

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING VARIOUS SECTIONS OF TITLE 16 OF THE SAN JOSE MUNICIPAL CODE RELATING TO GAMING CONTROL TO ALLOW JACKPOTS, PROMOTIONS AND TOURNAMENTS IN COMPLIANCE WITH STATE GAMBLING LAW AND REGULATION; OWNERSHIP OF MORE THAN ONE CARDROOM IN SAN JOSE; AND AN OWNER OF A CARDROOM TO PLAY POKER AND IN POKER TOURNAMENTS HELD AT HIS OR HER CARDROOM

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Chapter 16.18 of Title 16 of the San José Municipal Code is hereby amended to add a new section to be numbered, entitled and to read as follows:

16.18.085 “Guaranteed” Tournament Play

- A. In addition to the tournament play authorized under Section 16.18.080, a Cardroom Permittee shall be allowed to conduct “guaranteed” tournament play four (4) times per year in accordance with the provisions of this Section.
- B. The maximum number of Card Tables at any one (1) Cardroom in the tournament shall be **fifteenthirty (1530)**. The additional Card Tables shall not be counted against the maximum Card Table limit under Section 16.04.020.
- C. The Cardroom Permittee shall obtain written approval of the Administrator in conformance with State Gambling Law.

D. Once the Administrator has approved the request under this Section, the Cardroom Permittee shall also obtain approval from the California Gambling Control Commission for the temporary increase in the number of Card Tables for the tournament in compliance with Title 4 of the California Code of Regulations Section 12358.

SECTION 2. Section 16.18.090 of Chapter 16.18 of Title 16 of the San José Municipal Code is hereby amended to read as follows:

16.18.090 Stimulation of Play Prohibited

- A. No Cardroom Permittee, Owner, Employee, Funding Source, Funding Source Owner, Funded Player, or Funding Source Employee shall engage or persuade any person to play cards for the purpose of stimulating play where such person is to receive any reward, whether financial or otherwise, present or promised; or where such reward is to be diverted to the Cardroom Permittee or Owner except that the Cardroom Permittee may use Proposition Players in strict conformity with the provisions of this Chapter. Reward shall not include employment compensation provided by a Funding Source to its Funded Players or employment compensation provided by a Cardroom Permittee to its Proposition Players.

- B. No Cardroom Permittee, Owner, or Employee, Funding Source, Funding Source Owner, Funded Player, or Funding Source Employee shall engage in the lending or giving of money, chips, tokens or anything of value, either real or promised, to any person, other than a Funded Player, for the purpose of allowing that person to eat or drink or to play Permissible Games.

- C. No Cardroom Permittee, Owner, Employee, Funding Source, Funding Source Owner, Funded Player, or Funding Source Employee shall provide any money or services or anything of value to Patrons.
- D. This Section shall not prohibit a Cardroom Permittee from reimbursing a Patron for damage to clothing caused by a Cardroom Permittee or its Employee if receipts are maintained to the satisfaction of the Gaming Administrator.
- E. This Section shall not prohibit distribution of promotional items containing or imprinted with the Cardroom Permittee's name or logo with a value of less than twenty-five dollars (\$25.00) so long as the promotional item is available to any person on the Cardroom premises whether or not the person is a Patron.
- F. This Section shall not prohibit the Cardroom Permittee from providing reasonable cab or public transportation fare to transport a Patron from the Cardroom Premises. Upon request, the Cardroom Permittee shall provide the Administrator with documentation of the date, name and destination of the Patron and the amount of the fare that was reimbursed.

G. This Section shall not prohibit a Cardroom Permittee from offering for play progressive certain jackpots and promotions upon written approval of the Administrator, following approval by the California Gambling Commission, to in conformance conform with State Gambling Law. The Administrator shall automatically approve said certain jackpots and promotions following approval by the California Gambling Commission.

H. Notwithstanding Subsections A through C of Section 16.18.090, the Administrator may approve, in conformance with State Gambling Law, the

provision by a Cardroom Permittee of certain promotions or loyalty rewards programs. that are common within the industry and will further the Cardroom Permittee's ability to stay competitive within the industry.

SECTION 3. Section 16.22.030 of Chapter 16.22 of Title 16 of the San José Municipal Code is hereby amended to read as follows:

16.22.030 Owner and Key Employee Gambling Prohibited

A. No Cardroom Permittee, Owner, or Key Employee shall play any Permissible Game on the Cardroom Premises at which they are the Permittee, Owner or Key Employee, except during major tournaments held at the Cardroom Premises upon prior written notice and approval by the Administrator.

B. Notwithstanding Subsection A, an Owner may play in poker games and poker tournaments held at his or her Cardroom.

SECTION 4. Section 16.30.040 of Chapter 16.30 of Title 16 of the San José Municipal Code is hereby amended to read as follows:

16.30.040 Ownership Limit Within Santa Clara County

A. ~~No A~~ person who is an owner of a Cardroom in the City of San José ~~_shall, at any time, may~~ have ~~any~~ interest, legal or equitable, in more than one (1) Cardroom in the City of San José ~~or elsewhere in the County of Santa Clara.~~

B. No person who is an owner of a Cardroom in the City of San José shall, at any time, have any interest, legal or equitable, in a Cardroom outside the City of San José in the County of Santa Clara.

PASSED FOR PUBLICATION of title this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk