

September 9, 1999

REPORT TO THE COMMITTEE ON PUBLIC
SAFETY AND NEIGHBORHOOD SERVICES

AMENDMENTS TO CARDROOM ORDINANCE TO CONFORM WITH STATE LAW

INTRODUCTION

The Gambling Control Act [“the Act”], codified in California Business and Professions Code sections 19801-19958, requires local cardroom ordinances to contain specific provisions. The proposed amendments to San Diego Municipal Code sections 33.3901-33.3920 would make the cardroom ordinance consistent with state law. Unless the cardroom ordinance is amended to conform to the Act, the city’s three remaining cardroom licensees (of which two are active) cannot obtain operating licenses from the California Department of Justice, Division of Gambling Control.

Consistent with the Act’s purpose of limiting gaming activities in the state, the amendments to the City’s cardroom ordinance restrict rather than expand gaming activities and enhance the San Diego Police Department’s ability to monitor cardrooms. The Police Department has reviewed and approved the proposed amendments. These amendments will not compromise the ordinance’s sunset provision or the City Council’s intention to phase out cardrooms.

SUMMARY OF AMENDMENTS

The following is a synopsis of the proposed amendments to the cardroom ordinance that implement state law requirements.

I. Safety Plan

Business and Professions Code section 19851 requires a cardroom licensee to be responsible and liable for the safety and security of patrons in and around the cardroom. Proposed Municipal Code section 33.3921 requires, as a condition of operation, that cardroom licensees implement a safety and security plan that is approved by the Chief of Police.

II. Location

Business and Professions Code section 19851 requires that cardrooms be located in accordance with local zoning rules and Business and Professions Code section 19852(a)(3).

Proposed Municipal Code section 33.3922 requires cardrooms to conform to the San Diego Municipal Code's zoning requirements and state law.

III. Wagering Limits

Business and Professions Code section 19851 requires that cardrooms adopt wagering limits for each type of card game and post these limits at each card table. The wagering limits and signs must be approved by the Chief of Police. Proposed Municipal Code section 33.3923 requires cardrooms to adopt and post wagering limits for each type of card game and post the limits at each card table, subject to approval by the Chief of Police.

IV. Number of Card Tables in Jurisdiction

Business and Professions Code section 19851 requires that local ordinances limit the total number of card tables in the jurisdiction. The proposed amendment to existing Municipal Code section 33.3911(c) would limit the total number of card tables in the city to twenty-one. This number is derived from multiplying the maximum allowable number of card tables per cardroom (seven, as provided in Municipal Code section 33.3911(c)) by the number of current cardroom licensees, now three. Because only two of the cardroom licensees are active, the total number of card tables that currently would operate in the city is fourteen. Because no new cardroom licenses may be issued and the remaining licensees are subject to the ordinance's sunset provisions, the maximum number of card tables in San Diego only can shrink, along with the number of cardrooms.

V. Work Permits (License): Restrictions, Objections, Denial

Business and Professions Code section 19850 conditions issuance of a cardroom license on passing an extensive background check. A license also is subject to approval or denial by the state Division of Gambling Control. The proposed amendment to existing Municipal Code section 33.3906 provides that no license shall be issued to anyone who is disqualified from holding a state cardroom license for any of the reasons specified in Business and Professions Code section 19850. It also states that an application for a license is subject to approval by the state Division of Gambling Control. If the Division objects, then a license shall be denied. Denial of the license may be reviewed in accordance with the Act.

CONCLUSION

State law requires local cardroom ordinances to contain certain provisions. The proposed amendments, which would be consistent with state law, restrict rather than expand cardroom activity. Unless the ordinance is amended to conform to state law, cardroom licensees cannot obtain necessary state operating licenses. The proposed amendments allow police to better regulate cardrooms and do not compromise the ordinance's sunset provision or the City Council's intention to phase out cardrooms.

Respectfully submitted,

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Attachment
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