

BILL ANALYSIS

Senate Research Center
83R29129 GCB-D

C.S.H.B. 1127
By: Smith et al. (Patrick)
Intergovernmental Relations
5/15/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that some amusement redemption machine operators have set up their machines to provide cash prizes in violation of the law. These parties observe that in order to circumvent undercover investigations that generally have allowed law enforcement agencies to shut down such illegal operations, operators have changed their business model by restricting access to allow only members or known referrals. C.S.H.B. 1127 seeks to promote public health, safety, and welfare by providing the commissioners court in a populous county the necessary authority to regulate game rooms.

C.S.H.B. 1127 amends current law relating to the regulation of game rooms in certain counties; providing penalties, and authorizes a fee.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 234, Local Government Code, by adding Subchapter E, as follows:

SUBCHAPTER E. GAME ROOMS

Sec. 234.131. DEFINITIONS. Defines, in this subchapter, "amusement redemption machine," "game room," "game room owner," and "operator."

Sec. 234.132. APPLICABILITY. Provides that this subchapter applies only to a county with a population of four million or more.

Sec. 234.133. AUTHORITY TO REGULATE. Authorizes the commissioners court of a county, to promote the public health, safety, and welfare, to regulate the operation of game rooms and to restrict the location of game rooms to specified areas of the county, including the unincorporated area of the county; prohibit the location of a game room within the distance prescribed by the commissioners court of a school, regular place of religious worship, or residential neighborhood; or restrict the number of game rooms that are authorized to operate in a specified area of the county.

Sec. 234.134. LICENSES OR PERMITS. (a) Authorizes a county to require that an owner or operator of a game room obtain a license or permit or renew a license or permit on a periodic basis to operate a game room in the county. Requires that an application for a license or permit be made in accordance with regulations adopted by the county.

(b) Authorizes regulations adopted under this section to provide for the denial, suspension, or revocation of a license or permit.

(c) Provides that a district court has jurisdiction of a suit that arises from the denial, suspension, or revocation of a license or other permit by a county.

Sec. 234.135. FEES. Authorizes a county to impose a fee not to exceed \$1,000 on an applicant for a license or permit or for the renewal of the license or permit required under this subchapter. Requires that the fee be based on the cost of processing the application and investigating the applicant.

Sec. 234.136. INSPECTION. (a) Authorizes a peace officer or county employee to inspect a business in the county to determine how many gambling devices or amusement redemption machines that are subject to regulation under this subchapter are located on the premises of the business.

(b) Authorizes a peace officer or county employee to inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with this subchapter or regulations adopted under this subchapter.

(c) Provides that a person violates this subchapter if the person fails to allow a peace officer or county employee to conduct an inspection under this section.

Sec. 234.137. INJUNCTION; CIVIL PENALTY. (a) Authorizes a county to sue in district court for an injunction to prohibit the violation or threatened violation of this subchapter or a regulation adopted under Section 234.133.

(b) Provides that a person who violates this subchapter or a regulation adopted under Section 234.133 is liable to the county for a civil penalty of not more than \$10,000 for each violation. Provides that each day a violation continues is considered a separate violation for purposes of assessing the civil penalty under this subsection. Authorizes a county to bring suit in district court to recover a civil penalty authorized by this subsection.

(c) Entitles the county to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

Sec. 234.138. CRIMINAL PENALTY. (a) Provides that a person commits an offense if the person intentionally or knowingly operates a game room in violation of a regulation adopted under Section 234.133.

(b) Provides that an offense under this section is a Class A misdemeanor.

Sec. 234.139. CUMULATIVE EFFECT. Provides that authority under this subchapter is cumulative of other authority that a county has to regulate game rooms and does not limit that authority.

Sec. 234.140. EFFECT ON OTHER LAWS. (a) Provides that this subchapter does not legalize any activity prohibited under the Penal Code or other state law.

(b) Provides that a person's compliance with this subchapter, including operating a game room under a license or permit issued under this chapter, is not a defense to prosecution for an offense under Chapter 47 (Gambling), Penal Code.

(c) Authorizes a person who is subject to prosecution under Section 234.138 and any other law to be prosecuted under either or both laws.

SECTION 2. Effective date: upon passage or September 1, 2013.