



**City Of San Diego  
COUNCILMEMBER MARTI EMERALD  
DISTRICT SEVEN**

**M E M O R A N D U M**

**REF: M-11-07-01**

**DATE:** July 1, 2011

**TO:** Honorable City Attorney Jan Goldsmith and  
City Treasurer Gail Granewich

**FROM:** Councilmember Marti Emerald 

**SUBJECT:** San Diego Card Room Municipal Code Amendment

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In 1983, the City Council adopted a new division to the Municipal Code in order to regulate Cardrooms within the City of San Diego. The Council restricted the number of Cardrooms to the three that existed at that time and further prohibited the transfer of Cardroom licenses after 1985, effectively sun setting the industry after the deaths of the current owners.

At various times, the Council has revisited the Cardroom regulations in order to stay in compliance with State law and also to allow the Cardrooms to operate and compete freely in a market that has changed greatly over the past twenty years.

- 1999 – amendments expanding hours and number of players per table
- 2000 – general divisions update of police regulated businesses
- 2001 – posting the permitted games and charges
- 2002 – allowing all games permitted by the State
- 2008 – amended wagering limits to be in compliance with state law
- 2008 – added two tables per card room

In 2010, passage of AB 441 allowed cities and counties to amend their Cardroom regulations to increase the number of tables allowed per card room by two. As such, I intend to docket at the July 27, 2011 Public Safety and Neighborhood Services Committee for discussion and action an amendment to the Municipal Code to increase the number of tables allowed from nine (9) to eleven (11) at each of the two remaining card rooms and a total of twenty-two (22) in the City of San Diego (See example code section below).

I am asking the PS&NS Committee to consider these changes as requested by the Cardroom owners in order for them to stay in compliance with State law as well as to fully compete and market their businesses from a level playing field. At the same time, I would like to note that these remaining two San Diego Cardrooms have long been good employers, supportive neighbors and law abiding businesses in their respective communities.

I request that the City Attorney prepare the Municipal Code amendments as described below for timely submission to the PS&NS agenda of July 27, 2011.

In addition, I request that the City Attorney and City Treasure review and update the Cardroom fee structure to accommodate eleven tables. (I am informed that the City never revised the fee structure in 2008 when tables allowed were increased from seven to nine resulting in the Cardrooms being under charged for the last three years.)

If you have any questions please feel free to contact my office or Drew Ector, Consultant to the PS&NS Committee (67038). Thank you for your assistance with this matter.

**§33.3911 Regulations**

*(c) No establishment licensed under this Division as a cardroom shall contain more tables for the playing of cards than the number for which the license fee has been paid. In no case shall any establishment contain more than ~~nine~~ eleven tables for the playing of cards. No more than ~~eighteen~~ twenty-two card tables shall be allowed to operate in the City at any time. This number is derived from the maximum number of card tables permitted at each cardroom, as provided in section 33.3911(c), multiplied by the maximum number of licensed Cardrooms allowable under this division.*

Attachment: AB 441

ME: de

cc: Honorable Mayor Jerry Sanders  
Honorable City Council Members  
Office of the Independent Budget Analyst

**Assembly Bill No. 441**

**CHAPTER 530**

An act to repeal Section 19961.05 of, and to add Section 19961.06 to, the Business and Professions Code, relating to gaming.

[Approved by Governor September 29, 2010. Filed with Secretary of State September 29, 2010.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 441, Hall. Local gaming.

Existing law permits a city, county, or city and county to permit controlled gambling, consistent with state law, if a majority of voters affirmatively approve an ordinance so permitting, as specified. Existing law provides that an amendment of an ordinance permitting an increase of 24.99% in the number of gambling tables that may be operated in a gambling establishment in a city, county, or city and county, or 2 tables, whichever is greater, compared to the ordinance in effect on January 1, 1996, may occur without voter approval. Any amendment to a city or county ordinance relating to gambling establishments or the Gambling Control Act is required to be submitted to the Division of Gambling Control for review and comment before the ordinance is adopted by the city or county.

This bill, instead, would provide that an amendment of an ordinance permitting an increase of 2 tables in the number of gambling tables that may be operated in a gambling establishment in a city, county, or city and county, compared to the ordinance in effect on January 1, 2010, may occur without voter approval. The bill would permit a city, county, or city and county to exercise its authority to amend a local gaming ordinance without voter approval pursuant to this provision only one time.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19961.05 of the Business and Professions Code is repealed.

SEC. 2. Section 19961.06 is added to the Business and Professions Code, to read:

19961.06. Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase by two the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county, compared to the ordinance that was in effect on January 1, 2010. A city, county, or city and county may exercise the authority provided by this section only one time, but this authority shall be in addition to any authorization under any other law for a city, county, or

