

1-1 By: Lucio S.B. No. 1503
1-2 (In the Senate - Filed March 7, 2013; March 19, 2013, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 29, 2013, reported favorably by the following vote: Yeas 5,
1-5 Nays 2; April 29, 2013, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12		X		
1-13	X			
1-14		X		
1-15	X			
1-16			X	

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the licensing and regulation of amusement redemption
1-20 machines at certain locations; providing penalties.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 2153, Occupations Code, is amended by
1-23 adding Subchapter K to read as follows:

1-24 SUBCHAPTER K. LOCATION LICENSE FOR OPERATION OF AMUSEMENT
1-25 REDEMPTION MACHINES

1-26 Sec. 2153.501. APPLICABILITY. Unless otherwise provided,
1-27 the provisions of this chapter governing licenses and registration
1-28 certificates, including penalties and enforcement provisions,
1-29 apply to a location license issued under this subchapter.

1-30 Sec. 2153.502. DEFINITIONS. For purposes of this
1-31 subchapter:

1-32 (1) "Amusement redemption machine" means a
1-33 contrivance described by Section 47.01(4)(B), Penal Code.

1-34 (2) "Operate" includes displaying, exhibiting, or
1-35 placing in service.

1-36 (3) "Operator" means a person who owns or, if the
1-37 premises are rented or leased, the person who rents or leases the
1-38 premises on which more than 10 amusement redemption machines are
1-39 operated.

1-40 (4) "Premises" means the area under a common roof or
1-41 over a common foundation.

1-42 Sec. 2153.503. LOCATION LICENSE. (a) No more than 10
1-43 amusement redemption machines may be operated on a particular
1-44 premises unless the operator holds a location license issued under
1-45 this subchapter for the premises.

1-46 (b) Notwithstanding Section 2153.008, an operator must hold
1-47 a location license in addition to any other license or registration
1-48 certificate the operator is required to hold under this chapter.

1-49 (c) An applicant for a location license must file with the
1-50 comptroller an application that includes:

1-51 (1) the name and address of the applicant;

1-52 (2) the physical address, including the county, of the
1-53 premises at which the amusement redemption machines will be
1-54 operated;

1-55 (3) the name and address of the owner of the premises
1-56 at which the amusement redemption machines will be operated;

1-57 (4) the name and address of the person who rents or
1-58 leases the premises to the applicant, if applicable;

1-59 (5) the amount of rent paid or other consideration
1-60 given, directly or indirectly, to the owner, lessor, or landlord of
1-61 the premises, if applicable;

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

(7) a statement indicating whether the amusement redemption machines to be operated on the premises will be owned, leased, or rented by the applicant;

(8) if the amusement redemption machines will be leased or rented, the name, address, and general business license number of the person who owns the amusement redemption machines;

(9) a written certification that the amusement redemption machines to be operated on the premises will be operated in accordance with Section 47.01(4)(B), Penal Code;

(10) a financial interest statement that includes the name and residence address of any person, other than a person disclosed under Subdivision (8), who has a financial interest in the operation of the machines on the premises, including the nature, type, and extent of the financial interest; and

(11) a statement that the information contained in the application is true and correct.

(d) A person who submits an application for a location license consents to an inspection of the licensed premises by the comptroller or a peace officer at any time during the location's hours of operation to ensure compliance with this subchapter.

(e) The comptroller may not issue a location license to an applicant unless the applicant certifies in writing that the amusement redemption machines to be operated on the premises will be operated in accordance with Section 47.01(4)(B), Penal Code. The issuance of a location license by the comptroller does not constitute an official opinion or judgment by the comptroller that an amusement redemption machine operated on the premises of a location license holder is being operated in accordance with Section 47.01(4)(B), Penal Code.

Sec. 2153.504. FEES. (a) The annual license fee for each location license is \$500.

(b) An application for a location license must be accompanied by a nonrefundable application fee in the form of a cashier's check, money order, personal check, or other method of payment authorized by the comptroller in an amount equal to the annual location license fee.

Sec. 2153.505. REQUIRED LOCATION FOR LICENSE HOLDER RECORDS. (a) A location license holder shall, at all times, prominently display the holder's license at the licensed premises.

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

(1) the make, type, and serial number of the machine;

(2) the date the machine was placed in operation on the premises to which the location license applies;

(3) the date of the most recent registration of the machine; and

(4) if the machine is owned by the license holder, any change in ownership of the machine.

(c) The location license holder must allow the comptroller or a peace officer to enter and inspect the licensed premises at any time during hours of operation to ensure compliance with this subchapter.

Sec. 2153.506. MANDATORY DENIAL OR REVOCATION OF LOCATION LICENSE. (a) The comptroller may not issue a location license if the comptroller finds that the license applicant or any person required to be listed on the financial interest statement under Section 2153.503(c)(10):

(1) is prohibited from holding a general business license under Section 2153.302; or

(2) has been convicted of an offense under Section 47.06, Penal Code.

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

(c) The comptroller shall revoke the location license of a license holder who refuses to allow the comptroller or a peace

officer to enter or inspect the licensed premises as required by this subchapter. The comptroller may not issue a location license to a person who has had a location license revoked under this subsection.

Sec. 2153.507. INFORMATION FROM LOCATION LICENSE APPLICATION. (a) Notwithstanding Section 2153.101 and following the issuance of a location license under this subchapter, the following information in the location license application is a public record and must be posted on the comptroller's Internet website not later than the 10th business day after the date the location license is issued:

- (1) the location license number;
- (2) the name of the location license holder;
- (3) the physical address, including the county, of the premises designated in the location license;
- (4) the names of any person included in the financial interest statement required under Section 2153.503(c)(10); and
- (5) the number of amusement redemption machines operated on the licensed premises.

(b) The comptroller shall provide a method to allow a visitor to the comptroller's Internet website to retrieve by county or municipality the license information posted under Subsection (a).

Sec. 2153.508. CIVIL PENALTY. (a) A person commits a violation if the person:

- (1) knowingly operates or allows the operation of more than 10 amusement redemption machines on premises for which a location license is not in effect; or
- (2) fails to display a location license or maintain the records as required by Section 2153.505.

(b) The comptroller may assess a civil penalty against a person who violates this subchapter. The amount of the penalty for each unregistered amusement redemption machine in excess of 10 unregistered machines in violation of this subchapter is as follows:

- (1) for a first violation, \$500 for each unregistered machine; and
- (2) for a second or subsequent violation, \$1,000 for each unregistered machine.

(c) It is presumed that an operator intended to commit a violation under this section if:

- (1) more than 10 amusement redemption machines are operated on premises for which a location license is not prominently displayed;
- (2) an amusement redemption machine operated on the premises is not included in the records maintained under Section 2153.505(b); or
- (3) the records required under Section 2153.505(b) are not available for inspection by the comptroller or a peace officer during the hours of operation of the premises.

SECTION 2. Section 2153.153, Occupations Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In addition to the information prescribed by Subsection (a), an application for a general business, import, or repair license must include a statement indicating whether a machine associated with the application is an amusement redemption machine.

SECTION 3. Section 47.01, Penal Code, is amended by adding Subdivision (4-a) to read as follows:

(4-a) "Device" or "contrivance" means all or part of an electronic, electromechanical, or mechanical contrivance, machine, or apparatus.

SECTION 4. This Act takes effect September 1, 2013.

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