

By: Jackson

S.B. No. 1996

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of amusement redemption machines and the locations in which amusement redemption machines are operated; providing criminal penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 2153, Occupations Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. LOCATION LICENSE FOR OPERATION OF AMUSEMENT

REDEMPTION MACHINES

Sec. 2153.501. APPLICABILITY. The requirements of this subchapter are in addition to all other requirements of this chapter. Unless otherwise indicated, the provisions of this chapter governing licenses and registration certificates, including penalties and enforcement provisions, apply to a location license issued under this subchapter.

Sec. 2153.502. DEFINITIONS. For purposes of this subchapter:

(1) "Amusement redemption machine" means a skill or pleasure coin-operated machine described by Section 47.01(4)(B), Penal Code.

(2) "Operate" includes displaying, exhibiting, or placing in service.

(3) "Operator" means a person who owns, or if the premises are rented or leased, the person who rents or leases the

1 premises on which more than ten amusement redemption machines are
2 operated.

3 (4) "Premises" means the area under a common roof or
4 over a common foundation.

5 Sec. 2153.503. LOCATION LICENSE. (a) No more than ten
6 amusement redemption machines may be operated on a particular
7 premises unless the operator obtains a location license for each
8 premises on which more than ten amusement redemption machines will
9 be operated.

10 (b) A location license is in addition to a license or
11 registration certificate otherwise required by this chapter.

12 (c) In submitting an application for a location license, the
13 operator must file with the comptroller a license application that
14 includes:

15 (1) the name and address of the operator;

16 (2) the physical address, including the name of the
17 county, of the premises on which the amusement redemption machines
18 will be operated;

19 (3) if different from the operator, the name and
20 address of the owner of the premises on which the amusement
21 redemption machines will be operated;

22 (4) if different from the operator or owner of the
23 premises, the name and address of the person or entity who rents or
24 leases the premises to the operator;

25 (5) if the operator does not own the premises, the
26 amount of rent to be paid or other consideration to be given,
27 directly or indirectly, to the owner, lessor, or landlord of the

1 premises on which the amusement redemption machines will be
2 operated;

3 (6) the number of amusement redemption machines to be
4 operated on the premises;

5 (7) an indication of whether the amusement redemption
6 machines to be operated on the premises will be owned by the
7 operator or leased or rented;

8 (8) if the amusement redemption machines to be
9 operated on the premises will be leased or rented, the name,
10 address, and general business license or registration certificate
11 number for the person or entity who owns the amusement redemption
12 machines;

13 (9) a financial interest statement that includes the
14 names and residence addresses of any person, other than a person
15 disclosed under Subdivision (8), who has a financial interest in
16 the operation of the amusement redemption machines on the premises
17 designated on the license application, including the nature, type,
18 and extent of the financial interest; and

19 (10) a statement that indicates the information
20 contained in the application is true and correct.

21 (d) Acceptance of a location license constitutes consent
22 that the comptroller or a peace officer may freely enter the
23 licensed premises during hours of operation to ensure compliance
24 with this subchapter.

25 Sec. 2153.504. LOCATION LICENSE FEE. (a) The annual
26 license fee for each location license is \$500.

27 (b) A location license application must be accompanied by a

1 cashier's check, money order, personal check, or other method of
2 payment authorized by the comptroller in an amount equal to the
3 annual location license fee under Subsection (a).

4 Sec. 2153.505. REQUIRED LOCATION LICENSE HOLDER RECORDS.

5 (a) A location license holder shall, at all times, prominently
6 display the holder's license at the premises on which the amusement
7 redemption machines are operated.

8 (b) A location license holder shall maintain, on the
9 licensed premises, a record of each amusement redemption machine
10 located on the premises to which the location license applies,
11 including:

- 12 (1) the make, type, and serial number of each machine;
13 (2) the date each machine is placed in operation;
14 (3) the dates of the first and most recent
15 registration of each machine; and
16 (4) any change in machine ownership.

17 (c) The location license holder must allow the comptroller
18 or a peace officer to freely enter the licensed premises during
19 hours of operation to ensure compliance with this section.

20 Sec. 2153.506. MANDATORY DENIAL OF LOCATION LICENSE.

21 (a) The comptroller may not issue a location license if the
22 comptroller finds that any of the following persons meet the
23 criteria contained in Section 2153.302 for denial of a general
24 business license or have been convicted of an offense under Section
25 47.06, Penal Code:

- 26 (1) the applicant for the location license; or
27 (2) any person listed on the financial interest

1 statement required under Section 2153.503(c)(9) as having a
2 financial interest in the operation of the amusement redemption
3 machines on the premises designated on the application.

4 (b) The comptroller may not issue or renew a location
5 license if the applicant fails to comply with Section 2153.505.

6 Sec. 2153.507. INFORMATION FROM LOCATION LICENSE
7 APPLICATION. (a) Notwithstanding Section 2153.101, after a
8 location license is issued under this subchapter, the following
9 information in the location license application is a public record
10 and shall be posted on the comptroller's website within 10 business
11 days of the date the location license is issued:

12 (1) the location license number;

13 (2) the name of the location license holder;

14 (3) the physical address, including the name of the
15 county, of the premises covered by the location license;

16 (4) the names of any person included in the financial
17 interest statement required under Section 2153.503(c)(9); and

18 (5) the number of amusement redemption machines
19 operated on the premises of the license holder.

20 (b) For the information required to be posted under
21 Subsection (a), the comptroller must provide functionality that
22 allows a visitor to the comptroller's website to retrieve the
23 posted information by county or municipality.

24 Sec. 2153.508. ADDITIONAL LICENSE APPLICATION
25 REQUIREMENTS. In addition to the requirements of Section
26 2153.153(a), an application for a general business license, import
27 license, or repair license must indicate whether a machine

1 associated with the license application is an amusement redemption
2 machine.

3 Sec. 2153.509. CRIMINAL OFFENSE. (a) A person commits an
4 offense if the person:

5 (1) knowingly operates or permits the operation of
6 more than ten amusement redemption machines on a particular
7 premises without a location license;

8 (2) fails to display a location license or maintain
9 the records as required by Section 2153.505; or

10 (3) refuses to permit the comptroller or a peace
11 officer free access to the premises designated on a location
12 license.

13 (b) A person commits an offense if the person knowingly
14 violates Section 47.06, Penal Code, on the premises for which a
15 location license is required.

16 (c) Except as provided under Subsection (d), an offense
17 under this section is a Class A misdemeanor.

18 (d) A second or subsequent offense under this section is a
19 state jail felony.

20 (e) It is prima facie evidence of the operator's intent to
21 commit an offense under this section if:

22 (1) more than ten amusement redemption machines are
23 being operated on a premises and the location license is not
24 prominently displayed;

25 (2) an amusement redemption machine being operated on
26 the premises is not reflected in the records required to be
27 maintained under Section 2153.505(b);

1 (3) the records required to be maintained under
2 Section 2153.505(b) are not available for inspection by the
3 comptroller or a peace officer during hours of operation of the
4 premises; or

5 (4) the comptroller or a peace officer is denied free
6 access during hours of operation to the premises designated on a
7 location license.

8 SECTION 2. This Act takes effect September 1, 2007.