

BILL ANALYSIS

Senate Research Center
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S.B. 517
By: Middleton
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Electronic gambling devices—commonly known as "eight-liners"—have become increasingly prevalent in Texas. These devices mimic traditional slot machines and offer prizes based on chance, often skirting the line between amusement and illegal gambling. Despite ongoing efforts by local jurisdictions to restrict or regulate their use, enforcement has proven inconsistent, creating legal ambiguities and opportunities for abuse. The lack of clear statewide guidelines has allowed some operators to exploit loopholes, leading to unregulated gambling activity under the guise of entertainment.

S.B. 517 addresses this issue by updating the Penal Code to clearly define eight-liners and expand the definition of "gambling device." The bill eliminates ambiguity by establishing objective criteria for determining when a device is used for illegal gambling versus lawful amusement. It also introduces statutory defenses for legitimate amusement devices that reward only noncash prizes of limited value or additional plays. Additionally, S.B. 517 creates consistency across the state by repealing local regulations that conflict with this standardized framework.

This legislation strengthens the state's ability to regulate gambling activity, reduces the potential for abuse, and preserves space for lawful, skill-based amusement.

As proposed, S.B. 517 amends current law relating to criminal offenses applicable to and authorized uses of gambling devices, including eight-liners.

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 Section 47.01, Penal Code, by adding Subdivisions (2-a) and (2-b) and amending Subdivisions (4) and (9), to define "device" and "eight-liner" and redefine "gambling device" and "thing of value."

SECTION 2. Amends Chapter 47, Penal Code, by adding Section 47.091, as follows:

Sec. 47.091. DEFENSES FOR CERTAIN AMUSEMENT DEVICES. (a) Provides that it is a defense to prosecution under Section 47.02 (Gambling) that the conduct consists entirely of playing or using a gambling device in which:

- (1) skill is the predominant requirement for the player or user to win or be awarded a thing of value for playing or using the device; and
- (2) the player or user may only win or be awarded as a thing of value for playing or using the device noncash merchandise available only on the premises where the device is located or a ticket, coupon, or other representation of value redeemable only on the premises where the device is located for noncash merchandise.

(b) Provides that, for purposes of Subsection (a)(2), the value of the noncash merchandise or representation of value redeemable for noncash merchandise won or awarded for a single play of game on or use of a gambling device is prohibited from exceeding the lesser of a wholesale value of 10 times the amount charged for the single play or use or \$5 and the wholesale value of an item of noncash merchandise won or awarded for playing or using the device or for which a person may redeem one or more tickets, coupons, or other representations of value won or awarded for playing or using the device is prohibited from exceeding \$50.

(c) Provides that it is a defense to prosecution under Section 47.02 that the conduct consists entirely of playing or using a gambling device in which the player or user of the device may win or be awarded only the opportunity to continue playing the game or using the device and the opportunity is not exchangeable for another thing of value.

(d) Provides that it is a defense to prosecution under Section 47.03 (Gambling Promotion), 47.04 (Keeping a Gambling Place), or 47.06 (Possession of Gambling Device, Equipment, or Paraphernalia) that the conduct consists of or is a necessary incident to offering, using, or maintaining one or more gambling devices used exclusively for conduct for which Subsection (a) or (c) provides a defense to a person playing or using the device, including manufacturing, transporting, storing, or repairing the device.

(e) Provides that, in this section, "noncash merchandise" does not include a check, a money order, a cashier's check, a traveler's check, or any other item of cash equivalence.

SECTION 3. Amends Section 2001.416, Occupations Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Creates an exception under Subsection (e).

(e) Authorizes a licensed authorized organization to exhibit and allow patrons to play or use a gambling device described by Section 47.091, Penal Code.

SECTION 4. Repealer: Subchapter E (Game Rooms), Chapter 234, Local Government Code.

Repealer: Section 47.02(e) (relating to providing that it is a defense to prosecution that a person played for something other than money using certain devices excluded from the definition of "gambling device"), Penal Code.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2025.