

SENATE AMENDMENTS

2nd Printing

By: Smith, Bohac, Allen, Harless, Guillen,
et al.

H.B. No. 1127

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the regulation of game rooms in 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) "Gambling device" means any electronic,
18 electromechanical, or mechanical contrivance, other than an
19 amusement redemption machine, that for a consideration affords the
20 player an opportunity to obtain anything of value, the award of
21 which is determined solely or partially by chance even though
22 accompanied by some skill, whether or not the prize is
23 automatically paid by the contrivance, and includes gambling device
24 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.

ADOPTED

MAY 22 2013

Debra C. Paul
Secretary of State

By: *[Signature]* _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: *Sylvia R. Gunn* C.S. 4.B. No. 1127

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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.

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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
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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
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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.

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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.

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5 under this section, including reasonable attorney's fees, court
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13 regulate game rooms and does not limit that authority.

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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

1 Act takes effect September 1, 2013.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1127 by Smith (Relating to the regulation of game rooms by certain counties; providing penalties; authorizing a fee.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, SD, RB, TP, KKR

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1127 by Smith (relating to the regulation of game rooms by certain counties; providing penalties; authorizing a fee.), **Committee Report 2nd House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, RB, TP, KKR

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 26, 2013

TO: Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1127** by Smith (Relating to the regulation of game rooms in certain counties; providing penalties; authorizing a fee.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, RB, TP, KKR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 27, 2013

TO: Honorable Wayne Smith, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1127 by Smith (Relating to the regulation of game rooms in certain counties; providing penalties; authorizing a fee.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, RB, TP, KKR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 4, 2013

TO: Honorable Wayne Smith, Chair, House Committee On Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1127 by Smith (Relating to the regulation of game rooms in certain counties; providing penalties; authorizing a fee.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, RB, TP, KKR