

Meeting Date: 7/19/2016

Report Type: Consent

Report ID: 2016-00655

Title: (Pass for Publication) Ordinance to Extend Period of Cardroom Non-Operation Prior to Automatic Revocation

Location: Citywide

Recommendation: 1) Review an ordinance amending section 5.32.040 and section 5.32.110 of the Sacramento City Code relating to cardroom permits; and 2) pass for publication the ordinance title as required by Sacramento City Charter 32(c) to be considered on July 26, 2016.

Contact: Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance

Presenter: None

Department: Finance

Division: Business Permits

Dept ID: 06001231

Attachments:

- 1-Description/Analysis
- 2-Ordinance (Redline)
- 3-Ordinance (Clean)

City Attorney Review

Approved as to Form
Paul Gale
7/7/2016 1:20:33 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 7/6/2016 11:36:50 AM

Description/Analysis

Issue: On April 14, 2016, the City Council adopted a Conditional Use Permit (CUP) requirement for cardroom relocations. At this meeting, the City Manager was directed to increase a cardroom operator's timeframe for obtaining a CUP while an application for a cardroom permit is pending (up to one year). In conjunction with this, staff is recommending that the total amount of non-operation time be increased to a total of 21 months to allow enough time for building and reopening. The City Manager was directed to take this minor change to the State of California Department of Justice Bureau of Gambling Control (Bureau) for review and comment pursuant to California Business and Professions Code 19961.1 and to bring it directly back to City Council for consideration. On May 20, 2016, the Bureau provided comments that the proposed amendment was in compliance with the California Gambling Control Act.

Policy Considerations: Cardrooms must continually operate or their license will be deemed automatically revoked after 90 days of inactivity. In certain circumstances, such as relocation, this time period can be tolled for an additional six months. With the new requirement to obtain a CUP for a license transfer, six months is not enough time. An update is needed to allow the applicant to complete the process.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines 15060(c)(3)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: The CUP process typically takes six months to complete. However, it can take longer for a variety of reasons. Once the CUP is issued, building improvements requiring permits are necessary, resulting in time-consuming construction. Therefore, it is reasonable to allow a year to obtain the CUP and 21 months to begin operation in a new location.

Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE AMENDING SECTIONS 5.32.040 AND 5.32.110 OF THE
SACRAMENTO CITY CODE RELATING TO CARDROOMS**

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

SECTION 1.

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 ~~12~~six months from the date of application submission.

SECTION 2.

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

C. The ~~ninety (90)~~ day period ~~forth~~ in subsection B ~~of this section~~ shall be tolled, up to an additional maximum of 18 one hundred eighty (180) additional days~~months~~, under the following circumstances:

1. A complete application for license transfer under ~~s~~Section 5.32.170 is pending before the city manager;
2. A license transfer under ~~s~~Section 5.32.170 has been approved by the city manager and the applicant is awaiting a state gambling license;
3. A catastrophic event has caused the failure to continuously operate the cardroom. For purposes of this subsection, “catastrophic event” shall mean an event beyond the control of the licensee that destroys the cardroom, either partially or completely, by fire, flood, wind, earthquake or other calamity, or by the public enemy.

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

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING SECTIONS 5.32.040 AND 5.32.110 OF THE
SACRAMENTO CITY CODE RELATING TO CARDROOMS

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

SECTION 1.

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 12 months from the date of application submission.

SECTION 2.

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

C. The 90 day period in subsection B shall be tolled, up to an additional 18 months, under the following circumstances:

1. A complete application for license transfer under section 5.32.170 is pending before the city manager;
2. A license transfer under section 5.32.170 has been approved by the city manager and the applicant is awaiting a state gambling license;
3. A catastrophic event has caused the failure to continuously operate the cardroom. For purposes of this subsection, "catastrophic event" shall mean an event beyond the control of the licensee that destroys the cardroom, either partially or completely, by fire, flood, wind, earthquake or other calamity, or by the public enemy.

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