

# **Stand Up For California!**

“Citizens making a difference”

[www.standupca.org](http://www.standupca.org)

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April 7, 2009

Honorable Dean Florez  
California State Senator  
State Capitol Room  
Sacramento, Ca. 95814  
FAX: 916-327-5989  
Attn: C. Lindstrom -FAX: G.O. Committee (916) 445-5258

RE: Oppose SB 213 as Currently Written

Dear Senator Florez:

As the former Chairman of the Senate G. O. Committee you have been on the cutting edge of reforming state gaming statutes. Nevertheless, while we greatly appreciate your efforts our organization cannot support SB 213 as it is currently written and hope that you will consider providing clarification to the language.

*Stand Up For California* believes that reforming statutes will provide a coherent framework of regulations that ensures the public's welfare and good operation of government as well as trust in the games and the states role in overseeing the long-term industry goals. In our view reform of statutes must include: (1) identifying how games are to be played consistent with the State Constitution and Penal Code, (2) detailing required state and local oversight, enforcement and consequences of non-compliance and, (3) producing common sense laws that are business and consumer friendly as well as cost effective. SB 213 seeks to accomplish these goals but falls short.

Section 19962 - extends the moratorium on the authorization of new card club licenses but leaves the door wide-open on 48 dormant licenses. How does the State ensure that these dormant licenses do not provide an opportunity for unintentional expansion? The moratorium language in this section needs clarification addressing both the establishment of new licenses and the 48 dormant licenses.

While *Stand Up For California* has been and is supportive of the current moratorium language, we recognize that moratoriums are usually put in place because government has not developed a 'big picture' on how to proceed in specific issues. Certainly, it is time to begin to consider other criteria and uniform standards in lieu of a moratorium for the management of location and scope of growth of California Card Clubs. Here are a few questions that require serious debate, consultation and cooperation from all affected stakeholders.

- Should the establishment of a card club be left to one small local jurisdiction to decide upon location and the scope of its growth knowing that it will potentially have a significant adverse impact on other nearby surrounding jurisdictions, other businesses and vested interests within at least a 25 mile radius?
- Should the State in cooperation with local jurisdictions and the surrounding community set objective standards for the location of new or the establishment of card clubs by the 48 dormant licensees?
- How will the state ensure control over the size and location of future card clubs, i.e. the 48 dormant licensees?
- Should a statewide-cap be placed on the number of Card Club licenses available?
- Should surrounding local jurisdictions and affected vested gaming interests potentially impacted be consulted on the siting of new clubs established with dormant licenses?

Section 19966 – This language is intended to protect the public interests from corruption. Nevertheless, the language has unintended consequences detrimental to local jurisdictions currently employing persons who may not meet this specific standard. Local government is the first line of defense ensuring the public’s welfare. Should local government, the employer set the standard for employment?

- This language could potentially leave a city or county without a skilled employee to manage or oversee the issuance of key employee licenses and work permits and,
- Create a financial burden on a city or county in seeking a qualified applicant.

Both represent impacts defeating the presumed intent of the language. Thus, we suggest this section be further clarified.

Section 19984 - This section expands the duration of an agreement, contract or arrangement between a gambling establishment and a third-party provider for a proposition player services to two years. *Stand Up For California* has long held the position that the statutory authorization of prop players is unconstitutional. That being said, there is still the issue of this language conflicting with current administrative law.

For the above reasons *Stand Up For California* cannot support this legislation without significant amendments and clarifications to the bill.

Sincerely,

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CC: Michael Pro시오, Secretary Legislative Affairs