

Item 3
10/15/2013
Law & Legislation
Comm Meeting

Additional amendments to the Sacramento City cardroom ordinance:

- 1) Provide that the quarterly table fee shall be sufficient to fund trained personnel within the Sacramento Police Department to regularly inspect the cardrooms and ensure compliance with the ordinance and state law.
- 2) Ensure that appropriate city personnel are aware of any final disciplinary actions against a Sacramento cardroom operator.
- 3) Retain a cap on the maximum number of tables at any cardroom, but increase it to 20.
- 4) Ensure that two cardrooms may not be located with 1,000 feet of each other.
- 5) Add additional activities that a licensee may not engage in or allow employees, contracted entities or agents to engage in, including loan sharking, check cashing fees, allowing any player to remain at a table when not playing a hand, and allowing persons that do not have a city work permit into areas of the facility not otherwise accessible to the public unless escorted by a cardroom employee.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS IN CHAPTER 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:

A. 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 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 §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. 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.

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

5.32.040 Application for cardroom license.

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

A1. 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.

2B. Whether the applicant or any individual listed in subsection A.1 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 Section 19859. A conviction within the meaning of this section means a plea or verdict of guilty, or a conviction following a plea of nolo contendere.

3C. Whether ~~or not~~ any permit or license ~~heretofore~~ granted to applicant or any individual listed in subsection A.1 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.

4D. 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.

5E. The number of card tables ~~which will to~~ be operated on the premises. The number of tables shall not exceed that as provided by Section 5.32.180(B.) of this chapter.

6F. Such further information bearing on the identity and character of the applicant or any individual listed in subsection A.1 of this section or the use, location, or condition of the premises as the city manager or designee may require.

B. An applicant for a cardroom license shall submit a copy of a valid conditional use permit approved by the city's planning and design commission. If the special permit 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.

5.32.050 Fee and surety bond.

A. 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.

B. 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. *This fee shall be sufficient to fund adequate trained personnel within the Sacramento Police Department to provide regular inspections of the licensees to ensure compliance with state laws, regulations and this ordinance.*

SECTION 3. Section 5.32.060 of the Sacramento City Code is amended to read as follows:

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.1)~~, and any law enforcement problems ~~which that the issuance of the license might tend to create 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. An application shall not be denied solely on the basis that the applicant, any management member or any employee has been convicted of a felony if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar federal statute or state law where the expungement was granted.

C. The city manager shall not grant a cardroom license if the applicant does not submit a valid conditional use permit in accordance with section 5.32.040.

D. The city manager may impose conditions on the cardroom license. Violations of cardroom license conditions shall be 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 constitute 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. Any final disciplinary action by the California Gambling Control Commission or the Bureau of Gambling Control after the granting of a cardroom license shall be reported by a licensee within 48 hours to the Sacramento Police Department and to the City Manager.

CB. Except as specifically amended by subsection A, above, all provisions of section 5.132.110 of the Sacramento City Code remain unchanged and in full force and effect.

SECTION 5. 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 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~~ 15 card tables shall be permitted in any cardroom. However, 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 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~~ not to exceed a maximum of twenty (20) tables.

C. ~~Not more than one~~ No cardroom shall be located at any one less than 1,000 feet from the physical address or parcel of real property on which another cardroom is located.

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 defined as a person under the age of 18 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.

G. City officials may enter and inspect the cardroom property at any time during business hours to ensure compliance and enforcement of the provisions of this chapter and the laws of the State of California, including the Gambling Control Act and Penal Code provisions governing the play of lawful card games, and implementing regulations. ~~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.

Form

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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.~~

IJJ. 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.

JK. 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.

KL. 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 subsection B of this section, including during promotional or tournament play.

LM. 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.

MN. Cardrooms may operate twenty-four (24) hours a day, seven days a week. No wagering limits are imposed by this chapter.

N.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 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.~~

OP. No person in charge or control of any card club shall allow or permit to be allowed, any employee, third party provider or agent of such person to:

1. Loan any money, check, or anything of value, or any representation of value, to any person who is playing, or intends to play, any card game;
2. Extend credit to any person who is playing, or intends to play, any card game;
3. Charge any fee to cash a check of any person who is playing, or intends to play, any card game;
4. Engage in, or permit any other person on the premises to engage in, any act that violates the laws of the State of California and state gaming regulations, including the Gambling Control Act and Penal Code provisions governing the play of lawful card games.
5. Allow any person seated at the table at a game in which a player-dealer position is allowed under the rules to not play a hand when not occupying the player-dealer position.
6. Allow any person other than one with a work permit issued by the City of Sacramento to go into any area of the card club that is not otherwise accessible to the public unless escorted by a cardroom employee.

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

PQ. 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.

City of
SACRAMENTO

The City welcomes your comments and requests that you present your remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction. Thank you for your testimony.

Request to Speak

Complete this form and return to the City Clerk

Meeting Date: 10-15-13

COMMENTS MAY BE LIMITED TO A SPECIFIC TIME ALLOTMENT

Matters Listed on the Agenda

Agenda Item No: 3

Subject: Landroom

In Favor

Oppose

Matters **NOT** Listed on the Agenda

Subject: _____

Personal Information:

Except for your name, the information requested below is voluntary and used by staff to contact you if necessary. When you request to speak before the legislative body, your name is included in the City's Official minutes. This form is subject to disclosure under the California Public Records Request Act.

Name: Tracy Budh-Walsh Address: 175 Fosc Ereeh Cr

Organization/Business Name: Law Office

Council District No.: _____

Not a City Resident

Phone: (916) 761-9277

Email: _____

Notice to Lobbyist:

In compliance with City Code Section 2.15.150 you **MUST** identify yourself as a lobbyist and also verbally identify the client(s), business or organization you are representing.

I am a: Registered Lobbyist

Unregistered Lobbyist

I represent: _____

The City welcomes your comments and requests that you present your remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction. Thank you for your testimony.

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Meeting Date: 10/15/13

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Matters Listed on the Agenda

Matters **NOT** Listed on the Agenda

Agenda Item No: 3

Subject: _____

Subject: Card room issues?

In Favor

Oppose

Personal Information:

Except for your name, the information requested below is voluntary and used by staff to contact you if necessary. When you request to speak before the legislative body, your name is included in the City's Official minutes. This form is subject to disclosure under the California Public Records Request Act.

Name: Clarke Rosa Address: 411 North 16th St

Organization/Business Name: Capitol Casino

Council District No.: _____

Not a City Resident

Phone: (____) _____

Email: _____

Notice to Lobbyist:

In compliance with City Code Section 2.15.150 you **MUST** identify yourself as a lobbyist and also verbally identify the client(s), business or organization you are representing.

I am a: Registered Lobbyist

Unregistered Lobbyist

I represent: _____

City of
SACRAMENTO

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Request to Speak

Complete this form and return to the City Clerk

Meeting Date: _____

COMMENTS MAY BE LIMITED TO A SPECIFIC TIME ALLOTMENT

Matters Listed on the Agenda

Agenda Item No: 3

Subject: CARD ROOM ORDINANCE

In Favor

Oppose

Matters **NOT** Listed on the Agenda

Subject: _____

Personal Information:

Except for your name, the information requested below is voluntary and used by staff to contact you if necessary. When you request to speak before the legislative body, your name is included in the City's Official minutes. This form is subject to disclosure under the California Public Records Request Act.

Name: JIM KORZETAS

Address: 500 LAUREL LANE

Organization/Business Name: CASINO ROYAL LLC

Council District No.: _____

Not a City Resident

Phone: (916) 425-6814

Email: JIM.KORZETAS@YAHOO.COM

Notice to Lobbyist:

In compliance with City Code Section 2.15.150 you **MUST** identify yourself as a lobbyist and also verbally identify the client(s), business or organization you are representing.

I am a: Registered Lobbyist

Unregistered Lobbyist

I represent: _____