

Meeting Date: October 15, 2013

Report Type: Discussion

Title: Proposed City Code Amendments Related to Public Hearings for Cardrooms (M13-007)

Location: Citywide

**Law and Legislation
Committee Report**

915 I Street, 1st Floor

www.CityofSacramento.org

Issue: Cardroom licenses are currently issued by the City Manager per the City Code. Several City Councilmembers have expressed concern that the current permitting process does not include a public hearing to provide the public with an opportunity for input. 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 location in the City of Sacramento. In addition, clean up language to Title 5 is necessary to reflect current conditions of cardroom operations in Sacramento.

Recommendation: Approve staff's recommendations and forward the attached ordinance to the Planning and Design Commission and to City Council amending the Sacramento City Code to: 1) require a public hearing process for the location of cardrooms in the City of Sacramento; 2) amend Title 5 to: a) allow the City Manager to impose operating conditions; b) allow multiple ownership interest in up to two cardrooms; c) align the maximum number of tables with State requirements; d) allow card tables in bar areas; and e) eliminate betting limits; and 3) amend Title 17 to designate cardrooms as a specific land use category and require a Planning and Design Commission Special Permit in these zones.

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Presenter: Joy Patterson, Principal Planner, Community Development Department; Brad Wasson, Revenue Manager, Department of Finance

Department: Community Development, Finance

Division: Planning, Revenue

Dept ID: 21001221; 06001211

Attachments:

- 01 Description/Analysis
- 02 Draft Ordinance Amending Title 5 and Title 17 Red Lined
- 03 Draft Ordinance Amending Title 5 and Title 17

Submitted By: Leyne Milstein for Brad Wasson

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Approved By: Leyne Milstein

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Attachment 01 – Description/Analysis

Issue: The Sacramento City Code currently permits a maximum of four cardrooms in the City. Cardrooms are permitted as a source of entertainment and recreation for local citizens. Licenses are issued by the City Manager, with the assistance of the Chief of Police, with requirements for issuance found in Title 5.32 (Business Licenses and Regulations) of the City Code.

Cardroom operations can impact surrounding neighborhoods yet the current permitting process does not require a public hearing process to establish a cardroom. Members of the public contacted councilmembers after a cardroom was recently allowed to relocate and were dismayed to learn that a public hearing would not be held where they could express their concerns regarding the new location for the business. When cardroom modifications were discussed at a City Council meeting in September 2011, several councilmembers also 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 process requiring a noticed public hearing.

If the Sacramento City Code were amended to add the conditional use permit process, it would still retain the requirement to obtain a cardroom license. Title 5 would be amended to require that an applicant submit a copy of their special permit, approved by the Planning and Design Commission, as part of their cardroom application. Title 17, the Zoning Code, would also be amended. 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 a conditionally allowed land use and require a Planning and Design Commission conditional use permit 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 conditional use permit 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 Current	Sacramento Proposed	Citrus Heights	Folsom	Rancho Cordova
Betting Limits	Yes	None	None	None	None
Maximum # of Tables	15	State Max	State Max up to 25	9	11
Separation from other uses	Yes	None	None	Yes	None
Multiple Ownership Restrictions	Yes	2	None	Yes	None
Distance Between Card Room	1 per address	1,000 feet	None	300 feet	None
Permitting Authority	City Manager	Conditional Use Permit & City Manager	Police Chief	Special Permit & City Council	Police Chief

Staff has reviewed other local jurisdictions' code and concurs 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 continues to explicitly give 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.

Policy Considerations: The proposed changes to the City Code would be consistent with the City of Sacramento 2030 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...”

Ownership interest in up to two cardrooms is consistent with State law and does not create a monopoly of cardrooms in Sacramento. The other recommended changes to the City Code are incidental clean up language to reflect the current landscape of the cardroom industry.

Proximity between cardroom locations continues to be a concern for some individuals. Staff did not include a specific proximity requirement because the Conditional Use Permit process would take proximity into consideration when reviewing the permit. However, should the committee desire a specific proximity distance between cardrooms, staff recommends setting it at 1,000 feet.

The draft code places the conditional use permit approval with the Planning and Design Commission. Some cardroom operators have suggested that the approval should 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 Council member McCarty was at the Commission level approval. Staff has drafted the ordinance accordingly.

Should the committee approve the draft code changes, then the language will be sent to the State of California Bureau of Gambling Control for their approval. The draft code will also be forwarded to the Planning and Design Commission for their approval before coming before the full Council for adoption.

Economic Impacts: None.

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

Sustainability: Not applicable.

Commission/Committee Action: On August 4, 2012 a draft ordinance was passed by the Law and Legislation Committee that centered around multiple ownership and co-location of cardrooms. This draft language did not pass for publication on October 18, 2011. Council directed staff to continue to work with stakeholders and to return with appropriate updates.

Rationale for Recommendation: The proposal to amend the Planning and Development Code is consistent with 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.

Emerging Small Business Development (ESBD): Not applicable.

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 ~~office~~. 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 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.

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 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 specifically amended by subsection A, above, all provisions of section 5.32.110 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:

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~~15 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 defined as a 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 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. ~~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 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. No wagering limits are imposed by this chapter.~~

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	Subject to licensing regulations in chapter 5.32	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	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	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	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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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SECTION 15. Except as specifically amended by sections 6 through 14, above, the tables set forth in Sacramento City Code 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 force and effect.

DRAFT

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE AMENDING VARIOUS SECTIONS IN CHAPTERS 5.32, 17.216,
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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 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 specifically amended by subsection A, above, all provisions of section 5.32.110 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:

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 15 card tables shall be permitted in any cardroom. However, should judicial or legislative action alter the restrictions or limitations in California’s Gambling Control Act 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.

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 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 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 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 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. No wagering limits are imposed by this chapter.

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 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	Subject to licensing regulations in chapter 5.32	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	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	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	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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	Subject to licensing regulations in chapter 5.32	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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SECTION 15. Except as specifically amended by sections 6 through 14, above, the tables set forth in Sacramento City Code 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 force and effect.