



# COUNTY OF SAN DIEGO

## BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

### AGENDA ITEM

**DATE:** April 26, 2022

**03**

**TO:** Board of Supervisors

#### **SUBJECT**

**REPEAL OF REGULATORY CODE PROVISIONS RELATED TO AMUSEMENT DEVICES AND ESTABLISHMENTS (DISTRICTS: ALL)**

#### **OVERVIEW**

During the height of the COVID-19 global pandemic, the shutdown of small indoor businesses and restaurants caused many to lose significant revenue or close forever. In response, the Federal government and County of San Diego took action to provide relief to small businesses that were adversely impacted. While these actions made a difference, there is even more that can be done to help our local businesses. Reevaluating, innovating, and diversifying has been key to the success of businesses as they move forward.

The COVID-19 pandemic provided an opportunity to reevaluate ordinances, especially those with unnecessary restrictions. We can provide more opportunities for our entrepreneurs and small business owners in the County's unincorporated area by repealing the current San Diego County Code of Regulatory Ordinances, TITLE 2 LICENSES, BUSINESS REGULATIONS AND BUSINESS TAXES, DIVISION 1. BUSINESS REGULATIONS, CHAPTER 9 AMUSEMENT DEVICES AND ESTABLISHMENTS. This repeal will allow businesses to expand their customer base and workforce while reducing an unnecessary regulatory burden. Our unincorporated areas deserve to have the same business opportunities that are available to those living in the incorporated areas. This repeal can be done in a safe and responsible way while providing an economic benefit to our communities.

#### **RECOMMENDATION(S)**

##### **SUPERVISOR JOEL ANDERSON AND VICE CHAIR NORA VARGAS**

1. Direct the Chief Administrative Officer (CAO), in consultation with County Counsel, to return to the Board in 90 days with a draft ordinance that would repeal Chapter 9 of Title 2, Division 1 of the San Diego County Code of Regulatory Ordinances and related sections.

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**EQUITY IMPACT STATEMENT**

The COVID-19 pandemic has adversely impacted small businesses. A repeal of these Code sections will enhance the economy and provide equal opportunity for businesses and entrepreneurs in the County’s unincorporated area to thrive. In addition, a repeal will allow businesses to expand their customer base and workforce while reducing an unnecessary regulatory burden.

**FISCAL IMPACT**

There is no fiscal impact associated with these recommendations. There may be future impacts associated with any related future recommendations. Any such recommendations would return to the Board for approval.

**BUSINESS IMPACT STATEMENT**

N/A

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

During the height of the COVID-19 global pandemic, the shutdown of small indoor businesses and restaurants caused many to lose significant revenue or close forever. In response, the Federal government and the County took action to provide relief to small businesses that were adversely impacted. While these actions made a difference, there is even more that can be done to help our local businesses. Reevaluating, innovating, and diversifying has been key to the success of businesses as they move forward.

The COVID-19 pandemic provided an opportunity to reevaluate ordinances, especially those with unnecessary restrictions. Currently, there is a difference in the amusement devices ordinance when comparing areas incorporated into the City of San Diego (City) and unincorporated areas of San Diego County (County). The County ordinance defines an amusement device as a machine, or apparatus, the operations or use of which is controlled, allowed or made possible by depositing or placing coin, plate, disk, slug, or key into a slot, crevice, or other opening by paying a fee for use as a game, contest, or amusement of any description, the use or possession of which is not prohibited by any law of the State of California. An amusement establishment is a commercially operated establishment having five or more amusement devices.

Both the City and County ordinances require a license to operate an amusement establishment, prohibit selling alcohol without a license, and prohibit persons intoxicated to be in the establishment. However, the County ordinance requires that amusement devices be located in an alcohol prohibited area for certain establishments, whereas the City ordinance does not have a similar restriction. This small but important difference prevents a business owner in the unincorporated area from opening up the same type of establishment as a business owner in the City.

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The proposed ordinance would remove the County's Regulatory Code provisions related to Amusement Establishments entirely. According to the Sheriff, there are currently no licensed Amusement Establishments in the unincorporated area, and in the last 30 years there have been no complaints, violations, suspensions or denials of any Amusement Establishment or applicant.

Repeal of these provisions would mean that Amusement Establishments no longer need to obtain a County permit in order to operate. However, in order to serve alcohol, such establishments would still need to obtain a State license, and Sheriff has confirmed that violations such as sale of alcohol to minors or intoxicated persons would still be enforceable under State law.

Being responsive to constituent concerns means addressing those concerns in a productive and responsible way. This ordinance repeal will provide more opportunity and economic prosperity to our unincorporated areas and the small businesses that help those communities thrive.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action supports the Equity Initiative of the County of San Diego's 2022-2027 Strategic Plan using internal and external collaboration to pursue policy and program change for healthy, safe and thriving environments that positively impact residents.

Respectfully submitted,



JOEL ANDERSON  
Supervisor, 2<sup>nd</sup> District



NORA VARGAS  
Supervisor, 1<sup>st</sup> District

**ATTACHMENT(S)**  
Attachment A