

DRAFT

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING SECTION 16.14.010 OF CHAPTER 16.14 PERTAINING TO CRIME REPORTING REQUIREMENTS; SECTIONS 16.18.070, 16.18.080 AND 16.18.090 OF CHAPTER 16.18 PERTAINING TO LIMITATIONS ON BETS, CHARITABLE TOURNAMENTS, AND DISCOUNTED FOOD OR BEVERAGE; AND REPEALING SECTION 16.18.075 OF CHAPTER 16.18 PERTAINING TO CONTINUOUS PRESENCE AT CARDROOM PREMISE, OF TITLE 16 OF THE SAN JOSE MUNICIPAL CODE

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-008 (General Procedure and Policy Making resulting in no changes to the physical environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Section 16.14.010 of Chapter 16.14 of Title 16 of the San José Municipal Code is amended to read as follows:

16.14.010 Crime reporting requirement.

- A. No cardroom permittee, owner, licensee or employee shall fail to make a report to the San José police department, immediately upon discovery of any conduct which raises a reasonable suspicion that a misdemeanor or felony crime has been committed on the cardroom premises; or when immediate reporting is not feasible, then promptly after the determination that any conduct which raises a reasonable suspicion that a misdemeanor or felony crime has been committed on the cardroom premises. In addition, no cardroom permittee, owner, licensee or employee shall fail to report any conduct which raises a reasonable suspicion of a violation of this title to the division of gaming control by no later than the next business day following~~within four hours of~~ its discovery.
- B. Each cardroom permittee shall maintain a chronological criminal activity log and such other reports as the administrator may determine are needed in order to effectively assist the San José police department to carry out its law enforcement function and protect the public health, safety and welfare.

SECTION 2. Section 16.18.070 of Chapter 16.18 of Title 16 of the San José Municipal Code is amended to read as follows:

16.18.070 Limitations on bets.

- A. No cardroom permittee, owner, licensee, or employee shall allow, permit, or suffer any person to make any single bet or wager on any single betting square for any single hand for a California game in excess of the amount permitted under state gambling law.

- B. No cardroom permittee, owner, licensee, or employee shall allow, permit or suffer any person playing in any game to make an ante, single bet, or raise per wager in any American poker game in excess of the amount permitted under state gambling law.
- C. No cardroom permittee, owner, licensee, or employee shall allow, permit, or suffer any person to make a backline bet on any California game played on the cardroom premises unless all of the following conditions exist:
1. It is made on a card table with a layout designed for backline betting that is approved by the administrator, with all betting opportunities clearly and unambiguously identified on the layout in advance of submission, including the number of individual wagers permitted within each betting space, which shall be labeled on the design; and
 2. No backline bet can be placed on a top of a bet that is already on the table.
- D. No cardroom permittee, owner, licensee, or employee, shall allow, permit, or suffer:
1. Any card table on the cardroom premises to have more than ~~twenty~~ten betting squares per player-position.
 2. Any player at a card table to place a bet on more than ten betting squares for any single hand of any California permissible game.
 3. Any player, other than a player-dealer, to place a bet on any single betting square for any single hand of any California game in excess of the amount permitted under state gambling law.

- E. No cardroom permittee, owner, licensee, or employee shall allow, permit, or suffer any person to make a wager of anything other than approved gaming chips and plaques.

SECTION 3. Section 16.18.075 of Chapter 16.18 of Title 16 of the San José Municipal Code is hereby repealed.

16.18.075 Limitations on continuous presence at cardroom premises.

- ~~A. No cardroom permittee, owner, licensee, or employee shall allow, permit, or suffer any patron to be on the cardroom premises for more than twenty continuous hours without requiring that patron to have at least a four-hour absence from the cardroom premises. For the purposes of this section, the twenty hours shall be deemed continuous unless the patron is absent from the cardroom premises for more than four hours.~~
- ~~B. No cardroom permittee, owner, licensee, or employee shall allow, permit, or suffer any patron to be on the cardroom premises that they know or should know has left from another cardroom permittee's premises after twenty continuous hours until four hours have lapsed from the time the patron left the other cardroom premises.~~

SECTION 4. Sections 16.18.080, and 16.18.090 of Chapter 16.18 of Title 16 of the San José Municipal Code are amended to read as follows:

16.18.080 Tournament play.

- A. Cardroom permittees shall be allowed to conduct "no limit" tournament play ~~four times per year~~, provided that twenty-five percent of the tournament entry fees and/or sitting fees received for such play shall be contributed to a charitable organization to be used for charitable purposes.
- ~~B. The cardroom permittee shall provide the administrator with thirty days advance notice of its intention to conduct "no limit" tournament play.~~
- C. Upon request, ~~T~~he cardroom permittee shall provide the administrator with documentation satisfactory to the administrator of the entry and/or sitting fees collected for each play and the amount actually contributed to charity.
- D. The cardroom permittee shall also provide the administrator with documentation on the charitable organization(s) chosen by the permittee including, but not limited to:
 - 1. Proof of nonprofit and charitable status with the state and federal government;
 - 2. The name, address, telephone number of the charitable organization; and
 - 3. The purposes for which the money collected will be used by the charitable organization.
- E. Notwithstanding the foregoing, if a cardroom permittee has entered into an agreement with the City that provides for a specified lump sum charitable contribution payment, then the permittee shall be deemed in full compliance with the charitable contribution requirement set forth in this section for the applicable

year. In such case, no additional charitable contribution from tournament entry fees and/or sitting fees shall be required for that year.

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 certain jackpots and promotions in conformance 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 rewards programs.
- I. Notwithstanding Subsections A through C, a Cardroom Permittee, Owner, ~~or Employee, or Independent Contractor~~ may provide complimentary or discounted food and ~~non-alcoholic~~ beverages to Patrons and employees, provided that such items are not conditioned upon the Patron engaging in gambling activity, and are offered in a manner consistent with State Gambling Law and all other applicable laws and regulations, including those administered by the California Department of Alcoholic Beverage Control. ~~Complimentary or discounted alcoholic beverages are prohibited. The Cardroom Permittee shall maintain records of all complimentary or discounted food and non-alcoholic beverages provided,~~

~~showing the date, description, and value of each item. Such records shall be made available for inspection by the Administrator upon request.~~

PASSED FOR PUBLICATION of title this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk