

1 AN ACT

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

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

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

7 SUBCHAPTER E. GAME ROOMS

8 Sec. 234.131. DEFINITIONS. In this subchapter:

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

17 (2) "Game room" means a for-profit business located in
18 a building or place that contains six or more amusement redemption
19 machines.

20 (3) "Game room owner" means a person who:

21 (A) has an ownership interest in, or receives the
22 profits from, a game room or an amusement redemption machine
23 located in a game room;

24 (B) is a partner, director, or officer of a

1 business, company, or corporation that has an ownership interest in
2 a game room or in an amusement redemption machine located in a game
3 room;

4 (C) is a shareholder that holds more than 10
5 percent of the outstanding shares of a business, company, or
6 corporation that has an ownership interest in a game room or in an
7 amusement redemption machine located in a game room;

8 (D) has been issued by the county clerk an
9 assumed name certificate for a business that owns a game room or an
10 amusement redemption machine located in a game room;

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

12 (F) opens an account for utilities for a game
13 room;

14 (G) receives a certificate of occupancy or
15 certificate of compliance for a game room;

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

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

18 (4) "Operator" means an individual who:

19 (A) operates a cash register, cash drawer, or
20 other depository on the premises of a game room or of a business
21 where the money earned or the records of credit card transactions or
22 other credit transactions generated in any manner by the operation
23 of a game room or activities conducted in a game room are kept;

24 (B) displays, delivers, or provides to a customer
25 of a game room merchandise, goods, entertainment, or other services
26 offered on the premises of a game room;

27 (C) takes orders from a customer of a game room

1 for merchandise, goods, entertainment, or other services offered on
2 the premises of a game room;

3 (D) acts as a door attendant to regulate entry of
4 customers or other persons into a game room; or

5 (E) supervises or manages other persons at a game
6 room in the performance of an activity listed in this subdivision.

7 Sec. 234.132. APPLICABILITY. This subchapter applies only
8 to a county with a population of four million or more.

9 Sec. 234.133. AUTHORITY TO REGULATE. To promote the public
10 health, safety, and welfare, the commissioners court of a county
11 may regulate the operation of game rooms and may:

12 (1) restrict the location of game rooms to specified
13 areas of the county, including the unincorporated area of the
14 county;

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

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

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

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

27 (c) A district court has jurisdiction of a suit that arises

1 from the denial, suspension, or revocation of a license or other
2 permit by a county.

3 Sec. 234.135. FEES. A county may impose a fee not to exceed
4 \$1,000 on an applicant for a license or permit or for the renewal of
5 the license or permit required under this subchapter. The fee must
6 be based on the cost of processing the application and
7 investigating the applicant.

8 Sec. 234.136. INSPECTION. (a) A peace officer or county
9 employee may inspect a business in the county to determine how many
10 amusement redemption machines that are subject to regulation under
11 this subchapter are located on the premises of the business.

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

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

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

23 (b) A person who violates this subchapter or a regulation
24 adopted under Section 234.133 is liable to the county for a civil
25 penalty of not more than \$10,000 for each violation. Each day a
26 violation continues is considered a separate violation for purposes
27 of assessing the civil penalty under this subsection. A county may

1 bring suit in district court to recover a civil penalty authorized
2 by this subsection.

3 (c) The county is entitled to recover reasonable expenses
4 incurred in obtaining injunctive relief, civil penalties, or both,
5 under this section, including reasonable attorney's fees, court
6 costs, and investigatory costs.

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

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

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

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

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

21 (c) A person who is subject to prosecution under Section
22 234.138 and any other law may be prosecuted under either or both
23 laws.

24 SECTION 2. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

H.B. No. 1127

1 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 1127 was passed by the House on April 18, 2013, by the following vote: Yeas 134, Nays 9, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1127 on May 24, 2013, by the following vote: Yeas 138, Nays 4, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1127 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

APPROVED: _____

Date

Governor