

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY ATTORNEY MARTIN D. KOCZANOWICZ AND
POLICE CHIEF JIM COPSEY

SUBJECT: DISCUSSION OF REQUEST TO INCREASE NUMBER OF CARD TABLES,
INCREASE HOURS OF OPERATION, AND REMOVE HARD LIQUOR SALES
REQUIREMENT BY CENTRAL COAST CASINO

BACKGROUND

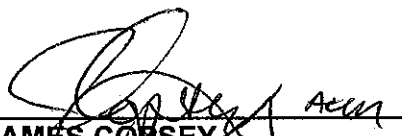
The purpose of this report is to have the Council discuss and consider the request by the owner of Central Coast Casino for: (i) an increase by two the number of tables at the casino; (ii) an increase in hours of operation, allowing the casino to operate 24 hours per day; and (iii) the removal of the requirement that the casino be operated at a location with a license to serve hard alcohol. These changes, if permitted under state law and if approved, would require an amendment to the Grover Beach Municipal Code section Card Table Licenses and Regulations and /or a vote of the electorate. This report also summarizes for the Council the history of the regulations and provides staff's opinion on whether the request is allowable by law, requires voter approval, and requires approval of the gaming authorities.

DISCUSSION

Article X, Chapter 4, Section 10402 of the Grover Beach Municipal Code presently allows seven (7) tables to be licensed in the City, with a limit of four (4) maximum tables per establishment and per permittee. The Central Coast Casino presently holds four (4) of those licenses and operates those tables at premises connected to Mongo's Saloon, Restaurant & Sports Bar, 359 W. Grand Avenue. Another business owner pays license fees to the City for two (2) tables, but due to state licensing issues, does not operate a card room. The last table is unassigned.

Central Coast Casino has been a licensed operator of a card table establishment in the City for a long period of time. In November 2006, in response to a change in the Business & Professions Code which allowed an increase in the number of gaming tables by two (2) tables, the City, by Ordinance No. 06-13, increased the number of card tables it allowed in the City from five (5) to seven (7), which limit is currently in effect. Thereafter, Central Coast Casino applied for and received a license for two (2) additional gaming tables, bringing their total to the current number of four (4). The Casino is presently operated in a location adjacent to Mongo's, which owns the ABC license for the premises, and the Casino owner is reliant on that ABC license to be in compliance with our Code and continue operating card tables at that location. The current location only allows for four (4) tables and does not have the sufficient space to accommodate

APPROVED FOR FORWARDING



JAMES COPSEY
ACTING CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- None Identified by Staff
- Peterson
- Bright
- Lee
- Marshall
- Nicolls

Meeting Date: March 4, 2013

Agenda Item No. 4

the additional two tables. Should the Code be amended and additional tables be allowed, and Mr. Stearns chooses to add tables, he will most likely need to modify the existing building space or move into the adjoining business space. Both of these options may trigger use permit issues.

In 2010, state law was changed again to allow the City to amend its ordinance, one time only, to increase by two (2) the number of gaming tables that may be operated in a gambling establishment. The law prohibits any "expansion of gambling" without prior voter approval with a few exceptions. The above increase being one of them.

Staff interprets this to not be applicable to an increase of total tables allowed in the City, but rather the number of tables that can operate within one establishment. This type of increase does not require voter approval because it is not considered by the state to be an "expansion of gambling". The Casino owner has requested by letter (Attachment 1) to be allowed to increase the number of tables in his establishment from four (4) to six (6). Should the City decide to allow the Casino to increase the number of tables by an Ordinance amending GBMC, it could allow only an increase of one table, thereby licensing all seven (7) tables it permits for licensing.

The Casino has also requested that it be allowed to continue to operate between the hours of 2:00 a.m. and 6:00 a.m. and that it not be required to be operated within premises that are licensed for the sale of hard liquor. Article X, Chapter 4, Section 10407 of the Grover Beach Municipal Code disallows operation of card tables between the hours of 2:00 a.m. and 6:00 a.m. provided, however, that the City may waive this restriction if the City Council finds good cause and such waiver is not contrary to the public health, safety, and welfare. This can only be waived entirely if the hard liquor sales requirement is also waived. An establishment is not able to be open for business during these hours and serve alcohol.

Section 10402 of the Code contains the hard liquor sales requirement. The City adopted these restrictions to coincide with the City ordinance that restricts the sale of hard liquor between the hours of 2:00 a.m. and 6:00 a.m. The City could allow the expansion of hours but require that no alcohol be served during the hours of 2:00 a.m. to 6:00 a.m. or could waive the requirement that the Casino be operated at premises that sells hard liquor. These restrictions were put in place in part because the state has significantly more ability to investigate the moral character and potential criminal behavior of those it potentially issues state licenses to serve hard alcohol. Surveying other cities in SLO County, it was found that the City of Pismo Beach does not allow operation of card rooms between the hours of 2:00 a.m. and 6:00 a.m. The City of Paso Robles allows the operation of card rooms between those hours, but does not allow alcohol to be served during those hours.

State law does not address the sale of alcohol as it pertains to gaming tables. However, state law requires voter approval if the hours of operation of a gaming establishment are increased 25% or more. An addition of four (4) hours would be an increase of 20% and therefore would not require voter approval. Regardless, the Municipal Code already permits the City Council to waive the hours of operation restriction if it finds good cause.

Should the City Council decide to allow an increase in the number of tables to any one establishment, or allow an increase in the number hours of operation, state law requires that the Bureau of Gambling Control review and approve any ordinance change prior to its adoption. The Bureau has reviewed the language of the proposed ordinance submitted by the casino owner and has found it consistent with the new law. Should the Council wish to accommodate the request, the ordinance amending the code would need to be forwarded to the State. Any

increase in the number of tables at a particular establishment would also be subject to application by the casino owner to the Gambling Control Commission and the Bureau of Gambling Control.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Consider a code amendment that would allow Central Coast Casino to obtain additional license(s) for one card table, subject to California gambling authority approval.
2. Consider a code amendment to remove restrictions to allow the operation of card tables at business premises that do not have a license for the sale of beer, wine and distilled spirits or allow for operation of card tables 24/7 but prohibit the sale of alcohol between the hours of 2:00 a.m. and 6:00 a.m.,
3. Consider a code amendment to remove restrictions and allow for the operation of card tables 24/7 or waive this restriction for Central Coast Casino only should City Council find good cause and such waiver is not contrary to the public health, safety, and welfare;
or
4. Do not change the current code provisions.
5. Provide staff with additional direction.

RECOMMENDED ACTION

It is recommended that the Council receive the staff report, consider the information, and provide direction to staff.

FISCAL IMPACT

Should the Code amendment be approved and additional tables be allowed, the fiscal impact to the City will be \$500 per table per year. Council could also consider directing staff to review the fee charged for the card table licenses to determine whether an adjustment would be appropriate.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act. A copy of the agenda and this staff report were sent to David Stearns, Central Coasts Casino, and Mr. Stroud of Gold Rush Casino.

Attachments

1. November 15, 2012 letter from David Stearns, Owner/Operator of Central Coast Casino, with his proposed changes Article X, Chapter 4 of the Grover Beach Municipal Code
2. Grover Beach Municipal Code, Section 10402 for Card Tables and Licenses
3. California Business and Professions Code §19960-19966

David Stearns, Owner/Operator
Central Coast Casino
359 Grand Avenue,
Grover Beach, CA 93433
Slopoker805@yahoo.com

Attachment 1

CITY OF GROVER BEACH

NOV 20 2012

RECEIVED

hand-delivered

November 15, 2012

Mayor John Shoals and City Council
City of Grover Beach,

I would like to request to be put on the City Council Meeting agenda for you to consider some simple changes to the cardroom ordinance. As you know, I've been an active member of our business community since I opened in 1998. I've employed between 10 and 15 employees for almost fifteen years. Throughout the years, I've been very active in fundraising for many good causes, most recently for Hurricane Sandy and the Wounded Warriors Foundation.

My business is strictly regulated by the State (Gambling Control Commission and the Department of Justice). Because of some recent changes in State regulations, it allows my business to expand from 4 tables to 6 tables with the approval of the City Council. Although currently, the business demand does not warrant the need for 2 more tables, I would like to pursue them with the hope of a better future.

There are two other areas I would like to address:

1. The required hard liquor on the premises, and,
2. Restricted hours of operation.

On the following page, I've shown in orange text the changes I would like. My consultant, Bob Lytle (former Director of the Division of Gambling Control, Department of Justice) assures me that there is no problem in changing the ordinance if, of course, the City would support them.

In 10402, the existing text requires the hard liquor license. We would like to delete the existing hard liquor requirement and replace it with the text shown below in orange that also allows the cardroom to have 6 tables (currently, there are 4 tables).

In 10407, we simply allow the same hours of operation of any other cardroom in SLO county.

I've enclosed the entire current ordinance on pages 3 and 4 for your convenience. Thanks again, and please advise me on the next step. Bob Lytle is able and willing to meet in person or a telephone conference if needed.

Sincerely,

Dave Stearns

Page 1 of 4

**Proposed Changes to Cardroom Ordinance in orange text below
(Section 10402 and 10407)**

Sec. 10402. Standards for Issuance of Card Table Licenses. (A) No more than a total of ~~nine (9)~~ card tables shall be licensed to operate within the City under the provisions of this chapter.

(B) No one permittee shall be authorized to operate more than a total of ~~six (6)~~ card tables within the City.

(C) No more than ~~six (6)~~ card tables shall be operated or maintained within any single business premises within the City.

(D) 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 shall be increased up to the amount such judicial or legislative action allows.

Sec. 10407. Hours of operation at any card room may be ~~twenty-four (24)~~ hours per day, ~~seven (7)~~ days per week.

CHAPTER 4 -- CARD TABLE LICENSES AND REGULATIONS

Sec. 10400. Card Table Defined. The term "card table," as used in this Chapter, shall mean a card table within a business premises where there is carried on any card game for hire or for compensation, which game is not unlawful under the provisions of California Penal Code §330, or any other provision of law. (Ord. 19; Amd. Ord. 79-6)

Sec. 10401. Card Table Licenses. It is unlawful for any person, firm, association, corporation or partnership to engage in or carry on the business of conducting or operating one or more card tables unless there is in effect a card table license covering each such card table, issued pursuant to the provisions of this Chapter. (Ord. 19; Amd. Ord. 79-6)

Sec. 10402. Standards for Issuance of Card Table Licenses. (A) No more than a total of seven (7) card tables shall be licensed to operate within the City under the provisions of this chapter.

(B) No one permittee shall be authorized to operate more than a total of four (4) card tables within the City.

(C) No more than four (4) card tables shall be operated or maintained within any single business premises within the City.

(D) No card table license shall be issued unless that card table is at all times to be operated within the same premises as a business which is licensed and operating under an on-sale general license for the sale of beer, wine and distilled spirits under Business and Professions Code §23399.

(E) No card table license shall be transferrable to another location or permittee.

(F) No card table license shall be issued to any person who has been convicted of any felony, nor to any association, partnership, or corporation of which any owner thereof has been convicted of a felony. (Amd. Ord. 06-13)

Sec. 10403. Applications for Licenses. Any person desiring to obtain a card table license shall apply to the City Clerk and shall furnish such information as is requested by the City Clerk which pertains to the identification and background of the applicant and the owners thereof, and to the nature and location of the proposed business for which the application is made. The City Clerk shall deliver such application to the Chief of Police for his investigation and for a report to the City Council thereon. The Chief of Police shall have the power to require the applicant and/or any of the owners thereof to submit to fingerprinting and to furnish such additional information as he deems necessary to assist in such investigation.

Upon receipt of the report of the Chief of Police the City Council shall grant a card table license or licenses to the applicant if the City Council determines the following:

(A) That the applicant and its members are of good moral character and otherwise qualified to carry on such business under the terms of this Chapter;

(B) That the carrying on of a card table at the location proposed is in compliance with all applicable zoning and building ordinances and regulations of the City;

(C) That the issuance of the permit is not contrary to the public health, safety or welfare. (Ord. 19; Amd. 79-6)

Amended June 1, 2007 X-12

Sec. 10404. Revocation of Licenses. The City Council shall have the right to revoke any card table license when the possessor thereof has violated, or permitted the violation of, any of the terms of this chapter. The City Council may also revoke any card table license when the business being operated is not implementing the approved Security Plan for the protection of its patrons, or is not being conducted in accordance with the public health, safety or welfare or when, in the discretion of the City Council, it is found that the continued operation of said business will create or is creating a policing problem to the City. Prior to revoking any card table license, the City Council shall cause to be served on the applicant a notice of its intention to do so at least five (5) days prior to the date upon which it intends to consider the matter of such revocation, and also stating the right of the licensee to appear before the City Council and to show cause why such license should not be revoked. The decision of the City Council with respect to the revocation shall be final. (Ord. 19; Am. Ord. 79-6; Am. Ord. 04-05)

Sec. 10405. Card License Fee. There shall be an annual fee in the amount set forth in the Master Fee Schedule for each card table licensed pursuant to the terms of this Chapter. (Ord. 19; Amd. Ord. 79-6; Amd. Ord. 06-13)

Sec. 10406. Access to Premises. The City Council finds that it is necessary and in the public interest that law enforcement officers have access to any premises in which a card table is being operated under the terms of this Chapter, in order to insure that the terms of this Chapter are being complied with. Any premises for which a license has been issued under the provisions of this Chapter shall be deemed to constitute a public place, and all police officers and peace officers shall at all times have access thereto during business hours. (Ord. 19; Amd. Ord. 79-6)

Sec. 10407. Hours of Operation. It is unlawful to operate a card table between 2:00 a.m. and 6:00 a.m. of the same day; provided, however, that this restriction may be waived by the City Council with respect to any license issued under this Chapter if the City Council finds good cause therefor and that such waiver is not contrary to the public health, safety and welfare. (Ord. 19; Amd. Ord. 79-6)

Sec. 10408. Attendance by Minors. No person under the age of twenty-one (21) shall be employed in or allowed to frequent, remain in or visit any room or premises wherein is conducted or operated any card table licensed under the provisions of this chapter. (Ord. 19; Amd. Ord. 79-6)

Sec. 10409. Conflict with Other Laws and Savings Clause. The City Council expressly finds and declares that it is not the intent of the Ordinance codified in this Chapter to authorize or permit any form of gaming which is contrary to any provisions of state law, and in the event of any such conflict state law shall control. The provisions of this Chapter shall control all matters pertaining to the licensing, control, and regulation of card games and card tables, regardless of the provisions of any other law of the City, and in the case of direct conflict shall supersede any other such law.

If any section, subsection, clause, or portion of this Chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter. (Ord. 19; Amd. Ord. 79-6)

X-13 Amended June 1, 2007

Sec. 10410. Wagering Limits. No card table permittee, owner, or employee may allow any player to make a single wager exceeding Five Hundred Dollars (\$500) or allow any player to wager more than One Thousand Dollars (\$1,000) on any single hand played within the licensed premises. (Ord. 99-7)

Sec. 10411. Patron Security and Safety. Any holder of a card table licenses shall submit a Security Plan for the premise where a card table or tables are operated. Said Security Plan must be reviewed and approved by the Chief of Police prior to issuance or renewal of a Business Tax Certificate. The holder of a card table license must pay a full cost recovery fee for the review and approval of a Security Plan as may be established by the City Council in the Master Fee Schedule. (Ord. 04-05)

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Upon receipt of the report of the Chief of Police the City Council shall grant a card table license or licenses to the applicant if the City Council determines the following:

(A) That the applicant and its members are of good moral character and otherwise qualified to carry on such business under the terms of this Chapter;

(B) That the carrying on of a card table at the location proposed is in compliance with all applicable zoning and building ordinances and regulations of the City;

(C) That the issuance of the permit is not contrary to the public health, safety or welfare. (Ord. 19; Amd. 79-6)

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Sec. 10409. Conflict with Other Laws and Savings Clause. The City Council expressly finds and declares that it is not the intent of the Ordinance codified in this Chapter to authorize or permit any form of gaming which is contrary to any provisions of state law, and in the event of any such conflict state law shall control. The provisions of this Chapter shall control all matters pertaining to the licensing, control, and regulation of card games and card tables, regardless of the provisions of any other law of the City, and in the case of direct conflict shall supersede any other such law.

If any section, subsection, clause, or portion of this Chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter. (Ord. 19; Amd. Ord. 79-6)

Sec. 10410. Wagering Limits. No card table permittee, owner, or employee may allow any player to make a single wager exceeding Five Hundred Dollars (\$500) or allow any player to wager more than One Thousand Dollars (\$1,000) on any single hand played within the licensed premises. (Ord. 99-7)

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CHAPTER 4.20 - LICENSING OF TOBACCO RETAILERS

Sec. 10420. Purpose. It is the purpose and intent of this Chapter to discourage violations of laws which prohibit or regulate the sale or distribution of tobacco products to minors, but not to expand or reduce the degree to which the acts regulated by state or federal law are criminally proscribed or to alter the penalty provided therefor. (Ord. 05-06)

Sec. 10421. Definitions. The following words and phrases, whenever used in this Chapter, shall have the meanings defined in this Section unless the context clearly requires otherwise:

(A) "Person" means any natural person, partnership, cooperative association, private corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

(B) "Proprietor" means a person with an ownership or managerial interest in a business. An ownership interest shall be deemed to exist when a person has a ten percent (10%) or greater interest in the stock, assets, or income of a business other than the sole interest of security for debt. A managerial interest shall be deemed to exist when a person can or does have, or can or does share, ultimate control over the day-to-day operations of a business.

(C) "Tobacco product" means: (1) any substance containing tobacco leaf, including, but not limited to, cigarettes, cigars, pipe tobacco, snuff, chewing tobacco, dipping tobacco, bidis, or another preparation of tobacco; and (2) any product or formulation of matter containing biologically active amounts of nicotine that is manufactured, sold, offered for sale, or otherwise distributed with the expectation that the product or matter will be introduced into the human body but does not include any product specifically approved by the Federal Food and Drug Administration for use in treating nicotine or tobacco product dependence.

(D) "Tobacco retailer" means any person who sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, or tobacco products; "tobacco retailing" shall mean engaging in any of these activities.

(E) "Licensing Agent" means a City employee designated by the City Manager to serve in this capacity.

(F) "Enforcement Agency" means the Grover Beach Police Department.

(G) "Hearing Officer" means the City employee designated by the City Manager to serve in that capacity. (Ord. 05-06)

BUSINESS AND PROFESSIONS CODE

SECTION 19960-19966

19960. This chapter shall not prohibit the enactment, amendment, or enforcement of any ordinance by any city, county, or city and county relating to licensed gambling establishments that is not inconsistent with this chapter. No city, county, or city and county shall issue a gambling license with respect to any gambling establishment unless one of the following is true:

(a) The gambling establishment is located in a city, county, or city and county wherein, after January 1, 1984, an ordinance was adopted by the electors of the city, county, or city and county, in an election conducted pursuant to former Section 19819 of the Business and Professions Code, as that section read immediately before its repeal by the act that enacted this chapter.

(b) The gambling establishment is located in a city, county, or city and county wherein, prior to January 1, 1984, there was in effect an ordinance that expressly authorized the operation of one or more cardrooms.

(c) After the effective date of this chapter, a majority of the electors voting thereon affirmatively approve a measure permitting controlled gambling within that city, county, or city and county.

(1) The measure to permit controlled gambling shall appear on the ballot in substantially the following form:

"Shall licensed gambling establishments in which any controlled games permitted by law, such as draw poker, low-ball poker, panguine (pan), seven-card stud, or other lawful card games or tile games, are played, be allowed in _____? Yes ____ No ____."

(2) In addition, the initial implementing ordinances shall be drafted and appear in full on the sample ballot and shall set forth at least all of the following:

(A) The hours of operation.

(B) The games to be played.

(C) The wagering limits.

(D) The maximum number of gambling establishments permitted by the ordinance.

(E) The maximum number of tables permitted in each gambling establishment.

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

19961. (a) (1) Except as provided in paragraph (2), on or after the effective date of this chapter, any amendment to any ordinance that would result in an expansion of gambling in the city, county, or city and county, shall not be valid unless the amendment is submitted for approval to the voters of the city, county, or city and county, and is approved by a majority of the electors voting thereon.

(2) Notwithstanding paragraph (1) and Section 19962, an ordinance may be amended without the approval of the electors after the effective date of this chapter to expand gambling by a change that results in an increase of less than 25 percent with respect to any of the matters set forth in paragraphs (1), (2), (3), and (5) of subdivision (b). Thereafter, any additional expansion shall be

approved by a majority of the electors voting thereon.

(b) For the purposes of this article, "expansion of gambling" means, when compared to that authorized on January 1, 1996, or under an ordinance adopted pursuant to subdivision (a) of Section 19960, whichever is the lesser number, a change that results in any of the following:

(1) An increase of 25 percent or more in the number of gambling tables in the city, county, or city and county.

(2) An increase of 25 percent or more in the number of licensed card rooms in the city, county, or city and county.

(3) An increase of 25 percent or more in the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

(4) The authorization of any additional form of gambling, other than card games, that may be legally played in this state, to be played at a gambling establishment in the city, county, or city and county.

(5) An increase of 25 percent or more in the hours of operation of a gambling establishment in the city, county, or city and county.

(c) The measure to expand gambling shall appear on the ballot in substantially the following form: "Shall gambling be expanded in _____ beyond that operated or authorized on January 1, 1996, by _____ (describe expansion) Yes _____ No _____."

(d) The authorization of subdivision (c) is subject to Sections 19962 and 19963 until those sections are repealed.

(e) Increasing the number of games offered in a gambling establishment does not constitute an expansion of gambling pursuant to this section.

(f) No city, county, or city and county shall amend its ordinance in a cumulative manner to increase gambling by more than 25 percent for the factors listed in subdivision (b), when compared to that authorized on January 1, 1996, without conducting an election pursuant to this section.

19961.06. Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase by two the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county, compared to the ordinance that was in effect on January 1, 2010. A city, county, or city and county may exercise the authority provided by this section only one time, but this authority shall be in addition to any authorization under any other law for a city, county, or city and county to increase the number of gambling tables that may be operated in a gambling establishment in the city, county, or city and county.

19961.1. Any amendment to a city or county ordinance relating to gambling establishments, or the Gambling Control Act, shall be submitted to the department for review and comment, before the ordinance is adopted by the city or county.

19962. (a) On and after the effective date of this chapter, neither the governing body nor the electors of a county, city, or city and county that has not authorized legal gaming within its boundaries prior to January 1, 1996, shall authorize legal gaming.

(b) An ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county may not be amended to expand gaming in that jurisdiction beyond that permitted on January 1, 1996.

(c) This section shall become operative on January 1, 2010.

(d) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

19963. (a) In addition to any other limitations on the expansion of gambling imposed by Section 19962 or any provision of this chapter, the commission may not issue a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, unless an application to operate that establishment was on file with the department prior to September 1, 2000.

(b) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

19964. No city, county, or city and county may grant, or permit to continue in effect, a license to deal, operate, carry on, conduct, maintain, or expose for play any controlled game to any applicant or holder of a local license unless the applicant or local licensee is an owner licensee as defined in this chapter. However, the issuance of a state gambling license to a person imposes no requirements upon the city, county, or city and county to issue a license to the person.

19965. Notwithstanding Sections 19961 and 19962, a city, county, or city and county may amend an ordinance to increase the number of gambling tables that may be operated in a gambling establishment as follows:

(a) If the ordinance in effect on July 1, 2007, provided for five to eight tables, inclusive, the amended ordinance may allow an increase of three tables.

(b) If the ordinance in effect on July 1, 2007, provided for nine to 12 tables, inclusive, the amended ordinance may allow an increase of four tables.

19966. If a gambling establishment is located in an unincorporated area annexed by a city, notwithstanding Section 19960 or 19962, without a local election other than the election to approve the annexation, the city acquiring jurisdiction may adopt an ordinance permitting and regulating controlled gaming in the existing gambling establishment, providing hours of operation, the games to be played, wagering limits, the maximum number of gambling establishments, and the maximum number of tables permitted in each gambling establishment, the same as those limits in any ordinance or resolutions that formerly applied to the gambling establishment. Where this article refers to an expansion of gaming as compared to

that permitted on January 1, 1996, for the purposes of this section,
that reference shall be to the ordinance or resolutions that governed
the gambling establishment as of that date.
