

# Item No. 7

# Supplemental Material

For  
**City of Sacramento**  
Law and Legislation Committee

## Agenda Packet

### Supplemental Distribution

**Submitted:** 08/03/11

**For the Meeting of:** 08/04/11

- Additional Material
- Revised Material

**Subject:** Cardroom Ordinance Changes

Report was accidently submitted with two final versions of the proposed cardroom ordinance. Attached is the redline version and the final version intended to accompany the report.

Please include this supplemental material in your agenda packet. This material will also be published to the City=s Intranet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604 B (916) 808-7200.

# ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

## AN ORDINANCE AMENDING CHAPTER 5.32 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:

The regulatory provisions of this title 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 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.~~

~~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. The City endeavors to ensure that gambling is conducted honestly, competitively, and free of criminal and corruptive elements.~~ Pursuant to 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.

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. Limiting 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.

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 abovementioned 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 5.32.070 of the Sacramento City Code is amended to read as follows:

5.32.070 Limitation on the number of cardroom licenses.

No cardroom license shall be granted when the number of cardroom licenses in the city exceeds the ratio of one cardroom for every one hundred thousand (100,000) population of the city according to the latest population figures from the California Department of Finance; provided, however, that the maximum number of cardroom licenses which may be issued shall not exceed four.

The number of cardroom licenses shall be reduced whenever any cardroom license is revoked, surrendered, expires without renewal or the licensee is no longer licensed by the state of California. No current licensee whose license is hereafter revoked or surrendered, or expires without renewal shall be eligible for a new license until the number of cardroom licenses in the city is fewer than four and he or she is selected according to the procedure described in this title for selection of new licensees.

SECTION 3. Section 5.32.180 of the Sacramento City Code is amended to read as follows:

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 cardroom license 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.~~

~~BA. Not more than fifteen (15) ~~nine~~ card tables shall be permitted in any cardroom. ~~However, should judicial or legislative action alter the restrictions or limitations in the 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.~~~~

~~GB.~~ Not more than one cardroom shall be located at any one address.

~~DC.~~ 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.

~~EF.~~ Cardrooms shall be located on the ground floor of the premises.

~~FG.~~ No minor shall be permitted at any card table or to participate in any game played thereat, nor shall any card table be exposed to viewing from other areas of the premises which are open to and frequented by minors.

~~GH.~~ All cardrooms shall be open to police inspection during all hours of operation.

~~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.

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

~~JK.~~ 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.

~~KL.~~ 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.

**LM.** 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 of this chapter 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.

**MN.** 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.

**NO.** Cardrooms may operate twenty-four (24) hours a day, seven days a week.

**OP.** No player shall be permitted to wager or raise a wager more than forty-nine dollars (\$49.00). Should judicial or legislative action alter the restrictions or limitations in the Gambling Control Act, Business and Professions Code 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.

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

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

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:

Published:

Effective:

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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.

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Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

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City Clerk

Passed for Publication:

Published:

Effective: