

**Meeting Date:** 4/14/2016

**Report Type:** Public Hearing

**Report ID:** 2016-00284

**Title: Ordinance Amending Various Sections in Chapters 5.32, 17.216, 17.220 and 17.224 of the Sacramento City Code Relating to Cardrooms (Noticed 03/11/2016; Passed for Publication 03/15/2016; Published 03/18/2016)**

**Location:** Citywide

**Recommendation:** Conduct a public hearing and upon conclusion, pass an Ordinance amending various sections in Chapters 5.32, 17.216, 17.220 and 17.224 of the Sacramento City Code relating to cardrooms.

**Contact:** Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance; Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

**Presenter:** Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance; Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

**Department:** Finance / Community Development Department

**Division:** Revenue Administration

**Dept ID:** 06001211

**Attachments:**

- 1-Description/Analysis
- 2-Staff Response to Councilmember Questions
- 3-Sacramento Cardroom Operators' Responses to Councilmember Questions
- 4-United Auburn Indian Community Recommendations
- 5-Cardroom Ordinance (Redline)
- 6 -Cardroom Ordinance (Clean)

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**City Attorney Review**

Approved as to Form  
Paul Gale  
3/9/2016 8:11:52 AM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 3/2/2016 2:25:55 PM

## Description/Analysis

**Issue Detail:** Cardroom licenses are currently issued by the City Manager with the assistance of the Chief of Police and the Community Development Director. Requirements for issuance of the licenses can be found in Title 5.32 (Business Licenses and Regulations) of the City Code. Several councilmembers have expressed concern that the current permitting process does not include a public hearing. To address this concern, amendments to Title 5 and Title 17 of the Sacramento City Code are proposed to require a public hearing as part of the land use review process for the establishment of a cardroom. In addition, cleanup language to Title 5 is necessary to reflect current conditions of cardroom operations in Sacramento.

Cardrooms are permitted as a source of entertainment and recreation for local citizens. The Sacramento City Code currently permits a maximum of four cardrooms in the City. Cardroom operations can impact surrounding neighborhoods yet the current permitting process does not require a public hearing. Members of the public contacted councilmembers after they learned there would be no public hearing where they could express their concerns regarding a cardroom's relocation. When cardroom modifications were discussed at a City Council meeting in September 2011, several councilmembers expressed interest in a land use permit process for cardrooms, which would provide for a public hearing.

As a result of these discussions, at the November 8, 2012, City Council meeting Councilmember Kevin McCarty requested that the City Manager direct staff to consider placing cardroom businesses in a sensitive use classification and require them to go through the conditional use permit (CUP) process requiring a noticed public hearing.

If the Sacramento City Code Title 17 was amended to add the CUP process, the City would still maintain the requirement to obtain a cardroom license. Title 5 would also be amended to require an applicant to submit a copy of the CUP, approved by the Planning and Design Commission, as part of the cardroom application.

Currently cardrooms are considered an indoor amusement and are permitted in commercial and industrial (RMX, HC, SC, C-1, C-2, C-3, C-4, M-1, M-1S, M-2 and M-2S) zones. The Planning and Development Code would be amended to specifically designate cardrooms as conditionally allowed land use and require a Planning and Design Commission CUP in the HC, SC, C-2, C-3, C-4, M-1, M-1S, M-2 and M-2S zones. The maximum number of cardrooms permitted in the City would remain at four; therefore, special permit review and approval would only be required if one of the four existing cardrooms requested to relocate or if a cardroom closed and a new cardroom applied to open in a different location. In addition, a CUP modification would be required if an existing cardroom requested to expand or make exterior modifications to its facility.

Staff was asked to review and compare the City's cardroom operating requirements with those in surrounding jurisdictions. Cardroom operators had indicated that the City's restrictions were

placing them at a disadvantage within the region. The chart below compares the surrounding jurisdictions with local cardroom permits:

### Comparison of Local City Cardroom Ordinances

	Sacramento		Citrus Heights	Folsom	Rancho Cordova
	Current	Proposed			
Betting limits	\$1,000	\$1,000	None	None	None
Maximum # of tables	15	17	17	9	11
Separation from other uses	Yes	None	None	Yes	None
Multiple ownership restricted	Yes	2	None	Yes	None
Distance between cardrooms	1 per address	1,000 feet	None	300 feet	1,000 feet
Permitting Authority	City Manager	CUP & City Manager	Chief of Police	Special Permit & City Council	City Manager

Staff has reviewed other local codes and concur that Sacramento should amend some requirements to be consistent with neighboring jurisdictions without negatively impacting the public.

The City Manager has historically placed operating conditions on each cardroom in the City. The authority to place these conditions has been inferred from the City Manager’s review authority when approving a cardroom license. The draft code now explicitly gives the City Manager authority to place operating conditions on cardroom licenses.

Staff has held numerous meetings with cardroom operators over the last couple of years to obtain feedback on proposed ordinance changes. This input has been extremely valuable and consensus on most of the proposed changes has been obtained from the cardroom operators.

At the April 7, 2015 Council meeting, councilmembers had a number of questions for staff. Councilmember Schenirer volunteered to assist staff with follow up on the questions and staff met with representatives from the State of California Bureau of Gambling Control. This meeting resulted in reassurance that the State is enforcing regulations and visiting local cardrooms on an ongoing basis.

Specific questions and responses have been included in Attachments 2 and 3. During subsequent follow up with stakeholders, the United Auburn Indian Community expressed concerns with the City Code and their suggestions have been included as Attachment 4. Staff believes that retention of the \$1,000 betting limit reflects a compromise upon which the cardroom representatives and United Auburn Indian Community can move forward as both sides have indicated they can accept it remaining in the code. The State Bureau of Gambling Control has approved the change to retain the \$1,000 betting limit.

**Policy Considerations:** The proposed changes to the City Code would be consistent with the City of Sacramento 2035 General Plan Land Use and Urban Design Policy 2.1.1, Protect Established Neighborhoods:

“The City shall preserve, protect, and enhance established neighborhoods by providing sensitive transitions between these neighborhoods and adjoining areas, and requiring new development, both private and public, to respect and respond to those existing physical characteristics, building, streetscapes, open spaces, and urban form that contribute to the overall character and livability of the neighborhood.”

In addition, providing for a public hearing process is consistent with Land Use and Urban Design policy 2.8.6, Community Outreach, which states: “The City shall strive to engage all segments of the community in planning decisions...”

Limiting ownership interest in up to two cardrooms is consistent with State law and prevents a monopoly of cardrooms in Sacramento. The other recommended changes to the City Code are incidental cleanup language to reflect the current landscape of the cardroom industry.

Proximity between cardroom locations continues to be a concern for some individuals. The CUP criteria require cardrooms to be 1,000 feet apart, measured from the nearest property lines.

The draft code places the CUP approval with the Planning and Design Commission. Some cardroom operators have request that the approval be placed with the City’s Zoning Administrator. Both processes allow for a public hearing, but the Zoning Administrator process fees are less expensive and are typically quicker. The original request from Councilmember McCarty was at the Commission approval level. Staff has drafted the ordinance accordingly.

**Economic Impacts:** None.

**Environmental Considerations:** The adoption of the ordinance would have not significant effect on the environment and is exempt pursuant to California Environmental Quality Act Guidelines section 15061(b)(3),

**Sustainability:** Not applicable.

**Commission/Committee Action:** On August 4, 2011, a draft ordinance was passed by the Law and Legislation Committee that centered on multiple ownership and co-location. This draft language did not pass for publication on October 18, 2011.

On October 15, 2013, a draft ordinance passed the Law and Legislation Committee and staff was directed to forward to the Planning and Design Commission and the State of California Bureau of Gambling Control for its review and comment before presenting to City Council. The Bureau provided comments concerning specifying the maximum number of card tables as opposed to referencing the state maximum.

On February 27, 2014, the Planning and Design Review Commission approved the draft ordinance that was approved on October 15, 2013, by the Law and Legislation Committee. On March 6, 2014, staff sent the draft ordinance to the State of California Bureau of Gambling

Control for review and comment. After numerous follow up inquiries, the Bureau responded back on January 22, 2015, with concerns relating to the City automatically increasing the maximum number of card tables allowed to the State maximum. Staff changed the language to increase the number of tables from fifteen to seventeen and sent the revised language to the Bureau on January 29, 2015. On February 4, 2015, the Bureau sent a response to the City stating its agreement with the proposed zoning code changes.

On March 21, 2016, staff sent the draft code back to the Bureau with reinstatement of the \$1,000 betting limit. The Bureau sent its approval of this draft code back to the City on March 23, 2016.

**Rationale for Recommendation:** The proposal to amend the Planning and Development Code is consistent with the 2030 General Plan policies to protect established neighborhoods from incompatible uses and provide for community outreach and input through the public hearing process.

The other changes to Title 5 bring the code current to reflect the landscape of cardroom operations in Sacramento and the surrounding areas.

**Financial Considerations:** None.

**Local Business Enterprise (LBE):** Not applicable.

## Attachment 2 – Staff Response to Councilmember Questions

### City Council 4/7/15 Cardroom follow-up items:

- We need a staff person that fully understands how the cardrooms operate. The Revenue Manager has gained a comprehensive understanding of cardroom operations. With this understanding staff has found the State's role in monitoring and enforcing cardroom operations to be quite extensive.

- How does the 3<sup>rd</sup> party banker work?

They are the default "house" for a game. The California Games do not allow the casino operator to "bank" the games. Instead, the banking position is to be rotated amongst the players. Most players either do not want to or cannot afford to "bank" a hand. This is where the Third Party Providers of Proposition Player Services (3<sup>rd</sup> party banker) comes in.

At the beginning of each hand, the banking position is offered to each player in a rotational basis. If no player accepts the banking position, then it goes to the 3<sup>rd</sup> party banker. The banking position is covering the dealer's hand. The banking position also pays a small fee to the casino for each hand played.

The 3<sup>rd</sup> party banker pays rent to the casino operator for the use of the facility. This rent is scrutinized by the Bureau of Gambling Control to make sure that the operator is not receiving income from the outcome of the games.

- Can we regulate the 3<sup>rd</sup> party banker?

Yes, we can. However, the State is already doing this in great detail. It would seem to be a waste of resources to duplicate the State's efforts.

- What does DOJ regulate?
  - Cardroom licenses
  - Cardroom operators
  - Cardroom employees
  - 3<sup>rd</sup> party provider companies
  - 3<sup>rd</sup> party provider employees
  - Approval of all games

The State performs extensive criminal and financial background checks on each individual they license.

- Can we raise fees to fund enforcement?  
Yes, but the state is already providing enforcement.
- What level of enforcement makes sense?  
The City should focus on land use, secondary issues and crime associated with cardrooms, not the gaming itself.
- Can we apply a tax to raise funds?  
Yes, it would need to be approved by City residents.
- How do cardrooms get their fees?  
They get a small fee for each hand played and they make money off of food and beverage sales.
- What can we do for people with gambling problems?  
The State has an extensive program to help people with gambling problems and the cardrooms are required to participate. This includes posting information and making information available on problem gambling. Cardrooms are required to have annual training for their employees on how to recognize and handle problem gamblers. Cardrooms also participate in "self-exclusion", where individuals voluntarily ban

themselves. The cardrooms are required to fund gambling rehabilitation programs.

- How does the betting work and what happens with no-limit betting?  
There are designated betting spots on each gaming table where players place their chips. Bets are limited to \$1,000. However, players can bet multiple spots on the table. Bets rarely rise to a \$1,000 level. As a practical matter, it is not anticipated that the local cardroom players would bet any more than they currently do with no limits. With no-limit, it could simplify the betting spots on the gaming tables.

## FREQUENTLY ASKED QUESTIONS REGARDING THE REGULATION OF CARD ROOMS IN SACRAMENTO, CALIFORNIA

### 1. Who oversees Sacramento's card rooms?

Prior to 1998, California's gambling industry was essentially unregulated. It was up to local jurisdictions with valid gambling ordinances to regulate its card rooms. In Sacramento, prior to 1998, a police officer from the Vice unit would regularly patrol the card rooms to ensure the integrity of the gambling operations. However, due to the turnover in the police department, continuity of enforcement was a constant problem. This problem was not unique to Sacramento.

In 1984, the Legislature enacted the "Gaming Registration Act," which required the Attorney General's office to provide uniform, minimum regulation of California card rooms. However, the scope of the Attorney General's authority was extremely limited and funding was inadequate. Recognizing the need for broader oversight of California's gambling industry, the Legislature enacted the "Gambling Control Act" (Chapter 867, statutes of 1997).

The Gambling Control Act (Business and Professions Code section 19800 et seq.) created a comprehensive scheme for statewide regulation of legal gambling under a bifurcated system of administration involving the Division of Gambling Control within the Attorney General's Office and the five-member California Gambling Control Commission (CGCC) appointed by the governor. The commission is authorized to establish minimum regulatory standards for the gambling industry, and ensure that state gambling licenses for the owners of card rooms and individuals and businesses working therein are not issued to or held by unsuitable or unqualified individuals. The CGCC also develops and implements sound policy and regulation consistent with the Office of Administrative Law.

The Gambling Control Act charged the California Department of Justice's Bureau of Gambling Control (Bureau) with ensuring the integrity of gambling in California so that gambling is conducted honestly, competitively and free from criminal and corruptive elements. The Bureau carries out this mission by working cooperatively with the California Gambling Control Commission (CGCC) to develop and implement a means of regulating the card room industry in California to ensure a safe environment for patrons. The primary functions of this regulation include the following:

- Conduct comprehensive investigations into the qualifications of individuals and business entities who apply to the CGCC for state gambling licenses or findings of suitability,
- Conduct ongoing compliance inspections of gambling operations and establishments throughout the state,
- Review and approve the rules of games and gaming activities in all California card rooms prior to them being offered for play.

2. What does the Bureau of Gambling Control and California Gambling Control Commission do?

The California Bureau of Gambling Control (Bureau) is a regulatory agency that is part of the California Department of Justice (DOJ). The DOJ/Bureau aggressively acts to protect the public health, safety and welfare by pursuing non-compliant card rooms and seeks to revoke the licenses of unsuitable licensees by bringing disciplinary actions seeking fines and/or license revocations. The Bureau's agent routinely make unannounced site visits and conduct random compliance investigations. Card room books, cage reports, surveillance videos and report, and Title 31 compliance (cash transaction reports) are open for Bureau inspection 24/7.

One example of the Bureau's work is found locally. On November 3, 2014 the DOJ/Bureau, using its emergency authority, shut down Sacramento's Casino Royale card room and is seeking to permanently revoke its license and the licenses of its owners. The administrative investigation and hearing procedures are ongoing. The DOJ maintains its own group of attorneys who specialize exclusively in the prosecution of non-compliant card rooms.

The CGCC approves or denies licensure based on the Bureau's investigations and reports. In addition, the CGCC has the power to deny licensure on its own, to force an applicant to a hearing and to revoke a licensee's license without Bureau action.

3. Who pays for the regulation of card rooms and how much do they pay to the State each year?

Card rooms pay state and local sales taxes, income taxes and property taxes. Card rooms, third party proposition players and gambling businesses must pay significant fees to the Bureau which cover the cost of regulating and investigating California gaming industry.

Card rooms pay annual fees to the Bureau based on the number of authorized tables. Because Sacramento limits the number of authorized tables, its licensed card rooms pay the Bureau \$2,700 per table per year. Card rooms also pay the City of Sacramento an annual business license. Card room owners requires biennial licenses from the state. The application fee for each owner begins at \$6,600 and is merely a deposit on the cost of investigation. The investigation and licensing process typically takes up to two years and the applicant is responsible for the entire cost of the investigation. An owner-licensee investigation can cost the application as much as \$200,000 or more.

Third Party Provider of Proposition Player Service (TPPPPS) businesses pay the Bureau \$2,800 per employee each year for Bureau oversight and monitoring. In addition, each TPPPPS employee must pay the Bureau a background investigation fee ranging from \$500 to \$1,000 to obtain permission to work-before they can begin work. Key employees, supervisors and owners must pay an additional deposit ranging from \$2,500 to \$11,500 to the Bureau to perform their investigation. If the Bureau's investigation exceeds the deposit, the applicant must cover all of the Bureau's costs. The work permits and licenses issued by the Bureau are valid for two years, at which point new fees to pay for an updated background investigation are required. TPPPPS businesses also pay the City of Sacramento an annual business license.

#### 4. What is a Gambling Business and Third Party Provider and why do they exist?

California permits certain forms of gambling: charitable bingo, horse racing, the State Lottery, and card rooms. Banked gaming by federally recognized Indian tribes on gaming eligible land is allowed if the tribe has a compact with the state.

Card rooms have been around since the days of the gold rush originally offering poker games. Card rooms are prohibited from conducting banked games and may have no interest whatsoever in monies wagered, lost or won. Card rooms earn their money by taking a collection from the seated players in the games played. The players play against each other, with the wager of a losing player used to pay the winning player.

California law permits what is called "California style games" which allows any seated player to assume the player-dealer position and cover the wagers of all the players. This opportunity to act as the player-dealer is a patron friendly method of gaming only found in California card rooms and authorized by the Gambling Control Act and the Penal Code. The player-dealer position must be offered to each sitting player at the table. Players that regularly act as the player-dealer must be licensed by the state as a Third Party Provider of Proposition Player Services (TPPPPS).

California state law and CGCC regulations require all TPPPPS owners, supervisors, players and other employees of the TPPPPS to register with and obtain a badge from the CGCC. They are investigated and disqualified if they have any criminal history. Their funds are traced, vetted and accounted for by the forensic accountants employed by the Bureau. In addition, before proposition player services can be provided in a California gambling establishment, the TPPPPS owner must submit the written contract to the Bureau of Gambling Control for approval. TPPPPS owners, employees, and independent contractors of third-party providers of proposition players who do not have a written, an oral, or an implied agreement with the gambling establishment are required to register with and obtain a badge from the CGCC as a gaming business.

#### 5. What, if anything, is done about problem gambling?

California operates, through the California Department of Public Health, the state Office of Problem Gambling to promote public awareness and assist victims and their families. The program is funded by the card rooms through a fee paid to the Bureau of \$100 per year per authorized table. Additionally, every card room advertisement must display the contact information for the problem gambling hot-line. The Office of Problem Gambling provides a free, in-residence treatment program for any problem gambler seeking its services, a toll free hotline for crisis management, public awareness campaigns, research programs and training of health care and gambling professionals to identify problem gamblers. Services offered by the Office of Problem Gambling include the following.

- Telephone Counseling -24 hours a day, 7 days a week
- Outpatient Counseling -Counseling in a one-on-one private setting
- Group Counseling -Group counseling with gamblers, affected family members or mixed groups

- Intensive Outpatient – Counseling three hours per day, three times per week
- Residential Care – A 30 day inpatient program where gambler will reside at a licensed facility and receive 15 hours of counseling per week

In addition, all card room employees are required to complete training designed to identify problem gamblers and assist patrons in obtaining treatment. Card rooms participate in the statewide self-exclusion and self-restriction programs in which patrons can voluntarily and irrevocably ban themselves from one or all of California's card rooms. Each card room security staff is trained to recognize the self excluded patrons and escort the patron out if they try to enter a card room. The failure to bar self-excluded persons will lead to card room discipline.

6. Does Sacramento's levy on card room tables used exclusively for the regulation and oversight of its card rooms?

No. The fees paid by Sacramento's card rooms go to its general fund.

7. Won't removing betting limits encourage higher bets?

The proposed amendment conforms the Sacramento ordinance with that of its neighbors in Folsom, Citrus Heights and Rancho Cordova. Further, Thunder Valley has no betting limits. Players that now seek higher wagers simply take their business and their money outside of Sacramento. This amendment aims to keep their money and business here in Sacramento.

8. What kind of taxes do Sacramento's card rooms generate?

Sacramento's three operating card rooms pay a per table fee in addition to their business licenses, property taxes and sales taxes on their food and beverage operations. The card rooms and TPPPPS businesses provide living wage jobs.

9. Why do Sacramento's card rooms want to increase the number of authorized tables?

Right now Sacramento's card rooms are turning away business because they lack the capacity to meet the needs of the local players. Those players leave and take their gambling and food and beverage business to Citrus Heights, Rancho Cordova, Folsom or Thunder Valley. It is estimated that for each additional authorized table an additional six living wage jobs are directly created and those jobs have a multiplier effect. The failure to increase the number of tables authorized by state law deprives Sacramento of the opportunity to increase the number of living wage jobs and increased revenue to the city.

A recent economic study concluded that every table in a card room generates 9.62 jobs, therefore an increase in the number of authorized tables in Sacramento will create new, living wage jobs in Sacramento.

## Attachment 4 – United Auburn Indian Community Recommendations

### Sacramento's proposed cardroom ordinance amendments

Sacramento's cardroom ordinance states that it seeks to "limit the gambling within this community to a level which will be a source of entertainment and recreation for local citizens while preventing a casino-like atmosphere in this community."

Yet, the city is now considering eliminating the \$1,000 wager limit to allow unlimited stakes in every hand played.

Pressure for this comes from the outside contractors who enable the games to be banked rather than played as a round game in which winnings are paid from the players' wagers. These contractors, known as third party providers of proposition player services, employ bankers within the cardrooms who don't play a hand, but sit at the table with thousands of dollars available to cover wagers of any size. These bankers often direct the flow of play.

They take all wagers, collect from all losers and pay all winners. These bankers do not work for the cardrooms, but must pay the cardrooms for the right to bank the games and obtain the "banker's edge" on the odds. The higher the wagers, the more money the third party bankers earn because they benefit from the house edge in the game rules.

Because the banker position does not rotate continuously and systematically among each of the players, as required by the California Penal Code, the games are unlawful banked card games.

The city does not currently investigate who these bankers are, what their relationship with city licensed cardrooms is, or require them to obtain a city work permits.

In addition to eliminating the wager limit, the city is proposing to allow an increase in the number of tables at each of the four cardrooms to 17.

Given this expansion of gambling in Sacramento, the city should tighten up the ordinance by requiring cardroom licensees to report disciplinary actions by state regulatory agencies, require compliance with state law and regulations, and stop lending, credit extensions, and other inappropriate activities at the cardrooms.

Below are some common sense suggestions for additions to the ordinance that should be included to mitigate the newly authorized expansion of gambling:

1. Third party bankers should receive the same scrutiny as other individuals operating in a cardroom. They should be added to the list of people who work in cardrooms required to get a work permit from the city.
2. The ordinance should require compliance with its provisions and with state gambling laws.

3. The quarterly table operation fee imposed on cardrooms should be sufficient to fund adequately trained Police Department personnel to ensure compliance with the city ordinance and state gambling laws.
4. The separation between cardrooms should be at least 1,000 feet.
5. The ordinance should specifically prohibit loan sharking, extensions of credit, non-players seated at an active table, and the entrance to non-public areas by persons who do not have a city work permit or who are not accompanied by a cardroom employee.
6. Disciplinary actions taken against a cardroom by state regulators should be reported to the Police Department and the City Manager within 48 hours of becoming final.

**ORDINANCE NO.**

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE AMENDING VARIOUS SECTIONS IN CHAPTERS 5.32, 17.216, 17.220, AND 17.224 OF THE SACRAMENTO CITY CODE RELATING TO CARDROOMS**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

**SECTION 1.**

Section 5.32.030 of the Sacramento City Code is amended to read as follows:

5.32.030 Statement of purpose.

A. The regulatory provisions of this ~~title chapter~~ are necessary to ensure that cardrooms are operated reasonably for the protection of public health, safety, and welfare and to conform to state-mandated requirements set by ~~the California's~~ Gambling Control Act ~~found in the Business and Professions Code commencing with Section 19800, et seq. Although many operators are highly reputable, some are not. Gaming can bring enjoyment and entertainment for patrons, but also undesirable elements such as compulsive gambling, cheating, dishonesty, criminal violations and peace disturbances.~~

B. ~~If all licensees were reputable and vigilant, very little supervision would be necessary. However, the city has found that some licensees require exhaustive monitoring and enforcement. Thorough screening of applicants prior to licensure is desirable.~~ Pursuant to ~~s~~Section 5.32.060 ~~of this chapter~~, the city manager, with the assistance of the chief of police, will conduct a thorough investigation into the background of applicants in order to assure that potential licensees will not foster criminal activity, will not be detrimental to the health, safety and welfare of the city, are of sound moral character, and that licensure is in the public interest.

C. Section 5.32.070 ~~of this chapter~~ limits the number of cardroom licenses issued to one for each ~~one hundred thousand (100,000)~~ residents of the city, with a maximum of four. The purpose of this limitation is to limit the gambling within this community to a level which will be a source of entertainment and recreation for local citizens

while preventing a casino-like atmosphere in this community. A casino-like atmosphere, where gambling becomes a major industry or attraction and the community a center for gamblers from other jurisdictions, is detrimental to the development of this community. Increased and unrestrained gambling creates greater law enforcement problems, thereby compromising the ability of law enforcement to control the criminal and peace-disturbing effects thereof and diverting police resources from other law enforcement activity. ~~The Limiting of~~ the number of licenses and cardrooms to one for each ~~one hundred thousand (100,000)~~ residents, with a maximum of four, assists in the accomplishment of these goals as opposed to permitting a greater number of licensed cardrooms.

D. Accordingly, the chief of police has determined, and the city council finds, that a limitation of one cardroom per ~~one hundred thousand (100,000)~~ residents of the city, with a maximum of four, will minimize many of the above-mentioned problems without undue burden on stable and reputable cardrooms. The purpose of this title is to protect the health, safety, and welfare of the citizens of the community, to assure that city law enforcement resources are efficiently allocated, and to provide cardrooms where citizens of this city can safely enjoy the entertainment provided by reputable cardrooms.

## SECTION 2.

Section 5.32.040 of the Sacramento City Code is amended to read as follows:

5.32.040 Application for cardroom license.

An applicant for a cardroom license shall submit an application to the city manager or the city manager's designee. The application shall include, among other things, the following:

A. The true name of the applicant, together with the true names of all persons directly or indirectly interested in conducting the business, including all members of any firm or partnership. A corporate applicant shall list officers, directors and principal owners, including all owners of ten percent or more of the corporate stock.

B. Whether the applicant or any individual listed in subsection A of this section has at any time been convicted of a felony, or ~~any other~~ offense involving moral turpitude, ~~or has been convicted of any~~ narcotics, ~~violation fraud, or violation of any~~ or gambling laws or ordinances; ~~and whether, or convicted of any fraud-related crimes, or if~~ the applicant would be disqualified from holding a state gambling license for any reason specified in California Business and Professions Code ~~s~~Section 19859.

C. Whether ~~or not~~ any permit or license ~~heretofore~~ granted to applicant or any individual listed in subsection A of this section to engage in any business or do any act within any jurisdiction has been revoked or denied and, if so, the circumstances surrounding the revocation or denial.

D. The location and a description of the premises upon which the applicant proposes to conduct a cardroom and a statement of the property interest of the applicant in the premises as owner, lessee or otherwise. If premises is leased or rented, applicant shall submit a copy of the lease ~~and/or~~ rental agreement.

E. The number of card tables ~~which will to~~ be operated on the premises. The number of tables shall not exceed that as provided by ~~s~~Section 5.32.180 ~~(B.) of this chapter.~~

F. Such further information bearing on the identity and character of the applicant or any individual listed in subsection A of this section or the use, location, or condition of the premises as the city manager or designee may require.

G. A copy of a valid conditional use permit as required by the Planning and Development Code. If the conditional use permit is not available when the application is submitted, the applicant must submit the conditional use permit within six months from the date of application submission.

### **SECTION 3.**

Section 5.32.060 of the Sacramento City Code is amended to read as follows:

5.32.060 City manager's action on application.

A. An application for a cardroom license shall be investigated by the city manager who shall obtain recommendations and reports from the chief of police concerning the character of the applicant or any individual listed in ~~s~~Section 5.32.040 ~~(A)~~, and any law enforcement problems ~~which that the issuance of the license might tend to create the operation of the cardroom might cause, from the planning director concerning the compatibility of the proposed use of the premises with existing zoning regulations and with neighborhood land uses, and from such other sources, including residents and businesses in the area, as the city manager may deem appropriate.~~

B. The city manager may deny an application for a cardroom license if, in the city manager's opinion, the cardroom is to be located in an area of the city where, or operated under circumstances in which it might tend to create a public nuisance, where the granting of the license would be contrary to the public interest, or issuance of a license to the applicant is, in the opinion of the city manager, contrary to the interests and health, safety and welfare of the city.

C. The city manager shall not grant a cardroom license if the applicant does not submit a complete application as required by section 5.32.040.

D. The city manager may impose conditions on the cardroom license. Violations of cardroom license conditions are grounds for suspension or revocation of the license pursuant to section 5.32.110.A.

### **SECTION 4.**

A. Subsection A of section 5.32.110 of the Sacramento City Code is amended to read as follows:

A. The city manager shall have the right for cause to revoke or suspend any cardroom license issued under this chapter, and the chief of police shall have the right for cause to revoke or suspend any cardroom work permit issued under this chapter. Any of the grounds upon which the city manager and the chief of police may refuse to grant a cardroom license application or cardroom work permit application shall also constitute grounds for revocation or suspension. The failure of a cardroom licensee or cardroom work permit holder to comply with the provisions of this ~~title-chapter also shall~~constitutes grounds for revocation or suspension of the license or work permit. A violation of the conditional use permit shall also constitute grounds for revocation or suspension of the cardroom license.

B. Except as amended in subsection A, above, all provisions of section 5.32.110 remain unchanged and in full effect.

## **SECTION 5.**

Section 5.32.180 of the Sacramento City Code is amended to read as follows:

5.32.180 Cardroom regulations.

Except as hereinafter provided, no person shall operate a cardroom in violation of any of the following regulations:

A. No person shall be permitted to hold or be associated with more than ~~one~~two cardroom licenses issued by the city. For purposes of this section, “associated with” means and includes, but is not limited to, having any financial interest whatsoever in any other cardroom premises (for example, lessor or owner); being a partner; affiliated with the cardroom business in any manner; ~~and~~/or being an officer, director, stockholder, or otherwise associated with a corporation holding a cardroom license.

B. Not more than ~~nine~~175 card tables shall be permitted in any cardroom. ~~However, should judicial or legislative action alter the restrictions or limitations in the California’s Gambling Control Act Business and Professions Code section 19800 et seq., to allow for an increase in the current number of tables without voter approval, the maximum number of tables shall be increased up to the amount such judicial or legislative action allows, not to exceed a maximum of fifteen (15) tables.~~

C. Not more than one cardroom shall be located at any one ~~physical~~address or parcel of real property.

D. Not more than ~~twelve~~(12) players may participate at any one card table. All participating players and dealers must be seated at the table. The only exception to

this is when the chief of police approves a card game whose stated rules include provisions allowing “back-line betting.” This approved game may allow an additional ~~twelve~~ (12) players who may be unseated. These additional players shall not stand more than one behind each seated player. A back line bettor may place a wager without all seats being occupied.

E. Cardrooms shall be located on the ground floor of the premises.

F. No ~~minor person under the age of 18~~ 21 years shall be permitted at any card table or to participate in any game played ~~at a card table~~ ~~thereat~~, nor shall any card table be exposed to viewing from other areas of the premises which are open to and frequented by ~~minors~~ persons under 21 years of age.

G. City officers and employees may enter and inspect the cardroom property at any time during business hours to ensure compliance and enforcement of the provisions of this chapter~~All cardrooms shall be open to police inspection during all hours of operation.~~

H. No person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

HI. Each cardroom licensee or licensees shall post in a conspicuous place on the premises a copy of the house rules, regulations and authorized card game rules, and give notice that all persons will be required to comply with them.

~~I. Each cardroom shall be separated from other activities on the premises.~~

J. Cardrooms licensed to conduct gaming in the city shall be permitted to conduct all card games lawful in the state of California subject to the following provisions:

1. The rules of all authorized card games shall be on file with the chief of police;
2. If the game is patented, the licensee shall obtain written permission from the patent owner prior to offering the game to patrons and prior to acquiring the approval of the chief of police to conduct the game;
3. Written rules for each card game offered by a cardroom shall be provided to any patron upon request;
4. All other gaming (including, but not limited to, gaming played with dice or any device for money) not otherwise prohibited by California law is prohibited. Nothing contained in this chapter shall be construed to permit the licensing of any gambling declared illegal in the state of California. The only exception to this is when the chief of police approves a card game whose stated rules include provisions allowing for the use of dice for the express purpose of positioning the first hand dealt.

K. Any deviation or change in the rules of any card game or any new card game from that on file with the chief of police shall adhere to all provisions in this title and require the following:

1. A written set of game rules;
2. A letter from the California Division of Gambling Control advising that the game rules have been reviewed and are legal in the state of California;
3. Upon receipt of these documents, the chief of police shall review any deviation or change and within ~~ninety (90)~~ days approve the request so long as the rules are in compliance with state law and this chapter.

L. No person shall operate more card tables than the maximum amount specified on his or her cardroom license except during promotional or tournament play as set forth in ~~sSection 5.32.050 of this chapter~~ and upon full compliance with the notification provision contained therein. In no event shall ~~be the~~ number of tables operated at one time exceed that as provided in subsection B of this section, including during promotional or tournament play.

M. No person shall operate, at any time, a cardroom without having paid all fees, including the quarterly table operation fee and business operations taxes currently due.

N. Cardrooms may operate ~~twenty-four (24)~~ hours a day, seven days a week.

O. No player shall be permitted to wager or raise a wager more than ~~\$1,000.forty-nine dollars (\$49.00). Should judicial or legislative action alter the restrictions or limitations in the Gambling Control Act, section 19800 et seq., to allow for an increase in this wager limit without voter approval, the wager limit shall be increased up to the amount such judicial or legislative action allows, not to exceed one thousand dollars (\$1000.00) per wager, provided, however, that no cardroom may increase its wager limit until it has received from the chief of police prior approval of the cardroom's security plan. No person other than seated players actively participating in the game shall be permitted to place a wager on any card game, and a player shall only place a wager on his or her own card hand. Back line betting or side betting is prohibited. The only exception to this is when the chief of police approves a card game whose stated rules include provisions allowing "back line betting" as noted in subsection D of this section.~~ No player shall be permitted to bet with cash money, markers, or anything other than poker chips. ~~Notice of all the provisions and restrictions provided in this section shall be posted in a conspicuous place in the cardroom.~~ A player in a card game that allows multiple betting spots may, consistent with the rules of the card game, take those multiple bets and before placing them individually may consolidate them into one stack and move the stack forward of the betting spots.

P. No cardroom shall extend credit to any patron in order for the patron to participate in a card game.

Q. No person shall employ a cardroom employee, or work as a cardroom employee, as defined in ~~sSection 5.32.080 of this chapter~~, who does not have a valid work permit as required by ~~sSection 5.32.080 of this chapter issued by the chief of police~~.

**SECTION 6.**

The table set forth in section 17.216.510.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 7.**

The table set forth in section 17.216.710.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 8.**

The table set forth in section 17.216.810.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	Subject to licensing regulations in chapter 5.32;  A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;  Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.	PDC
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**SECTION 9.**

The table set forth in section 17.216.910.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	Subject to licensing regulations in chapter 5.32;  A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;  Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.	PDC
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**SECTION 10.**

The table set forth in section 17.220.110.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 11.**

The table set forth in section 17.220.210.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 12.**

The table set forth in section 17.220.310.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels,</p>	PDC
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	<p>from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	
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**SECTION 13.**

The table set forth in section 17.220.410.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 14.**

The table set forth in section 17.224.410.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is</p>	PDC
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	located or to relocate the cardroom to another location on the same lot.	
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**SECTION 15.** Except as amended in sections 6 through 14, above, the tables set forth in sections 17.216.510, 17.216.710, 17.216.810, 17.216.910, 17.220.110, 17.220.210, 17.220.310, 17.220.410, and 17.224.410 remain unchanged and in full effect.

**ORDINANCE NO.**

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE AMENDING VARIOUS SECTIONS IN CHAPTERS 5.32, 17.216, 17.220, AND 17.224 OF THE SACRAMENTO CITY CODE RELATING TO CARDROOMS**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

**SECTION 1.**

Section 5.32.030 of the Sacramento City Code is amended to read as follows:

5.32.030 Statement of purpose.

A. The regulatory provisions of this chapter are necessary to ensure that cardrooms are operated reasonably for the protection of public health, safety, and welfare and to conform to state-mandated requirements set by California's Gambling Control Act.

B. Pursuant to section 5.32.060, the city manager, with the assistance of the chief of police, will conduct a thorough investigation into the background of applicants in order to assure that potential licensees will not foster criminal activity, will not be detrimental to the health, safety and welfare of the city, are of sound moral character, and that licensure is in the public interest.

C. Section 5.32.070 limits the number of cardroom licenses issued to one for each 100,000 residents of the city, with a maximum of four. The purpose of this limitation is to limit the gambling within this community to a level which will be a source of entertainment and recreation for local citizens while preventing a casino-like atmosphere in this community. A casino-like atmosphere, where gambling becomes a major industry or attraction and the community a center for gamblers from other jurisdictions, is detrimental to the development of this community. Increased and unrestrained gambling creates greater law enforcement problems, thereby compromising the ability of law enforcement to control the criminal and peace-disturbing effects thereof and diverting police resources from other law enforcement activity. The limiting of the number of licenses and cardrooms to one for each

100,000 residents, with a maximum of four, assists in the accomplishment of these goals as opposed to permitting a greater number of licensed cardrooms.

D. Accordingly, the chief of police has determined, and the city council finds, that a limitation of one cardroom per 100,000 residents of the city, with a maximum of four, will minimize many of the above-mentioned problems without undue burden on stable and reputable cardrooms. The purpose of this title is to protect the health, safety, and welfare of the citizens of the community, to assure that city law enforcement resources are efficiently allocated, and to provide cardrooms where citizens of this city can safely enjoy the entertainment provided by reputable cardrooms.

## **SECTION 2.**

Section 5.32.040 of the Sacramento City Code is amended to read as follows:

### **5.32.040 Application for cardroom license.**

An applicant for a cardroom license shall submit an application to the city manager or the city manager's designee. The application shall include, among other things, the following:

A. The true name of the applicant, together with the true names of all persons directly or indirectly interested in conducting the business, including all members of any firm or partnership. A corporate applicant shall list officers, directors and principal owners, including all owners of ten percent or more of the corporate stock.

B. Whether the applicant or any individual listed in subsection A of this section has at any time been convicted of a felony, or an offense involving moral turpitude, narcotics, fraud, or gambling laws or ordinances; and whether the applicant would be disqualified from holding a state gambling license for any reason specified in California Business and Professions Code section 19859.

C. Whether any permit or license granted to applicant or any individual listed in subsection A of this section to engage in any business or do any act within any jurisdiction has been revoked or denied and, if so, the circumstances surrounding the revocation or denial.

D. The location and a description of the premises upon which the applicant proposes to conduct a cardroom and a statement of the property interest of the applicant in the premises as owner, lessee or otherwise. If premises is leased or rented, applicant shall submit a copy of the lease or rental agreement.

E. The number of card tables to be operated on the premises. The number of tables shall not exceed that as provided by section 5.32.180.B.

F. Such further information bearing on the identity and character of the applicant or any individual listed in subsection A of this section or the use, location, or condition of the premises as the city manager or designee may require.

G. A copy of a valid conditional use permit as required by the Planning and Development Code. If the conditional use permit is not available when the application is submitted, the applicant must submit the conditional use permit within six months from the date of application submission.

### **SECTION 3.**

Section 5.32.060 of the Sacramento City Code is amended to read as follows:

5.32.060 City manager's action on application.

A. An application for a cardroom license shall be investigated by the city manager who shall obtain recommendations and reports from the chief of police concerning the character of the applicant or any individual listed in section 5.32.040.A, and any law enforcement problems that the operation of the cardroom might cause.

B. The city manager may deny an application for a cardroom license if, in the city manager's opinion, the cardroom is to be located in an area of the city where, or operated under circumstances in which it might tend to create a public nuisance, where the granting of the license would be contrary to the public interest, or issuance of a license to the applicant is, in the opinion of the city manager, contrary to the interests and health, safety and welfare of the city.

C. The city manager shall not grant a cardroom license if the applicant does not submit a complete application as required by section 5.32.040.

D. The city manager may impose conditions on the cardroom license. Violations of cardroom license conditions are grounds for suspension or revocation of the license pursuant to section 5.32.110.A.

### **SECTION 4.**

A. Subsection A of section 5.32.110 of the Sacramento City Code is amended to read as follows:

A. The city manager shall have the right for cause to revoke or suspend any cardroom license issued under this chapter, and the chief of police shall have the right for cause to revoke or suspend any cardroom work permit issued under this chapter. Any of the grounds upon which the city manager and the chief of police may refuse to grant a cardroom license application or cardroom work permit application shall also constitute grounds for revocation or suspension. The failure of a cardroom licensee or cardroom work permit holder to comply with the provisions of this chapter constitutes grounds for revocation or suspension of the license or work permit. A violation of the conditional use permit shall also constitute grounds for revocation or suspension of the cardroom license.

B. Except as amended in subsection A, above, all provisions of section 5.32.110 remain unchanged and in full effect.

## **SECTION 5.**

Section 5.32.180 of the Sacramento City Code is amended to read as follows:

### 5.32.180 Cardroom regulations.

Except as hereinafter provided, no person shall operate a cardroom in violation of any of the following regulations:

A. No person shall be permitted to hold or be associated with more than two cardroom licenses issued by the city. For purposes of this section, “associated with” means and includes, but is not limited to, having any financial interest whatsoever in any other cardroom premises (for example, lessor or owner); being a partner; affiliated with the cardroom business in any manner; or being an officer, director, stockholder, or otherwise associated with a corporation holding a cardroom license.

B. Not more than 17 card tables shall be permitted in any cardroom.

C. Not more than one cardroom shall be located at any one address or parcel.

D. Not more than 12 players may participate at any one card table. All participating players and dealers must be seated at the table. The only exception to this is when the chief of police approves a card game whose stated rules include provisions allowing “back-line betting.” This approved game may allow an additional 12 players who may be unseated. These additional players shall not stand more than one behind each seated player. A back line bettor may place a wager without all seats being occupied.

E. Cardrooms shall be located on the ground floor of the premises.

F. No person under the age of 21 years shall be permitted at any card table or to participate in any game played at a card table, nor shall any card table be exposed to viewing from other areas of the premises which are open to and frequented by persons under 21 years of age.

G. City officers and employees may enter and inspect the cardroom property at any time during business hours to ensure compliance and enforcement of the provisions of this chapter.

H. No person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

I. Each cardroom licensee or licensees shall post in a conspicuous place on the premises a copy of the house rules, regulations and authorized card game rules, and give notice that all persons will be required to comply with them.

J. Cardrooms licensed to conduct gaming in the city shall be permitted to conduct all card games lawful in the state of California subject to the following provisions:

1. The rules of all authorized card games shall be on file with the chief of police;
2. If the game is patented, the licensee shall obtain written permission from the patent owner prior to offering the game to patrons and prior to acquiring the approval of the chief of police to conduct the game;
3. Written rules for each card game offered by a cardroom shall be provided to any patron upon request;
4. All other gaming (including, but not limited to, gaming played with dice or any device for money) not otherwise prohibited by California law is prohibited. Nothing contained in this chapter shall be construed to permit the licensing of any gambling declared illegal in the state of California. The only exception to this is when the chief of police approves a card game whose stated rules include provisions allowing for the use of dice for the express purpose of positioning the first hand dealt.

K. Any deviation or change in the rules of any card game or any new card game from that on file with the chief of police shall adhere to all provisions in this title and require the following:

1. A written set of game rules;
2. A letter from the California Division of Gambling Control advising that the gamerules have been reviewed and are legal in the state of California;
3. Upon receipt of these documents, the chief of police shall review any deviation or change and within 90days approve the request so long as the rules are in compliance with state law and this chapter.

L. No person shall operate more card tables than the maximum amount specified on his or her cardroom license except during promotional or tournament play as set forth in section 5.32.050 and upon full compliance with the notification provision contained therein. In no event shall the number of tables operated at one time exceed that as provided in subsection B of this section, including during promotional or tournament play.

M. No person shall operate, at any time, a cardroom without having paid all fees, including the quarterly table operation fee and business operations taxes currently due.

N. Cardrooms may operate 24 hours a day, seven days a week.

O. No player shall be permitted to wager or raise a wager more than \$1,000. No player shall be permitted to bet with cash money, markers, or anything other than poker chips. A player in a card game that allows multiple betting spots may, consistent with the rules of the card game, take those multiple bets and before placing them individually may consolidate them into one stack and move the stack forward of the betting spots.

P. No cardroom shall extend credit to any patron in order for the patron to participate in a card game.

Q. No person shall employ a cardroom employee, or work as a cardroom employee, as defined in section 5.32.080, who does not have a valid work permit as required by section 5.32.080.

## SECTION 6.

The table set forth in section 17.216.510.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	Subject to licensing regulations in chapter 5.32;  A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;  Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.	PDC
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## SECTION 7.

The table set forth in section 17.216.710.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	Subject to licensing regulations in chapter 5.32;  A cardroom may not be located within 1,000 feet, measured from the nearest	PDC
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	<p>property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	
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**SECTION 8.**

The table set forth in section 17.216.810.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 9.**

The table set forth in section 17.216.910.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion</p>	PDC
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	of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.	
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**SECTION 10.**

The table set forth in section 17.220.110.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 11.**

The table set forth in section 17.220.210.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 12.**

The table set forth in section 17.220.310.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 13.**

The table set forth in section 17.220.410.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	<p>Subject to licensing regulations in chapter 5.32;</p> <p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	PDC
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**SECTION 14.**

The table set forth in section 17.224.410.B.2 (Commercial and Institutional Uses) of the Sacramento City Code is amended to add a row as follows:

Cardroom	Subject to licensing regulations in chapter 5.32;	PDC
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	<p>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</p> <p>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</p>	
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**SECTION 15.** Except as amended in sections 6 through 14, above, the tables set forth in sections 17.216.510, 17.216.710, 17.216.810, 17.216.910, 17.220.110, 17.220.210, 17.220.310, 17.220.410, and 17.224.410 remain unchanged and in full effect.