



Potential Modifications to City's Cardroom Ordinance

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Background

- City Regulation of Cardrooms Initiated in 1988 (Ordinance 618)(Chapter 5.20)
- State Legislature Enacted 5-Year Moratorium on New Cardrooms in 1995
- State Gambling Control Act Instituted in 1997 to License and Regulate Cardrooms at a Statewide Level (Extended Moratorium on New Licenses)
- State Legislature Enacted Several Exceptions to Moratorium (City Utilized an Exception to Increase Number of Card Tables from 6 to 9 in 2010)
- Under State Statute, City is Eligible to Increase Number of Tables from 9 to 11

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Cardrooms in the City of Folsom

- One Licensed Cardroom in Folsom (Lake Bowl Cardroom)
 - Located in FLB Entertainment Center at 511 East Bidwell Street
 - Currently Licensed for Maximum of 9 Card Tables
 - Lake Bowl Cardroom Currently Not in Operation
 - Lake Bowl Owners in Negotiations to Sell Assets to Delta C, LP
- Delta C, LP
 - Owner/Operator of 3 Cardrooms in Stockton
 - May Seek to Open Cardroom at New Location within the City
 - New Cardroom License from City and State Required
 - Application Submitted to City to Amend Cardroom Ordinance on June 1, 2022
 - Increase Number of Permitted Card Tables from 9 to 11
 - Add Language Allowing Future Card Table Increases Authorized by the State
 - Allow for Backline Betting

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Proposed Modifications to Cardroom Ordinance

- Amend Chapter 5.20, Section 5.20.070(A.)(2.) of the Folsom Municipal Code, to increase the number of card tables in the City from 9 to 11, pursuant to the allowance provided by Business and Professions Code § 19961.06(b), and add language to this Section that would allow the City to take advantage of any future table increases authorized by the Legislature without amending the Cardroom Ordinance as follows:

5.20.070 Cardroom regulations.

A. No person shall operate a cardroom in violation of any of the following regulations:

- ...
2. No more than ~~nine~~ eleven (11) card tables shall be permitted in any cardroom. However, should judicial or legislative action alter the restrictions or limitations in the Gambling Control Act, Business and Professions Code section 19800 et seq., to allow for an increase in the current number of tables without voter approval, the maximum number of tables permitted in any cardroom may be increased, subject to city council allocation, up to the amount such judicial or legislative action allows, not to exceed a maximum of fifteen (15) tables.

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Proposed Modifications to Cardroom Ordinance

- Delete Section 5.20.070(A.)(13.)(d.) of the Folsom Municipal Code, which currently prohibits the practice of “backline betting” within the City as follows:

13. The following provisions shall govern wagering limits: It is unlawful for any person to bet or wager at or against any card game held at a licensed gaming club except as allowed by this chapter. In addition to any conditions that may be imposed on a license, the following restrictions shall apply:

...

~~d. Other than seated players actively participating in the game, no person shall be permitted to place a wager on any card game, and a player shall only place a wager on his or her own card hand. Backline betting or side betting is prohibited.~~

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Analysis

- Detailed Analysis not Conducted to Date
- Potential Impacts (Traffic, Noise, Parking, Crime, Etc.)
- Financial Impacts (Economic Impact Report 2019)

Recommendation

- Provide Direction to City Staff Regarding Amending the Cardroom Ordinance
- Provide Direction to City Staff Regarding Specific Amendments to Ordinance