REPORT TO COUNCIL
City of Sacramento

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Consent
October 31, 2006

Honorable Mayor and
Members of the City Council

Title: Ordinance: Amendments to the Sacramento City Code Relating to Cardrooms

Location/Council District: Citywide

Recommendation: 1) Review the **Ordinance** amending Sacramento City Code Chapter 5.32 relating to cardrooms; 2) pass for publication the **Ordinance** title as required by Sacramento City Charter section 32c; and 3) continue to November 9, 2006, for final adoption.

Contact: Kimberly Riley, Administrative Officer, 433-0826

Presenters: Not applicable

Department: Police

Division: Chief's Office

Organization No: 2111

Description/Analysis

Issue: The Capitol Casino requested that the City review the existing cardroom ordinance. The Police Department has reviewed the proposal and has discussed acceptable revisions with Capitol Casino and the remaining cardroom licensees. The goal of the revisions is to enable City cardrooms to remain competitive with other gaming establishments within the region and to allow some flexibility within the existing ordinance to change in conjunction with state law while still maintaining the necessary controls to prevent increased police services.

Policy Considerations: The City cardrooms have operated reputable businesses that provide alternative social activities to the residents of the City. The implementation of the proposed amendments would adequately accommodate the cardrooms' business ventures while still minimizing the potential increase in police services.

Environmental Considerations: This activity is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a "project" as defined in section 15378 of the CEQA Guidelines, and is otherwise exempt pursuant to Sections 15321(b) (law enforcement activities) and 15601(b)(3) (no

significant effect on the environment) of the CEQA Guidelines.

Commission/Committee Action: On August 15, 2006, the Law & Legislation Committee directed staff to draft proposed revisions to Chapter 5.32 of the Sacramento City Code. On October 3, 2006, staff returned to the Law & Legislation Committee, and the Committee approved the proposed amendments and directed staff to bring those amendments forward to the full Council.

Rationale for Recommendation: The proposed amendments to Chapter 5.32 of the City Code include the following:

1. Increase the maximum number of tables at any one cardroom from eight to nine, unless future judicial or legislative action with respect to the Gambling Control Act allows for a greater increase; in such case, the maximum amount may not exceed 15.

Assembly Bill 635 was signed into law on October 7, 2005, which amended the Gambling Control Act to allow an increase in the number of tables of either 25% or two tables from the number of tables permitted as of January 1, 1996 absent voter approval. Previously, the Act only provided for an increase of 25%. Under the new law, the cardrooms would be able to add one additional table. Also, this revision would enable the ordinance to be more flexible with the changes in state law by allowing the number of tables to increase up to a maximum of 15 tables if at a future date state law changes.

2. Allow the spouse and/or children of a licensee to be added to the license if all application guidelines are met.

Under the current ordinance, a successor in interest is permitted to apply for the transfer of the cardroom license upon the death of the licensee provided that a state gambling license is first obtained. This provision would enable the licensee to add the spouse and/or children to the license prior to death to enable a smooth transition upon death, so long as such transfer does not result in a violation of state law.

3. Eliminate the maximum number of card games allowed at a cardroom, currently set at six, eliminate the requirement that all cardrooms within the City play the same six games, and eliminate the requirement to have unanimous, notarized approval from the cardroom licensees for new card games.

By removing these requirements, the cardrooms can be more competitive amongst each other by eliminating the arduous process of seeking unanimous approval on what six games should be played.

4. Eliminate the Chief of Police's current discretion to approve or deny either a new card game or deviation in the rules of any card game, by requiring the Chief of Police to approve a cardroom's proposed deviation or change so long as the rules are in compliance with state law.

The State of California's Division of Gambling Control has ample gambling regulations for the authorized card games in California. The additional discretion currently allocated to the Chief of Police has a minimal public safety benefit and is not a necessary requirement in the overall method of minimizing the impact on police services. Due to the minimal impact, the Police Department is willing to remove this provision to accommodate the cardroom licensees by easing the current burdensome process in implementing a new card game.

5. Allow "back-line bettors" absent a fully occupied table.

Back-line betting provides bettors an opportunity to bet an active participant's hand without themselves having to participate. Currently, the ordinance allows back-line betting but only with a full table. This provision would enable bettors who do not want to actively participate to bet absent a full table.

6. Increase the maximum bet from $49 to $1000, if future judicial or legislative action with respect to the Gambling Control Act allows for such an increase. If such increases occur, the cardrooms' security plans will be subject to approval by the Chief of Police.

Currently, the maximum allowable bet under state law is $49, but by adding this provision it will enable some flexibility with the current ordinance to change in accordance with state law. By requiring any future increases to be linked to approval of security plans by the Chief of Police and limiting the maximum bet to $1000, there is a sufficient balance between the cardrooms' ability to compete and the minimization of increased police services.

7. Revise non-substantive changes to conform the ordinance to the numbering of the state statutes, and revise minor changes for more efficient gaming procedures.

Financial Considerations: There are no financial considerations associated with this report.

Emerging Small Business Development (ESBD): Not applicable

Respectfully Submitted by: Kimberly Riley
Kimberly Riley, Administrative Officer

Approved by: A/COP (For)
Albert Nájera, Chief of Police

Recommendation Approved:

for Ray Kerridge
City Manager

Ref: COP 10-5

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Attachment 1

Background

Councilmember Robbie Waters, per a request made by Capitol Casino, requested the Police Department review the existing cardroom ordinance (SCC Chapter 5.32). The review was requested to accommodate recent changes in the Gambling Control Act (California Business and Professions Code Sections 19801 et seq.) and to ensure the ordinance allows cardrooms located within the City to remain competitive within the region.

The City Attorney's Office submitted the draft ordinance to the Division of Gambling Control on September 20, 2006 for their review. The Division of Gambling Control reviewed the ordinance and made minor revisions, which were reviewed and incorporated by the City Attorney's Office as needed in the current draft ordinance.

Attachment 2

ORDINANCE NO. 2006-

Adopted by the Sacramento City Council

DATE ADOPTED

AN ORDINANCE AMENDING SACRAMENTO CITY CODE CHAPTER 5.32 RELATING TO CARDROOMS

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

SECTION 1

Chapter 5.32 is amended to read as follows:

5.32.010 Cardroom—Defined.

For the purposes of this chapter, the term "cardroom" means and includes any place which holds a license to operate a public cardroom within the city and engages in the business of operating card tables. (Prior code § 5.01.001)

5.32.020 Cardroom license—Required.

It is unlawful for any person to engage in, carry on, maintain or conduct or cause to be engaged in, carried on, maintained or conducted any cardroom or tables which are used by the public for playing of cards and at which money or anything of value is wagered or for the use of which a fee or compensation is charged players, without first obtaining a license from the city. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-1)

5.32.030 Statement of purpose.

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. 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. (Prior code § 5.01.003-2)

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 has at any time been convicted of a felony, or any other offense involving moral turpitude, or has been convicted of any narcotics violation or violation of any gambling laws or ordinances, 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 Section 19859.

C. Whether or not any permit or license heretofore granted to applicant or any individual listed in subsection A 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 be operated on the premises. The number of tables shall not exceed that as provided by 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 or the use, location, or condition of the premises as the city manager or designee may require. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-3)

5.32.050 Fee and surety bond.

Cardroom licenses shall pay annually a business operations tax as required by Chapter 3.08 of this code. In addition to the aforementioned business operations tax, under Chapter 3.08 of this code, a nonrefundable application fee established by resolution of the city council shall be charged and collected from the applicant at the time of making application under Section 5.32.040 of this chapter.

In addition to any application fee and business operation taxes imposed by the city on the business of a cardroom, each licensee shall be charged a quarterly table operation fee for each card table operated by the licensee or to be operated by the applicant. The amount of this quarterly fee shall be set by resolution of the city council and shall be based upon any and all costs incurred by the city related to this title, including but not limited to the cost to the city of enforcement and revenue administration of this title.

The quarterly table operation fee shall be paid quarterly in advance by the applicant or licensee to the revenue division. The first quarterly fee shall be due at the filing of the initial application for a cardroom license. Thereafter, the quarterly table operation fee shall be paid, in advance, for the succeeding quarter. Payment shall be made on or before January 1st, April 1st, June 1st, and September 1st; except that, if any of these days falls on a Sunday or a city holiday, the quarterly due date for payment shall be the day before such Sunday or city holiday. The quarterly table operation fee shall be

delinquent if not received or postmarked on or before the quarterly due date for payment as such quarterly due date is defined above. All licensees shall pay the quarterly table operation fee commencing April 1, 1995.

Prior to the beginning of each quarter, the licensee shall notify the chief of police as to the number of tables to be operated for that new quarter and shall pay to the revenue division the table operation fee accordingly. Upon payment of the quarterly table operation fee, the revenue division shall issue a receipt indicating the number of tables the licensee is permitted for that quarter. In the event that the licensee reduces the number of tables in operation during a quarter, the city shall not rebate any of the previously paid table operation fee for that quarter. In the event that the licensee desires to increase the number of tables in operation during a quarter, the licensee shall pay to the revenue division the additional table operation fee for that entire quarter regardless of when during the quarter the additional table(s) are added.

Exempted from this quarterly fee are tables in excess of the number specified on the license and which are used for promotional or tournament play; provided, however, that pursuant to Section 5.32.180(B) or (L) of this chapter, the total number of regular tables and promotional/tournament tables in use shall not exceed that as provided in Section 5.32.180(B) of this chapter. Such promotional or tournament play and the use of such additional tables for such promotions and tournaments shall not exceed four days in any calendar month. The chief of police shall be notified seven days in advance of the promotional or tournament events and shall be notified of the duration and dates of such events.

On the denial by the city of an application of a cardroom license, the quarterly table operation fee paid by the applicant or licensee shall be rebated to the applicant or licensee by the revenue division. The rebate shall not be made by the revenue division until the appeal period on the denial has elapsed or, if an appeal is filed, until a final decision upholding the denial has been made and the appeal has become final in the administrative or judicial process, whichever is applicable.

If the applicant's or licensee's appeal of the denial is granted, the applicant or licensee shall owe and pay the appropriate table operation fee to the revenue division prior to the issuance of the cardroom license. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-4)

5.32.060 City manager's action on application.

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 which the issuance of the license might tend to create, 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.

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. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-5)

5.32.070 Limitation on the number of cardroom licenses.

No cardroom license shall be granted when the number of cardroom licensees 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. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-6)

5.32.080 Work permits required for cardroom employees.

Cardroom employees shall be required to obtain a work permit from the chief of police. For the purpose of this section, cardroom employees are defined as any natural person employed in the operation of the cardroom, including without limitation dealers, floor persons, security employees, countroom personnel, cage personnel, collection personnel, surveillance personnel, data processing personnel, appropriate maintenance personnel, waiters and waitresses, and secretaries, or any other natural person whose employment duties require or authorize access to restricted cardroom establishment areas. Only one work permit shall be required each year even though the holder of a work permit may change his or her place of employment within the city. Each cardroom employee shall pay the sums established by resolution of the city council for his or her first permit, and for a permit renewal.

The chief of police shall deny an application for a work permit if, in the opinion of the chief of police, approval of the application is contrary to the interest and the health, safety and welfare of the city, or if the applicant has been convicted of a felony or any

other offense involving moral turpitude, or has been convicted of any narcotics violation or violation of any gambling laws or ordinances, or if the applicant would be disqualified from holding a state gambling license for any of the reasons specified in California Business and Professions Code Section 19859. All applicants must provide a full set of fingerprints to be submitted to the Department of Justice for a criminal history background check.

Any application for a work permit shall be subject to objection by the California Division of Gambling Control. If the division objects to the issuance of a work permit, it shall be denied. Such a denial may be reviewed in accordance with the Gambling Control Act (California Business and Professions Code Sections 19800 et seq.). (Ord. 99-028 § 1: prior code § 5.01.003-7)

5.32.090 Issuance of new cardroom licenses.

Whenever the number of licenses falls below four, the city manager shall notify all persons who have expressed interest in obtaining a cardroom license that a cardroom license is available, requesting that any person who wishes to be considered for the license should notify the city manager. The city manager shall also place an advertisement in a newspaper of general circulation in the city and give additional public notice of the availability of a license as he or she deems appropriate. The notice shall set forth a date when potential applicants must file a letter of intent to apply for the license. Notice shall be deemed sufficient when it is provided pursuant to Government Code Section 6063.

The city manager shall thereafter conduct a lottery among all those expressing interest in the available cardroom license, for the purpose of establishing the sequence in which potential applicants shall be considered for the available license. Specific rules and procedures for the lottery shall be established by the chief of police and approved by resolution of the city council.

If the selected applicant fails to qualify for a license or elects not to proceed with the license process, applicants drawn in sequence in the lottery shall be considered until the cardroom license is issued. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-8)

5.32.100 Appeals of action on applications or conditions.

Any applicant wishing to appeal the decision of the city manager in granting or denying an application for or a renewal of a cardroom license or the decision of the chief of police in denying an application for a work permit or imposing conditions on a license to the city council may do so by filing a written notice of appeal with the city clerk not later than ten (10) days after the date of the decision. Upon failure to file a notice of appeal within the ten (10) day period, the action of the city manager or chief of police shall be final and conclusive.

Appeals to the city council shall follow the procedures set forth in sections 1.24.010 to 1.24.110 of this code, including referring appeals to a hearing examiner. (Prior code § 5.01.003-9)

5.32.110 Suspension and revocation of cardroom license or work permit.

The city manager shall have the right for cause to revoke or suspend any cardroom license issued hereunder, and the chief of police shall have the right for cause to revoke or suspend any cardroom work permit issued hereunder. 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 such revocation or suspension. In addition, the failure of a cardroom licensee or cardroom work permit holder to comply with the provisions of this title shall also constitute grounds for revocation or suspension of the license or work permit.

Cardroom licensees shall continuously operate a cardroom while holding a valid cardroom license. If any person licensed hereunder fails to maintain and continuously operate a cardroom for a period of ninety (90) consecutive days or more in accordance with the provisions of this title, the license shall automatically be revoked. A licensee may appeal any automatic revocation within the time and in the manner set forth in Section 5.32.100 of this chapter. (Prior code § 5.01.003-10)

5.32.120 Appeals of revocations or suspensions of licenses or permits.

The action of the city manager or chief of police with respect to a revocation or suspension of a cardroom license or cardroom work permit may be appealed to the city council as set forth in Section 5.32.100 of this chapter. Upon failure to timely file a notice of appeal, the action of the city manager or chief of police shall be final and conclusive. (Prior code § 5.01.003-11)

5.32.130 Temporary suspension.

A. The city manager shall have the authority to temporarily suspend a cardroom license and to order the licensee to immediately cease and desist any further operation of the cardroom during the time an appeal is pending pursuant to the provisions of this chapter if the chief of police finds that such temporary suspension is necessary in order to protect against a serious and immediate threat to the public health, safety, morals or welfare caused by exercise of the license and one of the following occurs:

1. The licensee is in violation of any of the provisions of this chapter, the penal code of the state of California, or any other applicable federal, state or local law, rule or regulation; or

2. The chief of police finds that by reason of criminal activity occurring on the cardroom premises, or by virtue of acts by the patrons of the cardroom, that the public is subject to the immediate risk of harm or criminal, deceitful or otherwise unethical practices. (Prior code § 5.01.003-12)

5.32.140 Temporary suspension—Notice of suspension and appeal.

A. The temporary suspension shall be effective twenty-four (24) hours following delivery of a temporary suspension notice to the licensee. If the licensee is unavailable or unable to be served, notice may be delivered to the person in charge of the cardroom and mailed to the licensee at the cardroom premises, and shall take effect twenty-four (24) hours after both delivered and placed in the mail.

B. An appeal of a temporary suspension of a license pursuant to this section shall be made as provided in Section 5.32.120 of this chapter. (Prior code § 5.01.003-13)

5.32.150 Conducting a cardroom or operating as a cardroom manager or dealer after temporary suspension.

It is unlawful for the holder of a cardroom license to operate or permit the operation of a cardroom after temporary suspension of the cardroom license pursuant to Section 5.32.130 of this chapter, and it shall be unlawful for the holder of a cardroom employee permit to work as a cardroom employee in any cardroom the license for which has been temporarily suspended pursuant to Section 5.32.130 of this chapter. (Prior code § 5.01.003-14)

5.32.160 Restrictions on transfers or attempted transfers of licenses and work permits.

Notwithstanding any other provision of this chapter, including this Section 5.32.160, no interest, whether as an individual, partner, stockholder or otherwise, in any license or permit issued under this chapter shall be transferred in violation of state law or transferred so as to result in a violation of state law. The privilege conferred by the licenses and permits issued under this chapter shall not be transferable, except as expressly provided in this section, and each license and permit shall so provide on its face. A cardroom license is not property and shall have no value. Any attempt to transfer, directly or indirectly, a cardroom license in violation of the provisions of this chapter shall be unlawful and void, and shall automatically revoke the license. Any cardroom licensee whose license is automatically revoked may appeal the revocation within the time prescribed and in the manner set forth in Section 5.32.120 of this chapter.

For purposes of this chapter, a prohibited transfer of a cardroom license shall

include, but not be limited to, the following:

A. An attempted transfer of a cardroom license, except for a transfer to a spouse or children;

B. An attempted assignment or transfer of a license from a partnership to one or more of the individual partners, except for a transfer to a spouse or children;

C. Where the cardroom license has been granted to a corporation, an attempted issuance or transfer of any shares of stock to any person, entity or group not listed as having an interest in the cardroom license when it was granted, except for the transfer of shares or issuance of new shares in an existing corporation to a spouse or children of a licensee;

D. The sale, lease or other transfer of a business which includes a cardroom where the cardroom is considered part of the business sold and the cardroom license is intended to pass with the sale, with or without consideration, even though the sale, lease or transfer may be conditioned upon the successful transfer of the license to the buyer, except a sale, lease or transfer to the spouse or children of the licensee;

E. Entering into any arrangement or agreement whereby the license or any interest therein or the transfer of the license is attempted to be pledged as security for a loan or the fulfillment of an obligation or agreement. (Prior code § 5.01.003-15)

5.32.170 Application for cardroom license under certain circumstances.

Notwithstanding the prohibitions contained in this chapter against the issuance or transfer of a cardroom license, an application by a spouse or child of the licensee with the licensee's consent to form any type business entity legally available, an application by a cardroom licensee for a change of location or an application by a successor in interest to a licensee for the issuance of a license in his or her own name for purposes of operating the same business may be made to the city manager in the following situations:

A. A change of location not involving any change in identity of the licensee;

B. A change in business organization (for example, incorporation of a sole proprietorship or partnership) where there is no change in the identity of the principals holding the license, except where the transfer is made to a spouse or children of the licensee with the consent of the licensee to form any type of business entity legally available pursuant to Subsection (c);

C. An application by a spouse or children of a licensee with the licensee's consent while the licensee is still living to add the spouse or children to the license to form any

type of business entity legally available, or on the death of a licensee where the application is made on behalf of the surviving business associates, or spouse or children of the deceased licensee, provided that the spouse or children first obtain a state gambling license.

D. An application by a successor in interest to a licensee for the issuance of a license in his or her own name(s) but with a new type of business entity for purposes of operating the same business.

An application for the transfer of a cardroom license made under this section shall be made to the city manager and acted upon and considered in the same manner as an application for an original license. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-16)

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 cardroom license issued by the city. For purposes of this section, "associated with" 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 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.

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

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 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.

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

H. 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 of Sacramento 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) daysapprove 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 of this chapter and upon full compliance with the notification provision contained therein. In no event shall be number of tables operated at one time exceed that as provided in Section 5.32.180(B), 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 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 Section 5.32.180(D). 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 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. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-17)

5.32.190 Protection of patrons.

A. Whenever it appears to the chief of police that security personnel are necessary to protect the health, safety, welfare or morals of the public, the chief of police shall have the authority to require that a cardroom licensee provide uniformed security personnel on the premises and the parking lot used by the cardroom for its

patrons and employees, as a condition of the license. Each license shall have this potential condition specified on its face, or on the reverse side. The chief of police shall determine the necessity for the requirement for security personnel based on the propensity for peace disturbances or criminal activity in the geographic area in which the cardroom is located, based upon criminal activity or peace disturbances on the cardroom premises, based upon the particular time of day, or based upon any other factors which affect the health and safety of the public and cardroom patrons. The chief of police shall notify the licensee, in writing, as to time periods and days of the week during which security is required, the number of security officers required, and the location where such officers are to be provided (whether in the parking lot or on the premises). Upon receiving the written notice of security requirements, the licensee shall conform to those requirements within forty-eight (48) hours of service thereof and shall maintain those requirements in full force and effect until such time as the chief of police deems they are no longer necessary. A licensee may appeal the imposition of conditions imposed in the manner set forth in Section 5.32.100 of this chapter.

B. Between the hours of two a.m. and six a.m., the licensee shall not knowingly permit the consumption of alcoholic beverages on the premises or in the parking lot which the cardroom uses for its patrons.

C. The licensee shall not knowingly permit any obviously intoxicated person to participate in any card game.

D. The licensee shall not knowingly permit any illegal activity to occur on the premises or in the parking lot used by the cardroom for its patrons or employees. Illegal activity includes, but is not limited to, narcotics violations, bookmaking, illegal gambling, loansharking, receiving stolen property, or prostitution. (Prior code § 5.01.003-18)

5.32.200 Conflicts.

A. If any section, subdivision, section, clause, phrase or portion of this chapter conflicts with any section, subdivision, clause, phrase or portion of an express provision of the zoning ordinance of the city of Sacramento, or conditions of a use permit or other permit issued pursuant thereto, or other administrative approvals issued under the zoning ordinance of the city, the conditions of the use or other conditional permit under the zoning ordinance or the administrative approvals issued under the zoning ordinance shall prevail.

B. If any section, subdivision, clause, phrase or portion of this chapter conflicts with any section, subdivision, clause, phrase or portion of the Gambling Control Act (Business and Professions Code commencing with Section 19800, et seq.) as required by the state of California, then the Gambling Control Act shall prevail. (Prior code § 5.01.003-19)

5.32.210 Records and audit.

A. The licensee shall keep full and accurate records of the income and expenses received and disbursed in connection with the operation, conduct, promotion, and any other phase of the cardroom enterprise and card games which are authorized by this chapter. The records shall be of such types and maintained in such manner as may be prescribed by the chief of police. Upon demand, the chief of police or any other authorized representative of the city shall have the right to examine and audit the records at any reasonable time and the license holders shall fully cooperate by making the records available.

B. The records described in subsection A of this section and produced pursuant to that section shall be kept confidential by the chief of police, except that they may be used in connection with any suspension, revocation, or other proceeding or investigation conducted under this title and/or any civil or criminal investigation conducted by the chief of police, the district attorney, or the grand jury. (Prior code § 5.01.003-20)

5.32.220 Violation—Penalty.

Except as otherwise specifically provided, violation of any of the provisions contained in this title shall constitute an infraction subject to a fine for each day or any portion thereof a violation continues. Fines for each violation shall be assessed pursuant to the provisions of Government Code Section 36900b.

Violation of any of the following provisions of this title shall constitute a misdemeanor: Sections 5.32.020, 5.32.150 and 5.32.180.

Violation of any of the provisions of this title may be remedied by injunction or other civil proceedings commenced in the name of the city of Sacramento by the city attorney. (Ord. 2004-018 § 1 (part); prior code § 5.01.003-21)