

LEGISLATIVE DIGEST

(Amended in Board, September 2, 2014)

[Police Code, Business and Tax Regulations Code - Regulating Mechanical Amusement Devices and Arcades]

Ordinance amending the Police Code to reduce restrictions on the location of, and lessen permitting requirements for, mechanical amusement devices and arcades, and remove obsolete Code provisions; amending the Business and Tax Regulations Code to clarify the appeal period for appealing mechanical amusement device permits and other Entertainment Commission permits to the Board of Appeals; and making environmental findings.

Existing Law

The Police Code requires a permit from the Entertainment Commission to install, operate or maintain any mechanical amusement device (“MAD”) in the City. The Code prohibits the location of such devices (1) within 300 feet of a public playground or a school, (2) within any area of the City zoned exclusively for residential use, and (3) in service stations or automobile repair garages in certain areas of the City, subject to certain exceptions.

For “Accessory Uses,” defined as the operation of up to 10 MADs, the Code restricts the number of devices allowed in a premises based on the number of square feet of enclosed public retail floor space. “Arcades,” defined as 11 or more MADs, are prohibited in areas zoned exclusively for neighborhood-commercial or community business use.

Amendments to Current Law

The proposed ordinance would reduce the restrictions on the location of, and lessen permitting requirements for, MADs and Arcades as follows:

- A permit from the Entertainment Commission would be required only for an Arcade, which is defined as 11 or more MADs.
- A permit from the Director of the Entertainment Commission would be required for two to ten MADs located in a Bar (an “Ancillary Bar Use Permit”). Such permits would not be subject to the filing fee in Section 2.26 of the Police Code.
- One MAD located in a Bar, or up to ten MADs operated in a premises that is not a Bar, would not require a permit.
- The limitation on the number of MADs allowed based on the square footage of retail space would be removed.

- The prohibition on Arcades in areas zoned exclusively for neighborhood-commercial or community business use would be removed.

The ordinance would also update the MAD permit application, review, issuance, suspension and revocation procedures, as well as the criminal and administrative penalty provisions, to align them with the standards governing other permits issued by the Entertainment Commission. The ordinance would remove obsolete permit provisions, and clarify that permissible MADs do not include gambling devices or games of chance.

The ordinance would also amend the Business and Tax Regulations Code to clarify that the same timeline, fees and procedures apply to appeals to the Board of Appeals of all permits issued by the Entertainment Commission or the Director of the Entertainment Commission, including appeals of MAD permits.

Background Information

The Police Code provisions governing the regulation of MADs and arcades have not been substantively amended since they were enacted in 1982. At that time, the number of video game machines was rapidly increasing in the City, giving rise to public concern regarding the location of these machines, the number of machines permitted at any given location, creation of street and sidewalk congestion where these machines are concentrated, accessibility to the machines by minors during school hours, and the occurrence of public disturbances and petty crimes in the vicinity of these machines. Between January 1, 1982 and March 31, 1982, the Police Department issued 81 permits for MADs covering a total of 493 machines, approximately 90% of which were video game machines.

In the 30-plus years since the Police Code provisions governing MADs were enacted, video games have become readily available through other means, such as on personal mobile devices and home-entertainment systems. Today, there are only two arcades operating in the City permitted by the Entertainment Commission. Older-style arcade games such as pinball machines have become a niche novelty, diminishing public concerns about the secondary effects of such devices in neighborhoods and reducing the need for such stringent restrictions on the location and operation of MADs. Also, since 1982, the Department of Electricity has been eliminated and the Department of Building Inspection has taken over its role, and the Entertainment Commission has been established with permitting authority over MADs. This legislation would bring the MAD permitting process in line with the Entertainment Commission's other permitting practices.

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