



Legislation Text

File #: 16-112, **Version:** 1

Report Prepared by: Kenneth Rozell, Senior Deputy City Attorney

SUBJECT: Cardrooms

REPORT IN BRIEF

Introduction of an Ordinance Modifying Regulations Relating to Cardrooms

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2457**, an Ordinance of the City Council of the City of Merced, California, Amending Section 9.08.020, "Cards," of the Merced Municipal Code Relating to Cardrooms.

ALTERNATIVES

1. Modify ordinance for introduction; or,
2. Deny; or,
3. Take no further action regarding this matter.

AUTHORITY

City of Merced Charter, Section 200.

CITY COUNCIL PRIORITIES

Not Applicable.

DISCUSSION

At its March 7, 2016 meeting, the City Council provided direction to staff regarding proposed modifications to the City's existing cardroom regulations.

Specifically, the City Council directed that an ordinance be drafted that:

1. Increases the number of card tables allowed in the City from eight card tables to sixteen card tables; and
2. Allows a cardroom to increase the number of card tables by up to eight additional tables (subject to the overall limit of 16 card tables within the City); and
3. Removes the City-imposed limits on bets and wagers (currently \$300 for any single bet or wager and \$200 for an ante during a game).

The City Attorney's office has prepared an ordinance that includes the changes requested by the City Council. In addition, proposed language has been added to the ordinance that would require a cardroom granted the right to expand the number of card tables do so within one year of the date of the approvals. This proposed requirement would help ensure that the City timely receives the economic benefits that one of the cardroom operators indicated would be generated from the expansion of the number of allowed card tables (mostly the creation of new jobs).

Finally, the question was asked at the March 7, 2016 meeting regarding the cost of an election if the City Council decided to place before the voters a new tax, franchise fee or table tax on cardrooms that exceeded the additional enforcement costs associated with the expansion of the number of card tables in the City. Assistant City Clerk John Tresidder contacted the County of Merced regarding the cost of a measure on the November 2016 ballot. The County estimated that the cost of adding a measure to the November 2016 election would cost between \$10,000 and \$15,000.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

- 1 Proposed Ordinance
2. Redlined Ordinance showing changes from existing regulations