended by Stats. 2023, Ch. 302, Sec. 6. (AB 1271) Effective January 1, 2024.)

19905. Every owner licensee that is involved in a transaction for the extension or redemption of credit by the licensee, or for the payment, receipt, or transfer of coin, currency, or other monetary instruments, as specified by the commission, in an amount, denomination, or amount and denomination, or under circumstances prescribed by regulations, and any other participant in the transaction, as specified by the commission, shall, if required by regulation, make and retain a record of, or file with the department a report on, the transaction, at the time and in the manner prescribed by regulations.

(Amended by Stats. 2007, Ch. 176, Sec. 34. Effective August 24, 2007.)

19906. (a) A contract for the sale of a gambling enterprise shall state whether any outstanding gaming chips from the seller will be honored by the purchaser. If the contract does not require the purchaser to honor the outstanding gaming chips used by the seller, then the contract shall indicate what provisions have been made for the redemption of outstanding gaming chips as of the closing date of the sale.

(b) Prior to any action of the commission on the proposed contract for sale of the gambling enterprise, the department shall determine the amount of the seller's outstanding gaming chip liability. The seller shall satisfy the commission that the amount of liability is safeguarded by a surety bond, escrow account, or other form of security sufficient to guarantee the availability of funds for the redemption of outstanding gaming chips. The seller shall give notice to the patrons of the gambling enterprise in order to provide an adequate opportunity for redemption of any outstanding gaming chips.

(Added by Stats. 2011, Ch. 391, Sec. 2. (AB 156) Effective January 1, 2012.)