

ORDINANCE BILL NO. 3 FOR 2007

ORDINANCE NO. 1191

AN ORDINANCE ALLOWING TEXAS HOLDEM POKER CARD TOURNAMENTS IN THE CITY OF SWEET HOME; PROVIDING FOR LICENSING AND FEES AND PROVIDING PENALTIES

The City of Sweet Home does ordain as follows:

WHEREAS, this ordinance will allow Texas Holdem Poker Card Tournaments in a controlled, fair and lawful manner at private businesses, private clubs or places of public accommodation and allow them to benefit from the revenues derived from the sale of food and beverage to patrons of such tournaments, while at the same time ensure that the holding of such tournaments will comply with Oregon law pursuant to ORS 167.117 and ORS 167.121.

WHEREAS, this ordinance allows Texas Holdem Poker Card Tournaments, provides for limits on game buy in fees, directs that the winnings from the player buy in fees be distributed to the game winners, prohibits a house take and fees to the Tournament Host and Tournament Organizer.

Section 1. Sweet Home Municipal Code Section 5.24.050 is created to read as follows:

(1) Purpose. The purpose of this section is to allow in a private business, private club or place of public accommodation Texas Holdem Poker Card Tournaments. The requirements of this section do not apply to charitable, fraternal and religious organizations already covered by SHMC 5.24.010, 5.24.020, 5.24.030 and the playing of Pan covered in SHMC 5.24.040.

(2) Social Game Permitted. Texas Holdem Poker Card Tournaments as defined below, between players in a private business, private club or in a place of public accommodation where no house player, house dealer, house bank or house odds exist, and there being no house take (meaning no house income from the operation of the social gaming), is hereby permitted as provided herein. Definitions used for this section are as follows:

(a) "Texas Holdem Poker Card Tournament Defined". Texas Holdem is a seven-card poker card game. The players deal to each other and the deal passes between players. There may be a set betting on the first round of betting called "blinds." The players at each table are dealt two cards face down. After a round of betting, three community cards are turned face up in the middle of the table. This action is called the "flop." Players may fold at any time. After the flop is turned face up, there is another round of betting. A fourth community card is turned up next to the flop. This is known as the "turn." Another round of betting ensues.

Finally, a fifth community card is turned up next to the turn. This is known as the "river" or "fifth street." A round of betting follows. There is no limit on the amount a player can bet at any time. Therefore, a player can bet all of his chips or move all in any round of betting.

(b) "Buy In" Defined. In tournament-style Texas Holdem, all players who play in the tournament pay the same exact buy in fee. The tournament winners split up the buy in fee as the winnings pursuant to terms agreed upon before the tournament begins provided however that no deduction, fee, expense, gift or cover charge, head fee, fee for entrance, or otherwise of any kind is allowed to anyone for 100% of the buy in must be returned to the players as winnings. No other winnings or compensation to the players is permitted other than the buy in fees. No more than two buy in fees are permitted, one during the initial buy in for participation in the tournament and a second buy in optional with the tournament organizer for players during the tournament. The buy in fee is limited as set forth in subsection 9 paragraph (k) of this section.

(c) "House" Defined. Includes owner of private business, private club or place of public accommodation, tournament organizer, spouse of owner, spouse of tournament organizer, children of owner, children of tournament organizer, spouse of child of owner, spouse of child of tournament organizer, brother, sister or parent of owner, brother, sister or parent of tournament organizer, a business in which one of the foregoing named individual(s) is associated, employee of owner and employee of tournament organizer.

(d) "Other Definition". Unless the context requires otherwise, all terms set forth in this section shall have the same meaning as set forth in ORS 167.117.

(3) License Required for Texas Holdem Poker Card Tournament. Any person(s) hosting a Texas Holdem Poker Card Tournament at any private business, private club or place of public accommodation desiring to permit patrons or invitees to engage in Texas Holdem Poker Card Tournaments within the City of Sweet Home and any tournament organizer shall acquire and maintain a valid license from the city. Licenses shall be granted only upon application to the city and upon approval of the Chief of Police. Licenses shall be renewed annually not later than July 1 of each year; provided further, that there shall be no prorating of any license fee for license applications made at other times throughout the year.

(4) Application for License and Investigation Application Requirements. Before a license for Texas Holdem Poker Card Tournaments may be granted by the Chief of Police, an applicant must submit an application for license to the Chief of Police with the following information and allow investigation to be made there upon. A completed applicant form must include the true names, dates

of birth, social security numbers and addresses of all persons financially interested in the business, all persons who are on the board of directors and all persons who hold offices in the entity or organization. The term "persons financially interested in the business" shall include all persons who share in the profits of the business or in social gaming activities located at the business, on the basis of gross or net revenue, including landlords, lessors, lessees, any owners of the building, fixtures or equipment used in the social game. The application shall also include names, dates of birth, social security numbers and addresses of all tournament sponsors and tournament organizers, if different from person(s) financially interested in the business. Tournament Organizer who has no interest in the place where the tournament is to be held must have a license of his/her own.

(5) Application Renewal. The Licensee of the Texas Holdem Poker Card Tournament license must notify the Chief of Police within 10 days of any change in persons financially interested in the business, new members on the board of directors and new office holders in the entity or organization and request a renewal of its license. At the time of such request, the Licensee shall submit the information required by subsection 4 of this section regarding application requirements.

(6) License Fee. For each business or other entity or organization license (including tournament organizer), an annual \$200.00 fee shall be required. The city council of the City of Sweet Home may modify this fee at any time by resolution.

(7) Standards for Issuance of License. The Chief of Police shall either approve the application and grant the license applied for, or deny the application and refuse to grant the license. The license shall not be granted, or if so be temporarily revoked or suspended, if any applicant or any person(s) financially interested in the business, board of directors or office holders in the entity or organization have:

(a) Supplied any false or misleading information in the application or omitted any request of information from the application;

(b) Pled no contest or guilty or have been convicted of any felony within the last 15 years;

(c) Had a license in his/her name revoked or suspended three times by Oregon Liquor Control Commission (OLCC), either of which was in the last five years;

(d) Been convicted for any crime involving or related to gambling within the last 15 years;

(e) Violated any provision of this section.

(8) License Not Transferrable. No license shall be assigned or transferred; any such attempt shall void the license.

(9) Responsibilities of Licensee. It shall be the responsibility of the licensee to insure that:

(a) No form of unlawful gambling is permitted upon the licensed premises;

(b) Texas Holdem Poker Card Tournaments are conducted consistent with the provisions of state law, city ordinances and this section, including the limits set forth below;

(c) Limitations: There shall be no house player, house bank, house dealer, house odds, and there shall be no income from the operation or buy in fees of the Texas Holdem Poker Card Tournament and tournament organizers may not charge any fee to players or participants in Texas Holdem Poker Card Tournaments other than the buy in fee;

(d) The playing of social games shall be arranged as to provide equal access and visibility to any interested party. The buy in fee for each player must be the same amount per tournament;

(e) No person under 18 years of age shall be permitted to participate in the Texas Holdem Poker Card Tournament and no person listed in the "House" definition defined herein shall be permitted to participate in the Texas Holdem Poker Card Tournament;

(f) No charge other than a buy in fee shall be collected from a player for the privilege of participating in a game and no charge shall be collected from a player for the privilege of entering the premises;

(g) No player shall be charged a price for any consumer goods which is higher or lower than the price charged to non-participants, or that is normally charged;

(h) A copy of this ordinance, "Texas Holdem Poker Card Tournament," and the Texas Holdem Poker Card Tournament license of the license holder shall be posted in a conspicuous place near the area where the games are to be played;

(i) Free and immediate access by law enforcement officers be allowed by doors leading into the room or enclosure remaining unlocked during all hours of operation and the tournament be held in a public area on the premises;

(j) Tournaments are to be conducted in the normal operating hours of any private business, private club or in a place of public accommodation. Furthermore, no Texas Holdem Poker Card Tournament is to be conducted between the hours of 2:00 a.m. and 10:00 a.m. on

any day;

(k) Buy in Limitation. No tournament may charge a player a total buy in fee, greater than \$100.00 in a 24-hour period. No other winnings or compensation to the players is permitted other than the buy in fee;

(l) In a Texas Holdem Poker Card Tournament, no more than two buy in fees are permitted per player, per tournament, one during the initial buy in for participation and the tournament, and a second buy in optional with the tournament organizer for players during the tournament. The total sum of one or two buy ins may not be greater than \$100.00 for any single player in a 24-hour period.

(10) Tournament Format Required. All Texas Holdem Poker Card Tournaments' shall utilize a tournament format. A tournament format shall include the following:

(a) Except for the buy in fee no fee may be charged to the players and no fee shall be paid to the house or tournament organizer which include no tip or other gratuity;

(b) A set buy in fee;

(c) Players shall receive in-game currency represented by chips (poker-type) which shall be non-redeemable;

(d) All fees and monies taken in for the tournament shall be paid back to the contestants at the conclusion of the tournament; and, therefore the house licensee, private business owner, manager, tournament organizer or any other person, shall take no part of the buy in from the tournament players as profit or expenses or otherwise.

(11) Terms of the License. All licenses issued hereunder shall be for a period of one year and shall be renewed annually not later than July 1 of each year. Licenses are not transferable and must be reapplied for not later than July 1 of each year. Persons applying for licenses must submit an application and the appropriate fee. All persons securing a license shall be required to pay an annual fee of \$200.00. There shall be no proration for licenses applied for or renewed after July 1 regarding the annual fee. All renewals shall be approved by the Chief of Police.

(12) Revocation of License. A license is subject to revocation at any time for violation of this section or any provisions of state law related to gambling. If at any time facts arise or become known to the Chief of Police which are sufficient to show the violation of this ordinance or state law, the Chief of Police shall notify the licensee in writing that the license is to be revoked and that all Texas Holdem Poker Card Tournament activities must

cease within 10 days. The violations need not lead to a conviction, but must establish a reasonable doubt about the licensee's ability to perform the license activity without danger to property or public health or safety or violation of this section. The notice of revocation shall state the reasons for the revocation, set a period of not less than 30 days before Texas Holdem Poker Card Tournament activities can recommence and inform the licensee of the procedures for filing an appeal.

(13) Suspension of License. Upon determining that a licensed activity presents an immediate danger to persons or property, or that a license holder is in violation of any provisions of state law related to gambling or violation of this section, the Chief of Police shall suspend the license for the Texas Holdem Poker Card Tournament activity. The suspension shall take effect immediately upon notice being received by the licensee, or being delivered to the licensee's business address as stated on the licensee's application for the license that is being suspended. The notice shall be mailed to the licensee and state the reason for the suspension and inform the licensee of the procedures for filing an appeal. The Chief of Police shall continue the suspension for as long as the reason for the suspension exists, or until a decision is made by the appellate authority on appeal regarding the suspension concludes the matter.

(14) Appeals. Appeals of revocation or suspension shall be made to the city manager of the City of Sweet Home. Upon decision by the city manager, a final appeal regarding suspension or revocation of the license will be submitted to the Sweet Home City Council. The person whose license is being suspended or revoked will have the opportunity to present his/her side to the Sweet Home City Council for final decision at an open public council meeting.

(15) Penalty. In addition to the suspension or revocation of any license hereunder, any person, any licensee, firm, corporation, business, association or person(s) associated with the licensee who violate(s) any provision of this ordinance commit(s) a violation under Sweet Home Municipal Code and may upon conviction, be fined in the amount not to exceed \$300.00 for each violation. Upon conviction, a license may be revoked by the Sweet Home Municipal Court. Each day that a violation exists is a separate offense.

(16) This Ordinance shall sunset on June 30, 2009, meaning that it shall be of no further force or effect after said date.

PASSED by the Council and approved by the Mayor this 12th day of June, 2007.


Mayor

ATTEST:



City Manager - Ex Officio City Recorder