



AGENDA ITEM NO. 1 N

COUNCIL MEETING 03/17/09

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

March 17, 2009

FROM: JERRY P. DYER, Chief of Police  
Police Department

BY: DON GROSS, Lieutenant  
Police Department

SUBJECT: AMENDMENT OF THE FRESNO MUNICIPAL CODE RELATING TO CARD ROOM PERMIT REGULATIONS SECTIONS 9-2126 AND 9-2115 AND SUBSECTIONS (i) AND (j) OF SECTION 9-2122, SUBSECTIONS (b), (g) AND (m) OF SECTION 9-2135, AND SUBSECTIONS (a) AND (c) OF SECTION 9-2115

#### KEY RESULT AREA

Public Safety

#### RECOMMENDATIONS

It is recommended that the City Council approve the attached amendments of the Fresno Municipal Code relating to card room permit regulations.

#### EXECUTIVE SUMMARY

In 1994 the City Council authorized a Municipal Code Section that allowed for card rooms in the City of Fresno. The ordinance allows for the establishment of card rooms, regulates their operation and outlines their permitting process. In July of 2008, members of the Vice Unit met with representatives of the State of California, Department of Justice, Bureau of Gambling Control Compliance and Enforcement Section, and the new owners of Club One Casino.

During that meeting the Department of Justice representatives discussed updating the requirements of the City code so that they were more practical, realistic as to the investigative process and enforcement of the ordinance. The attached amendment is the result of that discussion and discussions with the owners of Club One and the City Attorney's Office.

#### KEY OBJECTIVE BALANCE

This amendment to the Municipal Code balances the three key objectives of prudent Financial Management, Customer Satisfaction, and Employee Satisfaction. Prudent Financial Management is achieved by making the ordinance more practical to enforce, saving time and resources. Customer Satisfaction is achieved by making the ordinance clearer and easier to abide by. Employee Satisfaction is

achieved by making the ordinance more practical from an enforcement standpoint, thus, increasing clarity and reducing enforcement time that is needed.

## **BACKGROUND**

In 1994 the City adopted a Municipal Code that allowed for the establishment of card rooms in the City of Fresno. The original ordinance, since renumbered, outlined the necessity for existing card rooms and the need for the expansion of permitted games, increases in numbers of tables, limiting the number of rooms and strict regulations for the time, place and manner of operation of card rooms. The ordinance went on to define what constitutes a card room as well as relevant terms used in their regulation. It specifies conformance with state law as well as allowing for permits existing in 1994. The ordinance outlines the card room permit application, fees, review and approval process as well as the issuance of those permits. The ordinance also defines the grounds and process for denial, revocation or suspension of those permits as well as the hearing process. The ordinance defines the records and information that must be maintained by the card room. Finally, the ordinance defines the permissible games and rules for the operation of those games.

In July 2008, members of the Fresno Police Department's Vice Unit met with representatives of the State of California, Department of Justice, Bureau of Gambling Control Compliance and Enforcement Section, and the new owners of Club One Casino. The meeting was informational in nature and an opportunity to meet the Gaming Control Investigators as well as provide information to the owners of the casino. As a result of that meeting, State Investigators made suggestions for modifications of our local ordinance that could be improved to be more practical and realistic for the investigative process and enforcement of the ordinance. The changes proposed will ensure that our enforcement actions will be consistent with all of the sections in our ordinance with respect to the application process (see attached amendments).

While the changes do not affect the intent of the ordinance or operation of the card rooms, they do allow for better clarity and simplify the current rules for card room owners, employees and law enforcement.

## **FISCAL IMPACT**

There is no impact to the General Fund.

JPD:DG:pgh  
03/03/09

Attachment: Municipal Code Amendment

BILL NO. \_\_\_\_\_

ORDINANCE BILL NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF FRESNO, CALIFORNIA  
AMENDING SECTIONS 9-2126 AND 9-2115 AND  
SUBSECTIONS (i) AND (j) OF SECTION 9-2122,  
SUBSECTIONS (b), (g) AND (m) OF SECTION 9-2135, AND  
SUBSECTIONS (a) AND (c) OF SECTION 9-2115 OF THE  
FRESNO MUNICIPAL CODE, RELATING TO CARD ROOM  
PERMIT REGULATIONS

THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

SECTION 1. Subsection (i) of Section 9-2122 of the Fresno Municipal Code is amended to read:

(i) Each registered employee ~~shall~~ [may] renew his or her registration with the Police Chief at least thirty days prior to the anniversary of the date of his or her initial registration and every anniversary thereafter. New cards will be issued as the city deems appropriate.

SECTION 2. Subsection (j) of Section 9-2122 of the Fresno Municipal Code is amended to read:

(j) The card room permittee shall inform the Police Chief of any change in employment status of a registered employee ~~within twenty-four hours of the effective date of the change in employment~~ [in a timely manner]. A change in employment shall include termination of employment, leave of absence in excess of sixty days or any promotion or other change in position, job title, or duties.

SECTION 3. Section 9-2126 of the Fresno Municipal Code is amended to read:

All pointholders, key management employees, and ~~employers~~ [employees] of card rooms shall have their background and criminal history investigations updated annually

or as the city may require upon showing of reasonable justification.

SECTION 4. Subsection (b) of Section 9-2135 of the Fresno Municipal Code is amended to read:

(b) Collection. Fees may only be collected for the playing of permissible games either through a time rental fee for occupancy at a card table or a predetermined fixed fee assessed of all players at a card table and collected prior to [or during] the playing of a hand.

SECTION 5. The heading for Section 9-2115 of the Fresno Municipal Code is amended to read:

SEC. 9-2115. CARD ROOM PERMIT; [AND] POINTHOLDER PERMIT ~~AND KEY MANAGEMENT EMPLOYEE PERMIT APPROVAL PROCESS.~~

SECTION 6. Subsection (a) of Section 9-2115 of the Fresno Municipal Code is amended to read:

(a) Investigation and Report. Upon receipt of a card room permit application, the City Manager or his or her designee shall cause an investigation to be made covering all matters relevant to the proposed activity of the applicant, individual pointholders, ~~and key management employees~~ and managers. Such matters may include but are not limited to the following:

(1) Identity, character and background of the permit applicant, all individual pointholders, and all ~~key management employees and~~ managers;

SECTION 7. Subsection (c) of Section 9-2115 of the Fresno Municipal Code is amended to read as follows:

(c) City Council Hearing and Determination. In the event a full and complete application for a card room permit is presented to the Council, and the payments required

by this article in connection therewith have been duly made to the city, and the investigations and reports required under the provisions of this article have been duly completed, the Council shall have jurisdiction to consider such application.

At the time and place set for hearing of an application for a card room permit, the Council shall consider the application, the City Manager's findings and recommendations, including the report of the investigation, written testimony and public testimony. Within a reasonable time after the close of the hearing, the Council shall make a determination on the application.

The Council by resolution shall either grant, conditionally grant, or deny the card room permit application. If the Council rules that an application be denied, the order will be accompanied by written reasons upon which the order is based. All such orders will be made public. It shall be possible for the Council to approve tentatively the application of a permit applicant, but, disapprove the application for a permit of one or more of the pointholders ~~or key management employees~~. In such cases the Council can grant the permit applied for subject to the condition that any pointholder, ~~key management employee~~, or manager disapproved of be removed as an individual having any interest or control in the card room. Compliance with the removal condition shall be monitored, reviewed and approved of by the City Manager, prior to final issuance of the card room permit.

This article limits the location of permitted card rooms in the city to the C-4 zone district. In the event that more than one complete application is filed with the city within a thirty-day period, all such applications will be reviewed and considered by the city. The city shall not accept for filing, review, or consider any additional applications until the

complete applications filed during the thirty-day period have been reviewed and considered by the city and final action on them has been taken by the Council. The Council shall determine, in its judgment, which, if any, of the various applicants who wish to open a card room within such area will receive a card room permit. In determining whether to grant a permit, the Council shall be guided by the policy that permits shall be issued only to those persons who will operate such permitted card rooms so as to best protect the public health, safety, morals, good order and welfare of the residents of the city. If multiple applicants meet all the requirements for issuance of a permit, the card room permit shall be granted to the qualified applicant whom the Council, in its sole discretion, determines best meets the following criteria:

- (1) Least disruptive location;
- (2) Best program for policing the operation;
- (3) Greatest revenues potential for the City of Fresno;
- (4) Greatest experience and financial ability of applicant;
- (5) Best potential for quality operation;
- (6) Any other considerations that will protect the public health, safety,

order, and welfare of the residents of the City of Fresno.

The action of the Council in accordance with this article shall be final.

SECTION 8. Subsection (b) of Section 9-2122 of the Fresno Municipal Code is amended to read:

(b) Each [Key Management Employee and]card room employee shall present himself or herself at the Police Department during normal business hours, prior to commencement of any such employment, and be registered.

SECTION 9. Subsection (g) of section 9-2135 of the Fresno Municipal Code is amended to read:

(g) Game Rules.

(1) The rules describing how each game conducted on the premises is to be played shall be posted on the premises of the card room in a conspicuous place. Printed copies of the rules shall also be easily available to the public.

(2) The rules which are posted and made available to the public shall be identical to the rules provided to the Police Chief pursuant to the requirements of this article.

(3) The rules shall be made available in English, Spanish, Vietnamese, Hmong, Lao, [and] Cambodian, ~~and any other language as requested by a patron.~~

SECTION 10. Subsection (p) of section 9-2103 of the Fresno Municipal Code is amended to read:

(p) "Key Management Employee" shall mean (1) any person, whether or not such person is a named officer [or] director of the permittee, with the power to (i) direct operations and (ii) direct ~~supervisory~~ and [supervise] several employees of a card room; (2) any person with the actual or apparent authority to direct the counting of revenue generated by the card room, and (3) any person employed or engaged by the permittee to manage the card room.

SECTION 11. Subsection (m) of section 9-2135 of the Fresno Municipal Code is amended to read:

(m) Identification Card Display

(1) It shall be unlawful for any card room owner or employee to be ~~physically present~~ [working] at any time upon said premises without having

prominently displayed his or her own personal identification card issued by the Police Chief pursuant to this article identifying such person ~~with the card room~~ [as an owner or employee of the card room].

(2) The identification card shall be prominently displayed on the outermost garment at approximately chest height. Such identification card shall at all times be in good and readable condition.

SECTION 12. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its passage.

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

Mayor Approval: \_\_\_\_\_, 2009

Mayor Approval/No Return: \_\_\_\_\_, 2009

Mayor Veto: \_\_\_\_\_, 2009

Council Override Vote: \_\_\_\_\_, 2009

REBECCA E. KLISCH  
City Clerk

BY: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

JAMES C. SANCHEZ  
City Attorney

BY:   
Charlotte M. Hylton, Deputy

tbs- [47955tbs/ord]- 2/06/09