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et al.

H.B. No. 1127

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of game rooms in certain counties;  
providing penalties; authorizing a fee.

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

SECTION 1. Chapter 234, Local Government Code, is amended  
by adding Subchapter E to read as follows:

SUBCHAPTER E. GAME ROOMS

Sec. 234.131. DEFINITIONS. In this subchapter:

(1) "Amusement redemption machine" means any electronic, electromechanical, or mechanical contrivance designed, made, and adopted for bona fide amusement purposes that rewards the player exclusively with noncash merchandise, prizes, toys, or novelties, or a representation of value redeemable for those items, that have a wholesale value available from a single play of the game or device of not more than 10 times the amount charged to play the game or device once or \$5, whichever amount is less.

(2) "Gambling device" means any electronic, electromechanical, or mechanical contrivance, other than an amusement redemption machine, that for a consideration affords the player an opportunity to obtain anything of value, the award of which is determined solely or partially by chance even though accompanied by some skill, whether or not the prize is automatically paid by the contrivance, and includes gambling device versions of bingo, keno, blackjack lottery, roulette, video poker,

1 or similar electronic, electromechanical, or mechanical games, or  
2 facsimiles thereof, that operate by chance or partially so, that as  
3 a result of the play or operation of the game award credits or free  
4 games, and that record the number of free games or credits so  
5 awarded and the cancellation or removal of the free games or  
6 credits.

7 (3) "Game room" means a for-profit business located in  
8 a building or place that contains a gambling device or six or more  
9 amusement redemption machines.

10 (4) "Game room owner" means a person who:

11 (A) has an ownership interest in, or receives the  
12 profits from, a game room or a gambling device or an amusement  
13 redemption machine located in a game room;

14 (B) is a partner, director, or officer of a  
15 business, company, or corporation that has an ownership interest in  
16 a game room or in a gambling device or an amusement redemption  
17 machine located in a game room;

18 (C) is a shareholder that holds more than 10  
19 percent of the outstanding shares of a business, company, or  
20 corporation that has an ownership interest in a game room or in a  
21 gambling device or an amusement redemption machine located in a  
22 game room;

23 (D) has been issued by the county clerk an  
24 assumed name certificate for a business that owns a game room or a  
25 gambling device or an amusement redemption machine located in a  
26 game room;

27 (E) signs a lease for a game room;

1                   (F) opens an account for utilities for a game  
2 room;

3                   (G) receives a certificate of occupancy or  
4 certificate of compliance for a game room;

5                   (H) pays for advertising for a game room; or

6                   (I) signs an alarm permit for a game room.

7                   (5) "Operator" means an individual who:

8                   (A) operates a cash register, cash drawer, or  
9 other depository on the premises of a game room or of a business  
10 where the money earned or the records of credit card transactions or  
11 other credit transactions generated in any manner by the operation  
12 of a game room or activities conducted in a game room are kept;

13                   (B) displays, delivers, or provides to, or takes  
14 orders from, a customer of a game room for merchandise, goods,  
15 entertainment, or other services offered on the premises of a game  
16 room;

17                   (C) acts as a door attendant to regulate entry of  
18 customers or other persons into a game room; or

19                   (D) supervises or manages other persons at a game  
20 room in the performance of an activity listed in this subdivision.

21                   Sec. 234.132. APPLICABILITY. This subchapter applies only  
22 to a county:

23                   (1) with a population of four million or more; or

24                   (2) with a population of less than 25,000 that is  
25 adjacent to the Gulf of Mexico and is within 50 miles of an  
26 international border.

27                   Sec. 234.133. AUTHORITY TO REGULATE. To promote the public

1 health, safety, and welfare, the commissioners court of a county  
2 may regulate the operation of game rooms and may:

3 (1) restrict the location of game rooms to specified  
4 areas of the county, including the unincorporated area of the  
5 county;

6 (2) prohibit the location of a game room within the  
7 distance prescribed by the commissioners court of a school, regular  
8 place of religious worship, or residential neighborhood; or

9 (3) restrict the number of game rooms that may operate  
10 in a specified area of the county.

11 Sec. 234.134. LICENSES OR PERMITS. (a) A county may  
12 require that an owner or operator of a game room obtain a license or  
13 permit or renew a license or permit on a periodic basis to operate a  
14 game room in the county. An application for a license or permit  
15 must be made in accordance with regulations adopted by the county.

16 (b) Regulations adopted under this section may provide for  
17 the denial, suspension, or revocation of a license or permit.

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

21 Sec. 234.135. FEES. A county may impose a fee not to exceed  
22 \$1,000 on an applicant for a license or permit or for the renewal of  
23 the license or permit required under this subchapter. The fee must  
24 be based on the cost of processing the application and  
25 investigating the applicant.

26 Sec. 234.136. INSPECTION. (a) A peace officer or county  
27 employee may inspect a business in the county to determine how many

1 gambling devices or amusement redemption machines that are subject  
2 to regulation under this subchapter are located on the premises of  
3 the business.

4 (b) A peace officer or county employee may inspect any  
5 business in which one or more gambling devices or six or more  
6 amusement redemption machines are located to determine whether the  
7 business is in compliance with this subchapter or regulations  
8 adopted under this subchapter.

9 (c) A person violates this subchapter if one or more  
10 gambling devices or six or more amusement redemption machines are  
11 located on the premises of the business and the person fails to  
12 allow a peace officer or county employee to conduct an inspection  
13 under this section.

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

18 (b) A person who violates this subchapter or a regulation  
19 adopted under Section 234.133 is liable to the county for a civil  
20 penalty of not more than \$10,000 for each violation. Each day a  
21 violation continues is considered a separate violation for purposes  
22 of assessing the civil penalty under this subsection. A county may  
23 bring suit in district court to recover a civil penalty authorized  
24 by this subsection.

25 (c) The county is entitled to recover reasonable expenses  
26 incurred in obtaining injunctive relief, civil penalties, or both,  
27 under this section, including reasonable attorney's fees, court

1 costs, and investigatory costs.

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

5 (b) An offense under this section is a Class A misdemeanor.

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

9 Sec. 234.140. EFFECT ON OTHER LAWS. (a) This subchapter  
10 does not legalize any activity prohibited under the Penal Code or  
11 other state law.

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

16 (c) A person who is subject to prosecution under Section  
17 234.138 and any other law may be prosecuted under either or both  
18 laws.

19 SECTION 2. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2013.