

BILL ANALYSIS

Senate Research Center

H.B. 2123
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that some amusement redemption machine operators have set up their machines to provide cash prizes in violation of the law. These parties observe that in order to circumvent undercover investigations that generally have allowed law enforcement agencies to shut down such illegal operations, operators have changed their business model by restricting access to allow only members or known referrals. H.B. 2123 seeks to promote public health, safety, and welfare by providing the commissioners court in a lesser populated county the necessary authority to regulate game rooms.

H.B. 2123 amends current law relating to the regulation of game rooms in certain counties, provides penalties, and authorizes a fee.

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 Chapter 234, Local Government Code, by adding Subchapter E, as follows:

SUBCHAPTER E. GAME ROOMS

Sec. 234.131. DEFINITIONS. Defines, in this subchapter, “amusement redemption machine,” “game room,” “game room owner,” and “operator.”

Sec. 234.132. APPLICABILITY. Provides that this subchapter applies only to a county with a population of less than 25,000 that borders the Gulf of Mexico and is adjacent to two or more counties each with a population of more than 400,000.

Sec. 234.133. AUTHORITY TO REGULATE. Authorizes the commissioners court of a county, to promote the public health, safety, and welfare, to regulate the operation of game rooms and to:

- (1) restrict the location of game rooms to specified areas of the county, including the unincorporated area of the county;
- (2) prohibit the location of a game room within the distance prescribed by the commissioners court of a school, regular place of religious worship, residential neighborhood, or other specified land use the commissioners court finds inconsistent with the operation of a game room; or
- (3) restrict the number of game rooms that are authorized to operate in a specified area of the county.

Sec. 234.134. LICENSES OR PERMITS. (a) Authorizes a county to require that an owner or operator of a game room obtain a license or permit or renew a license or permit

on a periodic basis to operate a game room in the county. Requires that an application for a license or permit be made in accordance with regulations adopted by the county.

(b) Authorizes regulations adopted under this section to provide for the denial, suspension, or revocation of a license or permit.

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

Sec. 234.135. FEES. Authorizes a county to impose a fee on an applicant for a license or permit or for the renewal of the license or permit required under this subchapter. Requires that the fee be based on the cost of processing the application and investigating the applicant.

Sec. 234.136. INSPECTION. Authorizes a county to inspect any business that contains one or more amusement redemption machines to determine whether the business is in compliance with this subchapter or regulations adopted under this subchapter.

Sec. 234.137. INJUNCTION; CIVIL PENALTY. (a) Authorizes a county to sue in district court for an injunction to prohibit the violation or threatened violation of a regulation adopted under Section 234.133.

(b) Provides that a person who violates a regulation adopted under Section 234.133 is liable to the county for a civil penalty of not more than \$10,000 for each violation. Provides that each day a violation continues is considered a separate violation for purposes of assessing the civil penalty under this subsection. Authorizes a county to bring suit in district court to recover a civil penalty authorized by this subsection.

(c) Entitles the county to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

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

(b) Provides that an offense under this section is a Class A misdemeanor.

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

Sec. 234.140. EFFECT ON OTHER LAWS. (a) Provides that this subchapter does not legalize any activity prohibited under the Penal Code or other state law.

(b) Authorizes a person who is subject to prosecution under Section 234.138 and any other law to be prosecuted under either or both laws.

SECTION 2. Effective date: upon passage or September 1, 2013.