

BILL ANALYSIS

Senate Research Center
86R2109 BEE-D

H.B. 389
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 389 grants regulatory authority to Liberty County to combat illegal gambling occurring at so-called game rooms. In many instances, these businesses are violating gambling statutes by paying cash to patrons playing amusement redemption machines, otherwise known as 8-liners. While the machines themselves are legal under Chapter 47.01(4)b, Penal Code, known as the fuzzy animal exemption, businesses and patrons violate the law if winnings are paid or received in cash.

H.B. 389 addresses these concerns by providing Liberty County additional tools to bring game rooms into compliance via registration and permitting requirements, fees, disclosure of ownership, inspection schemes, and civil and criminal penalties.

Since the 83rd session, five bills have been passed to expand the regulatory authority for county law enforcement. H.B. 389 simply amends current law by adding Liberty County to the bill's applicability section enabling law enforcement to effectively enforce gambling statutes against game rooms.

Under the bill, counties are authorized to:

1. regulate any for-profit business that contains six or more amusement redemption machines;
2. restrict the location of game rooms;
3. prohibit game rooms in certain locations;
4. restrict the number of game rooms in a county;
5. require licenses or permits for the operation of a game room;
6. provide for the denial, suspension, or revocation of a license or permit;
7. impose a fee, not to exceed \$1,000, on an applicant or licensee;
8. allow inspections by county authorities and law enforcement; and
9. impose civil penalties up to \$10,000 per day, per violation.

H.B. 389 amends current law relating to the regulation of game rooms in certain counties.

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 234.132, Local Government Code, as follows:

Sec. 234.132. APPLICABILITY. Provides that this subchapter (Game Rooms) applies only to:

(1)–(7) makes no changes to these subdivisions;

(8)–(9) makes nonsubstantive changes to these subdivisions; and

(10) a county that has a population of more than 75,000 and is adjacent to:

(A) a county described by Subdivision (2) (relating to a county that has a population of four million or more); and

(B) a county described by Subdivision (3) (relating to a county that is adjacent to the Gulf of Mexico and to a county that has a population of four million or more).

SECTION 2. Effective date: September 1, 2019.