ORDINANCE NO. 2016-0016

Adopted by the Sacramento City Council

April 14, 2016

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 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 the 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 amended in subsection A, above, all provisions of section 5.32.110 remain unchanged and in full 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 17 card tables shall be permitted in any cardroom.

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 wager or raise a wager more than $1,000. 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.

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.
**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; A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom; Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot. | PDC |

**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; A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom; Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot. | PDC |
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:

<table>
<thead>
<tr>
<th>Cardroom</th>
<th>Subject to licensing regulations in chapter 5.32;</th>
<th>PDC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Cardroom</th>
<th>Subject to licensing regulations in chapter 5.32;</th>
<th>PDC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom;</td>
<td></td>
</tr>
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<td>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</td>
<td></td>
</tr>
</tbody>
</table>
### 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; A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom; Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot. | PDC |

### 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; A cardroom may not be located within 1,000 feet, measured from the nearest property lines of the affected parcels, from another cardroom; Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot. | PDC |
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:

<table>
<thead>
<tr>
<th>Cardroom</th>
<th>Subject to licensing regulations in chapter 5.32;</th>
</tr>
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<td>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</td>
</tr>
<tr>
<td>PDC</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Cardroom</th>
<th>Subject to licensing regulations in chapter 5.32;</th>
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<tr>
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<td>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</td>
</tr>
<tr>
<td>PDC</td>
<td></td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Cardroom</th>
<th>Subject to licensing regulations in chapter 5.32;</th>
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<td></td>
<td>Notwithstanding section 17.232.050, a conditional use permit is not required to enlarge a cardroom on a greater portion of the building or lot on which it is located or to relocate the cardroom to another location on the same lot.</td>
<td></td>
</tr>
</tbody>
</table>


Adopted by the City of Sacramento City Council on April 14, 2016, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Harris, Jennings, Schenirer, and Warren

Noes: Member Hansen

Abstain: None

Absent: Mayor Johnson

Attest:

Shirley Concolino, City Clerk

Passed for Publication: March 15, 2016
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