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## REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

#### AMENDMENT TO CARDROOM ORDINANCE TO COMPLY WITH STATE LAW

#### **INTRODUCTION**

In 2005 during routine audits of gaming laws in the state, the Attorney General identified certain sections of San Diego's Cardroom ordinance that were not in compliance with current state law. In response, the City Attorney reviewed the sections identified by the Attorney General. These sections have been analyzed and now updated, pending vote by City Council, to reflect current law. This proposed ordinance amends the San Diego Municipal Code by changing certain provisions of section 33.3911. These changes, as required by state law, have already been approved by the State.

#### DISCUSSION

State law allows local jurisdictions to amend rules governing card rooms as long as the jurisdiction had an ordinance in effect prior to January 1984 allowing for the existence of card rooms. The base ordinance for allowing card rooms in San Diego was adopted on May 23, 1983. State law also allows the local jurisdictions, without a citywide vote, to amend certain card room rules in order to increase gambling up to 25 percent as compared to the ordinance that was in effect on January 1, 1996. Business & Professions Code §19961. When Ordinance O-18730, December 6, 1999 and Ordinance O-19044, April 2, 2002 were adopted, they resulted in changes or increases beyond the allowable limit.

The proposed ordinance makes amendments to section 33.3911 in order to comply with state law. Section (b) will clarify that all card games are allowed per Business & Professions Code section 19961(b)(4). Section (c) clarifies that each card room is allowed to have seven (7) tables, and city wide will have a total of no more than fourteen (14), which is the number when adding together the two authorized card rooms currently in existence. Section (g) will change the hours of operation to 10:30 a.m. to 1:00 a.m. daily. Section (g) allows an hour of operation increase of no more than 24.9%, based on the original ordinance. Sections (b) and (c) do not include any increase. The changes have been reviewed and approved by the California Department of Justice, Division of Gambling Control.

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## CONCLUSION

The City Attorney urges the adoption of the proposed ordinance. If the ordinance is not adopted, the City will continue to not be in compliance with state law. Potentially, without a valid ordinance in effect, the Attorney General may take legal action against the City and the individual Cardroom owners.

Respectfully submitted,

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