

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 9, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB309 by Jackson, Mike (Relating to the licensing and regulation of amusement redemption machines at certain locations; providing criminal penalties.), **Committee Report 1st House, Substituted**

Depending on the number of establishments that would apply for a license to operate more than ten amusement redemption machines, there would be an indeterminate amount of fee revenue to the state.

The bill would add a new Subchapter (K) to Chapter 2153 of the Occupations Code, relating to the regulation of amusement redemption machines and the locations in which amusement redemption machines are operated.

The bill would provide a definition for an amusement redemption machine, then require that all businesses with at least 10 amusement redemption machines hold a "location license" for each business location. Information for this license would be posted on the Comptroller's Internet website, on which licensee information would be retrievable by the county and municipality of each location. A person applying for this license would agree that the Comptroller and peace officers could freely enter the licensed premises during business hours to ensure compliance with the bill's provisions.

The bill would require that an application for a general business, import, or repair license include a statement indicating whether a machine associated with the application is an amusement redemption machine.

The bill would set a fee of \$500 as the annual fee for a location license and would provide for criminal penalties related to violations of the bill's provisions.

The bill would define an amusement redemption machine as a gaming device which would dispense prizes with a value up to 10 times the price of each play or \$5, whichever is greater. That definition would include devices commonly known as "8-liners" and "cranes."

The bill would take effect on September 1, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, SD