

SUBJECT: Allowing all counties to regulate game rooms

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 9 ayes — T. King, Goldman, Geren, Harless, Hernandez, Herrero, K. King, Kuempel, S. Thompson

0 nays

2 absent — Guillen, Paddie

WITNESSES: For — Lee Woods, Amusement and Music Operators of Texas; (*Registered, but did not testify:* Steve Bresnen, Bingo Interest Group; Jim Allison, County Judges and Commissioners Association of Texas; Aimee Bertrand, Harris County Commissioners Court; Roger Harmon, Johnson County; Russell Schaffner, Tarrant County; Rick Thompson, Texas Association of Counties; Gabriela Villareal, Texas Conference of Urban Counties)

Against — None

On — Rob Kohler, Christian Life Commission of the Baptist General Convention; Jennifer Hughes, Kickapoo Traditional Tribe of Texas; (*Registered, but did not testify:* Jason Nelson, Kickapoo Traditional Tribe of Texas)

BACKGROUND: Local Government Code ch. 234, subch. E gives commissioners courts in certain counties authority to regulate game rooms, including the ability to restrict the location of game rooms; prohibit a location within a certain distance of a school, place of religious worship, or residential neighborhood; and restrict the number of game rooms that may operate in an area of the county. Counties may require game rooms to obtain a license or permit to operate and may charge up to \$1,000 for the license or permit.

Peace officers or county employees may inspect businesses to determine the number of machines on the premises and may inspect any business with six or more machines to see if it is complying with the statute. Violating the statute or a regulation adopted under it can be a civil penalty, and intentionally or knowingly operating a game room in violation of a regulation is a class A misdemeanor (up to one year in jail and/or a maximum fine of \$4,000).

Game rooms are defined as for-profit businesses with six or more amusement redemption machines, sometimes called "fuzzy animal machines," or other machines defined in the statute. Amusement redemption machines include electronic machines made for bona fide amusement purposes with exclusively noncash prizes or something redeemable for prizes with a value from a single play of up to 10 times the charge to play the game or \$5, whichever is less. Other types of game room machines include devices that allow players to win a prize awarded solely or partially by chance, regardless of whether the machine was designed, made, or adopted solely for bona fide amusement purposes.

This authority to regulate game rooms applies to a county:

- with a population of less than 25,000, that is adjacent to the Gulf of Mexico, and is within 50 miles of an international border;
- with a population of 4 million or more;
- adjacent to the Gulf of Mexico and adjacent to a county that has a population of 4 million or more;
- on the Texas-Mexico border with a population of less than 300,000 and that contains a city with a population of 200,000 or more;
- with a population of 550,000 or more and adjacent to a county with a population of 4 million or more;
- in the Permian Basin within 25 miles of the Texas border with another state and with a population of more than 130,000;
- on the Texas border with Louisiana, with a population of more than 65,000, and within 50 miles of a city in Louisiana with a population of more than 150,000;
- with a population of more than 200,000 and less than 220,000; and

- with a population of more than 1.8 million and adjacent to a county with a population of more than 2.2 million.

Some have noted that other counties may want the same authority to opt in to regulating game rooms as defined by Local Government Code ch. 234, subch. E.

DIGEST: HB 892 would repeal the population and location restrictions that give certain counties authority under Local Government Code ch. 234, subch. E to regulate game rooms, making the authority apply statewide.

The bill would take effect September 1, 2019.