

SCURRY COUNTY
GAME ROOM ORDINANCE



SCURRY COUNTY GAME ROOM ORDINANCE

THE STATE OF TEXAS

THE COUNTY OF SCURRY

AN ORDINANCE ADOPTING AND ESTABLISHING GAME ROOM REGULATIONS IN ACCORDANCE WITH THE AUTHORITY AND PROVISIONS OF CHAPTER 234 OF THE TEXAS LOCAL GOVERNMENT CODE, RESTRICTING THE NUMBER OF GAME ROOMS WITHIN SCURRY COUNTY, PROVIDING FOR A PERMIT APPLICATION PROCESS, PROVIDING FOR OTHER REGULATIONS, PROVIDING FOR A CIVIL PENALTY FOR VIOLATIONS OF THESE REGULATIONS, AND PROVIDING FOR RELATED MATTERS.

WHEREAS, Chapter 234 of the Local Government Code authorizes certain counties, including Scurry County, to regulate game rooms; and

WHEREAS, Scurry County, Texas has experienced a proliferation of game room operations that have had a negative impact on the quality of life of its community, and local residents; and

WHEREAS, Scurry County Commissioners Court desires to reduce the adverse secondary effects of illicit game rooms; and

WHEREAS, the Scurry County Commissioners Court finds and deems it is in the best interest of Scurry County and its residents that game rooms be limited in number and regulated to minimize potential negative impact on the residents of Scurry County; and

WHEREAS, the Scurry County Commissioners Court finds illicit game rooms, as a category of commercial uses, are associated with a wide variety of adverse secondary effects including but not limited to personal and property crimes, sex offenses, human trafficking, narcotic using or distributing and gambling offenses. The negative impacts on surrounding properties, and litter; and

WHEREAS, the Scurry County Commissioners Court believes game rooms should be separated from residential neighborhoods to minimize their impact on the residents of Scurry County, and minimize less impact on younger adults; and

WHEREAS, the Scurry County Commissioners Court believes game rooms should have restricted hours of operation to minimize negative secondary effects, especially weekend hours and week day hours of operation; and

WHEREAS, the Scurry County Commissioners Court finds each of the foregoing negative secondary effects constitutes a harm which Scurry County has a substantial government interest in preventing and abating; and

WHEREAS, the Scurry County Commissioners Court recognizes that this substantial government interest in preventing secondary effects, which is rationale for these regulations, exists independent of any comparative analysis between legal game rooms and/ or illicit game rooms; and

WHEREAS, the Scurry County Commissioners Court finds Scurry County's interests in regulating game rooms extend to prevent future primary or secondary effects of either current or future game rooms that may locate or relocate in Scurry County;

NOW, THEREFORE, BE IT ORDAINED BY THE SCURRY COUNTY COMMISSIONERS COURT:

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SECTION 1. General

(a) Authority to Regulate

- a. This ordinance and these regulations are promulgated pursuant to and in conformity with Chapter 234 of the Texas Local Government Code, as amended, to promote the public health, safety, and welfare, as authorized by Section 234. 133 of the Local Government Code.
- b. It is the intent and purpose of the Scurry County Commissioners Court to exercise its authority, as authorized under Chapter 234 of the Local Government Code, to establish reasonable and uniform regulations of game rooms to promote the public health, safety, and welfare by regulating the operation of game rooms, restricting the location of game rooms and restricting the number of game rooms that may operate in the areas specified, and by regulating business activities which merely serve as a front for criminal activities, including but not limited to gambling, money laundering, and tax evasion.
- c. Gambling is illegal in the State of Texas. This Ordinance does not, and is not intended to, legalize or condone anything prohibited under the Texas Constitution or the Texas Penal Code. Instead, this Ordinance is intended to understand, and provide and/or promote compliance with the Texas Constitution and the Texas Penal Code by regulating the operation of game rooms. This Ordinance is providing boundaries for restricting the location of game rooms, and restricting the number of game rooms that may operate in the areas specified. By implementing this Ordinance, it is in hopes the Scurry County Commissioners Court enacts a reasonable set of regulations in an industry that would otherwise lack administrative regulation and oversight.

(b) Administration and Enforcement

- (a) Sections 234.132 and 234.133 of the Local Government Code, the State of Texas has granted the Scurry County Commissioners court authority to promote the public health, safety, and welfare by regulating the operation of game rooms.
- (b) The Commissioners Court designates the Scurry County Sheriff's Office as the game room permit administrator known as the "Permit Office." The Scurry County Sheriff's Office, located at 400 37th Street, Snyder, TX 79549, shall supervise, control, and operate the "Permit Office." The Permit Office shall deny, issue, attach conditions to, administratively suspend, or revoke game room permits pursuant to the regulations and any applicable state law. The Permit Office shall follow the same regulations, and guidelines without exception for any resident, business, or other entity.
- (c) The Scurry County Sheriff's office's designee known as "Game Room inspector" shall conduct thorough investigations and inspections within Scurry County to ensure compliance with this ordinance, including, but not limited to, conducting inspections, issuing citations, and making reports to the "Permit Office."
- (d) In accordance with Section 234.138(b) of the Local Government Code, as amended, 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. An offense under this section is a Class A misdemeanor.

(c) Area Covered by Regulations

- (a) These regulations STRICTLY apply to any game room in which is located in Scurry County, outside the incorporated city limits of Snyder, TX.
- (b) The City of Snyder, under its authority, has adopted regulations separately applicable to game rooms within the city limits of the City of Snyder, and these Regulations do not, and are not intended to, modify, differ, alter, or override such regulations adopted by the City of Snyder.

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- (c) The Scurry County regulations are to ensure the safety of residents in Scurry County; the regulations are for such coverage for the county and to ensure the function of game rooms are appropriately operating legally.

DEFINITIONS

As listed in the Local Government Code Sec. 234.131

- (a) **"Applicant"** person, corporation, partnership, or other business entity required to submit an application under these regulations, whether for a game room permit or employee permit. This applies to an application game room permit, the term includes all game room owners of the particular game room that is the subject of a game room application.
- (b) **"Amusement redemption machine"** means any electronic, electromechanical, or mechanical contrivance designed, made, and adopted for bona fide amusement purposes that rewards the player exclusively with noncash merchandise, prizes, toys, or novelties, or a representation of value redeemable for those items, with a wholesale value available from a single play of the game or device in an amount not more than 10 times the amount charged to play the game or device once or \$5, whichever amount is less.
- (c) **"Game room"** means a for-profit business located in a building or place that contains six or more: amusement redemption machines; or electronic, electromechanical, or mechanical contrivances that, for consideration, afford a player the opportunity to obtain a prize or thing of value, the award of which is determined solely or partially by chance, regardless of whether the contrivance is designed, made, or adopted solely for bona fide amusement purposes. This does NOT include video arcade facility.
- (d) **"Game room owner"** means a person who:
- 1) has an ownership interest in, or receives the profits from, a game room or an amusement redemption machine located in a game room
 - 2) is a partner, director, or officer of a business, including a company or corporation, that has an ownership interest in a game room, or in an amusement redemption machine located in a game room;
 - 3) is a shareholder that holds more than 10 percent of the outstanding shares of a business, including a company or corporation, that has an ownership interest in a game room or in an amusement redemption machine located in a game room;
 - 4) has been issued by the county clerk an assumed name certificate for a business that owns a game room, Or an amusement redemption machine located in a game room;
 - 5) signs a lease for a game room;
 - 6) opens an account for utilities for a game room;
 - 7) receives a certificate of occupancy or certificate of compliance for a game room;
 - 8) Pays for advertising for a game room;
 - 9) Or signs an alarm permit for a game room.
- (e) **"Game Room Inspector"** means the Scurry County Sheriff or Sheriff's designee.
- (f) **"Gambling Device"** means a device described in Article 47.01 (a) of the Texas Penal Code.
- (g) **"Employee"** means a person who, whether or not for compensation:
- 1.) Operates a cash register, cash drawer, or other depository on the premises of a game room or of a business where the money earned or the records of credit card transactions or other credit transactions generated in any manner by the operation of a game room or activities conducted in a game room are kept;
 - 2.) Displays, delivers, or provides to a customer of a game room, merchandise, goods, entertainment, or other services offered on the premises of a game room;
- (h) **"Commissioned security officer"** means a security officer to whom a security officer commission has been issued by the Department of Public Safety of the State of Texas.
- (i) **"General Residential Operation"** has the meaning assigned by Section 42.002, Human Resources Code.
- (j) **"Minor"** means a person who is younger than 18 years of age.

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- (k) **“Operate”** means any day to day activities of a game room, including, but not limited to:
- 1) Facilitating the playing or use of amusement redemption machines or electronic, electromechanical, or mechanical contrivances that, for consideration, afford a player the opportunity to obtain a prize or thing of value, the award of which is determined solely or partially by chance, regardless of whether the contrivance is designed, made, or adopted solely for bona fide amusement purposes;
 - 2) Operating a cash register, cash drawer, or other depository on the premises of a game room or of a business where the money earned or the record of credit card transactions or other credit transactions generated in any manner in the business of a game room or activities conducted in a game room are kept; and
 - 3) Displaying, delivering, or providing to a customer of a game room, merchandise, goods, entertainment, or other services offered on the premises of a game room.
- (l) **“Peace Officer”** means an individual as described in Article 2.12 of the Texas Code of Criminal Procedure.
- (m) **“Permit Office”** means the Scurry County Sheriff’s Office, located at 400 37th Street, Snyder, TX 79549
- (n) **“Person”** means an individual, partnership, corporation, association, or other legal entity.
- (o) **“Playground”** means any outdoor facility that is not on the premises of a school and that:
- 1) Is intended for recreation;
 - 2) Is open to the public; and
 - 3) Contains three or more play stations intended for the recreation of children, such as slides, swing sets, and teeterboards.
- (p) **“Premises”** means real property and all buildings and appurtenances pertaining to the real property.
- (q) **“Regulation”** refers to this ordinance and these regulations of Scurry County, Texas, governing the operation of game rooms.
- (r) **“School”** means a private or public elementary or secondary school or a day care center or facility, defined by Sec. 42.002, Human Resources Code, and includes a facility, including all attached playgrounds, dormitories, stadiums and other appurtenances that are part of the facility, used for the primary purpose of instruction or education, including primary and secondary schools, colleges and universities, both public and private.
- (s) **“Video arcade facility”** means any facility that:
- 1) is open to the public, including minors;
 - 2) contains at least three pinball, skee-ball, and or video game machines intended to be played by any person, including minors; and
 - 3) Does not contain any gambling devices.

SECTION 2. GAME ROOM APPLICATION AND LICENSE

(a) Initial/ Renewal Applications.

- (1) All persons owning, possessing, operating or maintaining a “Game Room” shall apply for a license and registration from the county.
- (2) All applications for a license shall be submitted on forms provided by the county and mailed to an address provided by the county.
- (3) An application is not complete nor is it considered filed with the county unless it is submitted with the appropriate fee, is signed by the applicant, and contains all information required by the county.
- (4) All applicants for a license shall comply with the disclosure provision. In addition, all applicants shall be required to disclose any violation of any administrative regulation from any jurisdiction.

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- (5) All applications, except for a manufacture's application, shall include an accurate sketch of the interior of the facility, and the proposed location of all video gaming devices to be located therein. In addition, the sketch shall include all grounds and parking areas.
- (6) All applications shall include the name of the owner(s) of the premises on which the establishment is located.
- (7) All renewal applications shall be submitted in complete form. All application information will need to be true to the best of your knowledge, it is your job to ensure true and correct information be listed on the application.
- (8) All applicants shall provide all additional information requested by the county. If applicants fail to provide all additional information requested by the county, the application shall be considered incomplete.
- (9) All applications are to contain a properly notarized oath wherein the applicant states that:
 - (A) The information contained therein is true and correct.
 - (B) The applicant has read this article and these rules, and any other informational materials supplied by the county that pertain to the video gaming; and
 - (C) The applicant agrees to comply with these rules and this article.
- (10) All applications shall contain a telephone number and permanent mailing address for receipt of correspondence and service of documents by the county.
- (11) Incomplete applications, including failure to pay fees, may result in a delay or denial of a license.
- (12) The applicant shall notify the county in writing of all changes of address, phone numbers, personnel, and other required information in the application within ten (10) business days of the effective date of the change.
- (13) An application or license may be denied, revoked, or suspended if the applicant is convicted of a crime that directly relates to the duties and responsibilities of the applicant.
- (14) An application shall be denied if an applicant has been convicted or placed on Deferred Adjudication, in any jurisdiction, for any of the following offenses with the ten (10) years prior to the date of the application, and at least ten (10) years as no elapsed between the date of application and the successful completion of any service of a sentence, deferred adjudication, or period of probation or parole for any of the following:
 - (a) Any offense punishable by imprisonment for more than one (1) year;
 - (b) Theft or any crime involving false statements or declarations; or
 - (c) Gambling, as defined by the laws or ordinances of any municipality, county, or state, the United States, or any similar offense in any other jurisdiction.
 - (d) Any related convictions/pending charges for controlled substances under Health and Safety Code 481
 - (e) Any active/ or previously under parole release, or probation for Misdemeanors class B and above.
- (15) If an applicant has pending criminal charges, approval or denial of the application shall be delayed until those charges are disposed of.
- (16) Any misrepresentation or false statement, including improperly notarized documents, in any report, disclosure, application, permit form, or any other document required shall be violation of these rules and this article, and shall result in denial, revocation, or suspension of an application or license.

(10) Requirements for licensing

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- (1) No person shall be granted a license, and no license shall be renewed, unless the applicant demonstrates to the county that he/she is eligible for licensing, and thereafter continues to maintain eligibility, as provided.
- (2) Once a license has been issued by the county, the license shall be conspicuously displayed by the Licensee in his place of business, so that it can be easily seen and read by the public.
- (3) Each Amusement redemption machines, must be reported and licensed with a county issued stamp affixed on each redemption machine.
- (4) Each Amusement redemption machine is to be permitted annually per machine. If the owner, licensee, and permit holder, etc., purchase a new amusement redemption machine, it is required to notify the Permit office, and obtain a properly issued county stamp. \$1,000.00 per game room permit NOT, PER machines.
- (5) Failed to report ALL or NEW Amusement Redemption machines, will result in a violation with additional penalty fines.
- (6) If a Licensee fails to file a complete renewal application on or before forty-five (45) days prior to the license expiration date, the county may assess a civil penalty of \$500.00 for the first violation, \$1000.00 for the second violation, and \$1,500.00 for the third violation. Subsequent offenses shall require administrative action, including, but not limited to, suspension or revocation of Licensee's license.
- (7) The appropriate annual fee shall be paid by all Licensees, regardless of the expiration date of the license, on or before January 15 of each year.
- (8) All nonrefundable fees required for application/renewal and any administrative fines or penalties shall be made payable to the Scurry County Sheriff's Office and remitted to an address provided by the county.
- (9) Hidden ownership, whether by counter letter or other device or agreement, whether oral or written, shall constitute grounds for immediate suspension, revocation or denial of a license or application. Therefore, if there is more than one owner, applicants and Licensees shall disclose full ownership of a company so that the aggregate of percentages of individual ownership total 100 percent, regardless of the percentage of individual ownership.
- (10) All Licensees shall maintain compliance with all applicable federal/state/local gambling laws and requirements. Failure to maintain compliance with any applicable law or requirement shall be a basis for suspension or revocation of a license.
- (11) All Licensees shall continue to operate the business described in the application during the term of the license. In the event either the business or the video gaming devices at the location are not in operation for a period of thirty (30) consecutive calendar days during which the business would normally operate, the Licensee and device owner shall immediately notify the county of such fact, and the Licensee shall immediately surrender its license to the county.
- (12) If surrendered in accordance with the above provision, no gaming activities may be conducted at the premises unless and until the license is returned to the Licensee.
- (13) The license may be returned to the Licensee when business operations are resumed for the unexpired term, so long as, no more than one hundred eighty (180) days have elapsed from the date the license was surrendered.
- (14) Licenses surrendered in accordance with these provisions shall not be subject to renewal unless the license has been returned to the Licensee.
- (15) Failure to surrender the license as provided shall constitute grounds for Revocation or suspension of the license.

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SECTION 3. OPERATION OF VIDEO GAMING ROOMS

(a) Responsibilities of Licensees

- (1) The Licensee, or a designated representative of the licensed establishment, shall be required to be physically present and available within the licensed establishment at all times during all hours of operation; shall ensure that the devices are not tampered with, abused, or altered in any way; and shall prevent the play of video gaming devices by persons under the age of twenty-one (21) and prevent access to the gaming area by persons under the age of eighteen (18). The penalty for violation of this subsection shall be \$1500.00. Subsequent offenses shall enable administrative action, including, but not limited to, suspension or revocation of the license.
- (2) Licensees and employees of a Licensee shall not loan money, extend credit, or provide any financial assistance to patrons of use in video gaming activities.
- (3) Licensees and employees of a Licensee shall not permit any person who appears to be intoxicated to participate in the play of the video devices.
- (4) All Licensees shall supervise all employees to ensure compliance with the laws and regulations relating to the operation of video gaming devices. This includes ensuring that all employees possess a valid video gaming employee permit. All Licensees shall pay a nonrefundable fee of \$300.00 for the annual issuance of a permit for each video gaming employee permitted.
- (5) All Licensees shall be responsible for the proper placement and installment of devices within a licensed establishment as prescribed by the rules.
- (6) Licensees shall not advertise or participate in any promotion or scheme which is contingent upon the play of a video gaming device and which results in an enhanced payoff other than that set by the internal mechanism of the video gaming device.
- (7) All Licensees shall post signs on the premises of a licensed establishment, that restricts the play of video gaming devices by person under the age of twenty-one (21) and restricts the access to areas where gaming is conducted by person under the age of eighteen (18). The signs shall be placed at the entrances to device areas with lettering at least three (3) inches in height stating that there are gaming devices inside, no one under the age of eighteen (18) allowed in gaming area, and no one under the age of twenty-one (21) allowed to play video gaming devices.

(b) Video Gaming Employees and Permits

- (1) It shall be the duty of the Licensee to ensure compliance with this subsection.
- (2) It shall be unlawful for any employee to have been convicted, in any jurisdiction, for any of the following offenses within the ten (10) years prior to the date of the application, and at least ten (10) years has not elapsed between the date of application and the successful completion of any service of a sentence, deferred adjudication, or period of probation or parole for any of the following:
 - (a) Any offense punishable by imprisonment for more than one (1) year;
 - (b) Theft or any crime involving false statements or declarations; or
 - (c) Gambling, as defined by the laws or ordinances of any municipality, county, or state, the United States, or any similar offense in any other jurisdiction.
 - (d) Any related convictions/pending charges for controlled substances under Health and Safety Code 481

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- (e) Any active/ or previously under parole release, or probation for Misdemeanors class B and above.
- (3) It is the responsibility of the Licensee to conduct a criminal background check on every employee and/or any other individual acting for, or acting on behalf of a game room.
- (4) All video gaming employees shall possess, and wear on their person, a valid video gaming employee permit. The video gaming employee permit shall be visible on the person at all times. The penalty shall be administrative action, including, but not limited to, suspension or revocation of the permit.
- (5) The county shall issue a video gaming employee permit to persons deemed eligible pursuant to the provisions of this article and the rules adopted by the county. The county will issue the permit based on the declarations and admissions made in the employee's application. The issuance of a permit to an employee does not negate the duties of a Licensee to ensure compliance with subsections (1), (2), and (3) immediately preceding this subsection.
- (6) All video gaming employee applications must be submitted on forms prescribed by the county.
 - (a) All applications shall be submitted to the Scurry County Sheriff's Office.
 - (b) All applications shall contain a telephone number and permanent address for receipt of correspondence and service of documents by the county.
 - (c) All video gaming employees shall submit a renewal application to the county at least sixty (60) days prior to expiration of their permit to avoid a lapse in their ability to work as video gaming employees.
- (7) All applicants shall provide all additional information requested by the county. If an applicant fails to provide all additional information requested by the county, the application shall be denied.
- (8) All video gaming employees or applicants shall notify the county in writing of all changes of address, phone numbers, and other required information in the application within ten (10) calendar days or the effective date of the change.
- (9) All video gaming employees shall have knowledge of these rules and the provisions of this article.

SECTION 4. LICENSE AND OPERATION FEES

- (1) Upon application, a nonrefundable annual fee of \$1,000.00 shall be paid by each applicant. This fee is based on the cost of processing the application and investigating the Licensee. This provision does not apply to current licensed establishments until renewal of their licenses.
- (2) All appropriate license fees shall accompany the initial/renewal application.
- (3) All Licensees shall pay their license fee(s) for the year in a single payment.
- (4) (4) All Licensees shall be paid by certified or cashier's check.

SECTION 5. DEVICE REGULATIONS AND REQUIREMENTS FOR LICENSED ESTABLISHMENTS

(a) Device Specifications.

(1) All devices shall include the following specifications and features:

- (A) Accept only a type of consideration as listed in the "video gaming device" definition.

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(B) The phrase “no person under the age of 21 allowed to play” shall be conspicuously displayed on the face of all devices.

(C) Permanent serial numbers not to exceed nine alpha and/or numeric characters. The serial number plate shall be located in the upper (front) right side panel of the device and shall contain the serial number of the device.

(b) Damage to or Theft from Devices.

(1) Upon discovery of damage to or theft from a video gaming device, the device owner, licensed establishment owner, or a designate representative of the licensed establishment shall request the local law enforcement agency to investigate.

(2) The device owner or licensed establishment owner shall immediately notify the Scurry County Sheriff's Office, in writing, of any damage to or theft from a device.

(c) Devices Permanently Removed from Service.

(1) When a device is permanently removed from service by a licensed device owner, the validation decal shall be removed by that device owner and shall be returned to the county with the completed device transfer report provided by the county.

(2) No devices, which are permanently removed from service, shall have a validation decal displayed on them.

(3) For purposes of this section, devices permanently removed from service shall mean devices:

(A) That are sold back, or otherwise returned, and shipped to the distributor or manufacturer;

(B) That are damaged beyond repair due to theft, vandalism, or natural disasters; or

(C) That are completely dismantled for parts or destroyed and properly discarded as waste.

(d) Disabling or Seizure of Devices or Licenses. The county shall have the authority to disable, seal and/or seize any device or license at any location when a violation of the ordinance occurs, in accordance with the procedure provided herein. It shall be unlawful for any person to enable a lawfully disabled device, to break the seal of a device affixed by the county, or to continue to operate once the operator's license is seized.

(e) Requirements for Licensed Establishments.

(1) No licensed establishment shall be altered, renovated, or expanded if such alteration, renovation, or expansion is for the purpose of moving devices or installing additional devices, without first submitting to the county for approval, a written notification, via delivery by the United State Postal Service certified or registered mail, return receipt requested or a private or commercial interstate carrier, of the intent and set of plans illustrating the projected changes.

(2) All licensed establishments shall be required to have video surveillance on the inside of the establishment, as well as, on the outside of the establishment. This video surveillance should show a clear view of the gaming areas, as well as, the perimeter of the establishment. This video surveillance shall be provided to a requesting agent, or law enforcement agency, without a subpoena.

(3) If an agent or law enforcement agency requests permission to enter the establishment, they shall be granted access without interference.

(4) Any licensed establishments that allow mixed patronage shall have devices for play and operation only in designated areas. These gaming areas shall be physically separated by a partition. The partition shall be permanently affixed and solid except for an opening to allow for player access into the gaming area.

(5) A licensed establishment, which is connected by a doorway or other opening to any other business establishment, whether or not such other establishment is eligible for licensing by the county shall:

(A) Have a door, or doors, between the licensed establishment and the other entity which shall automatically close;

(B) Have a separate outside entrance for patrons, such that an individual patron may enter each establishment from the exterior of the building;

(C) Keep business records and books that are separate from those of the other entity; and

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- (D) Have personnel who work solely for the licensed establishment and not for the other entity during all hours of operation of the licensed establishment.
- (6) Required distance from churches or regular places of religious worship, schools or other educational institutions, residential neighborhoods, or other video gaming establishment:
- A) The location of any video gaming establishment is hereby prohibited where the place of business is within 1,500 feet of any church or regular place of religious worship, school or other educational institution, residential neighborhood or other video gaming establishment in the county.
- (B) The measurement of the distance between the place of business where the video gaming devices are located and the church or regular place of religious worship, school or other educational institution, or residential neighborhood or other video gaming establishment shall be along the property lines of the street fronts and from front door to front door, and in a direct line across intersections.
- (C) Once a video gaming license has been issued by the county for a particular location to a particular Licensee, it shall not be a ground for non-renewal that a church or regular place of religious worship, school or other educational institution, residential neighborhood or other video gaming establishment is located within 1,500 feet of the pre-existing video gaming establishment. However, if such pre-existing video gaming license at such location expires or is suspended or revoked for any reason, no video gaming license shall be granted for such location and no video gaming establishment shall be allowed to operate at such location in the future.
- (D) In addition to the above stated distance requirements, the maximum number of game rooms allowed to operate in the unincorporated areas of the county shall be a total of four (4) game rooms, 1 game room operation/building per precinct. However, once a video gaming license has been issued by the county for a particular location to a particular Licensee, it shall not be a ground for non-renewal that the maximum number of game rooms allowed to operate in the unincorporated areas of the county has been reached or exceeded. However, if such pre-existing video gaming license at such location expires or is suspended or revoked for any reason, no video gaming license shall be granted for such location and no video gaming establishment shall be allowed to operate at such location in the future.
- (7) It shall be unlawful for any person to possess, consume, or otherwise bring any alcoholic beverage in or upon any premises licensed as a gaming device location by the county.
- (8) It shall be unlawful for any permittee, Licensee, or employee thereof to allow any person to possess, consume, or otherwise bring any alcoholic beverage in or upon any premises licensed as a gaming device location by the county.
- (9) The exception to this prohibition by this section would not be applicable to premises licensed in accordance with the provisions of the Texas Alcoholic Beverage Code and the alcoholic beverage code of the county.
- (10) All entries and exits to licensed establishments by which customers enter and exit shall remain unlocked during all hours of operation to allow immediate, unobstructed entry into said locations by customers, county personnel, and law enforcement, and no electronic locks shall be used to prevent entry during all hours of operation.
- (11) The gaming area of a licensed establishment shall only be allowed to operate from 8 A.M. to 11 P.M. on Sunday through Thursday and from 8 A.M. to 12 A.M. on Fridays and Saturdays.
- (12) All licensed establishments shall comply with all fire code and safety code regulations at all times and shall have at least one marked fire exit for every twenty-five video gaming devices in operation on the premises.
- (13) All licensed establishments shall provide at least one exterior window in the front of the building and additional exterior windows as necessary to allow a clear and unobstructed view from the exterior of the building of all video gaming devices in operation on the premises.
- (14) All licensed establishments shall provide transparent uncovered glass in all exterior windows and it shall be unlawful for a person to cover, tint or otherwise block so as to obscure the view of any video gaming devices in operation on the premises.

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(15) No video gaming establishment shall be allowed to have more than fifty (15) video gaming machines in operation on the premises. OR no establishment shall exceed (50) amusement redemption machines per precinct (#1, #2, #3, #4) – Fail to comply with these regulations will result in fines and penalties.

SECTION 6. CODE OF CONDUCT OF LICENSEES AND PERMITTEES

(a) General Provisions.

- (1) All Licensees and permittees shall comply with all applicable federal, state, and local laws and regulations.
- (2) In addition to any other penalty or punishment imposed by law, any violation of the provisions of this article shall also constitute a violation of these rules and grounds for revocation of a license or permit issued pursuant to this article.

(b) Unsuitable Conduct.

- (1) No Licensee or permittee shall engage in unsuitable conduct or practices, nor shall employ or have a business association with any person, natural or juridical, which engages in unsuitable conduct or practices.
- (2) For purposes of this section, unsuitable conduct or practices shall include, but not be limited to the following:
 - (A) Employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;
 - (B) Misrepresentation of any material fact or information to the county;
 - (C) Obstructing or impeding the lawful activities of the county or its agents;
 - (D) Engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules of this article;
 - (E) Persistent or repeated failure to pay amounts due or to be remitted to the county; and
 - (F) A Licensee or permittee shall not engage in, participate in, or facilitate by any means, any criminal activity.
- (3) Any person granted a license or permit shall have a continuing duty to notify the county of his/her arrest, summons, citation, or charge for any criminal offense or violation including DWI; however, minor traffic violations need not be included. All Licensees and permittees shall have a continuing duty to notify the county of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the Licensee or permittee is licensed or permitted. Such notification shall be made within ten calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.
- (4) A Licensee or permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report disclosure, application, permit form, or any other document, including improperly notarized documents, required by these rules or this article.

(c) Additional Causes for Disciplinary Action.

- (1) Further instances of conduct by a Licensee or permittee where the county may sanction a Licensee or permittee shall include, but not be limited to, when:
 - (A) The Licensee or permittee has been involved in the diversion of gaming equipment for unlawful means;
 - (B) The Licensee or permittee or a designated representative of the Licensee or permittee has been involved in activities otherwise prohibited by law, or the willful purpose of which was to circumvent, or contravene the provisions set forth in the county rules;

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- (C) The Licensee or permittee has demonstrated a reluctance or inability or to comply with the requirements set forth in these rules and this article, particularly after repeated warnings;
- (D) The Licensee or permittee violates written conditions;
- (E) The county discovers incomplete or erroneous information as to a material or a substantial matter provided on an application or any item affecting the decision whether to license the applicant;
- (F) The county discovers substantial, incomplete or erroneous information provided in a report or other required communication;
- (G) The Licensee or permittee has failed to timely pay a fine imposed by the county; and
- (H) Unavailability of the Licensee or permittee, their designated representative; or any agents of the Licensee.

SECTION 7. INVESTIGATIONS

(a) Background Investigations.

- (1) All applicants shall be subject to a background investigation in order to ensure that licensing requirements are met.
- (2) All applicants shall, upon request, make available to the county, records and documentation to substantiate statements and support information supplied in the application process.

(b) Inspections of Facilities.

- (1) During all hours of operation, any licensed premises upon which a Licensee conducts any video gaming activity, shall be subject to inspection by the county without advance notice, in order to ensure compliance with the provisions of this article. If the county is denied access to inspect, that premises' license shall be suspended.
- (2) Once an inspection commences, the Licensee or a designated representative shall render full courtesy and cooperation to agents.
- (3) Upon completion of an inspection, agents may advise the Licensee or a designated representative of any violation or problems which may exist.
- (4) Agents shall provide the Licensee or designated representative with a copy of an inspection report.

(c) Inspection Records.

- (1) All Licensees shall at all times keep all records onsite on the licensed premises. Upon request, all Licensees shall make available and produce for inspection to the county, any peace officer, fire safety official, and/or any designated county or city employee for inspection all required information and records, including, but not limited to licensed establishment documents including, but not limited to: SCURRY COUNTY GAME ROOM ORDINANCE
 - (A) Licensee contract concerning the licensed premises, employee records, daily register of employee and job functions present at the establishment each day;
 - (B) Daily prize register that contains a list of all cash prizes awarded or non-cash merchandise prizes over \$50 and name, date of birth, ID/DL/SSN number of each prize winner;
 - (C) Other video gaming related documents of any of the above nature.
- (2) The county may require a Licensee to submit any and all video gaming records or documents that are necessary for the facilitation and/or completion of an investigation pertaining to a violation of these rules or this article.

(d) Inspection of Devices.

- (1) Agents of the county may, at any time, without advance notice, inspect any device located within a licensed premise.

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(2) All devices shall have, at all times, the proper validation decal affixed to the device and maintain log books properly secured in the device and available for inspection by the county. The validation decal affixed to the machine should correspond with the serial number for which the validation decal was issued. It is a violation of this ordinance to affix a validation decal to a machine other than the one it was issued for. Moreover, tampering with a validation decal, or fabricating a validation decal, is a violation of this ordinance.

(3) Agents of the county may disable and/or seize any device which it finds to be in violation of any of these rules or the law.

INSPECTION:

1. (1) Inspection: The Game Room Inspector is authorized to inspect any business in Scurry County for violations of these game room regulations, and any Game Room employee or owner, or employee or agent thereof, shall permit such an inspection.
2. (2) Consent to Entry: A game room permit granted under these regulations gives the Game Room Inspector implied Consent to enter to inspect the game room, its records, and machines, to determine compliance with this ordinance, in addition to the written consent required in the application process. Any owner or employee of a game room or other person who does not allow a law enforcement office to inspect a game room or an amusement redemption machine as required under the Local Government Code Section 234.136 commits an offense- If a person violates this Section of this ordinance, then that person shall be assessed a civil penalty of \$10,000.00 per violation, payable to the Permit Office, with each day a violation occurs or continues to occur being considered a separate violation.

SECTION 8. APPEALS

(a) The Scurry County Commissioner's Court shall appoint hearing Judge to hear all Appeals here under.

(b) If the Scurry County Sheriff denied the issuance of a license or suspends or revokes a license, he shall send to the applicant, or Licensee, by certified mail, return receipt request, written notice of his action and the right to an appeal. An appeal may be filed by giving written notice of the aggrieved party's intent to appeal to the Judge, within thirty (30) days of the receipt of the notice that a license should be denied, suspended, or revoked. The Judge shall convene within twenty (20) days of the receipt of written notice of appeal. The Judge may hear evidence from any interested party. The judge shall make a determination either affirming the Sheriff's decision or reversing the Sheriff's decision at the close of the hearing.

(c) The filing of a notice of appeal as directed above shall stay the denial, suspension, or revocation of a license pending the determination of the Judge. If the Judge affirms the Sheriff's decision, any time that accrues on the suspension or revocation before appeal is filed pursuant to this section shall be credited against the original period of suspension or revocation. The remaining period of suspension or revocation shall commence on the Judge determination to affirm the sheriff's decision.

(d) The aggrieved party may appeal the decision to a district court in Scurry County on a trial de novo basis. Filing appeal in a district court stays the decision by the judge in suspending or revoking a license until the district court makes final decision. All decisions made by the judge become final within thirty (30) days.

SECTION 9. ENFORCEMENT

(a) These regulations are promulgated pursuant to and in conformity with Chapter 234 of the Local Government Code, as amended, titled County Regulation of Businesses and Occupations. The Commissioners' Court of a county may regulate the operation of Game Rooms to promote the public health, safety, and welfare, according to Section 234.133 of the Local Government Code.

(b) It is the purpose of the Scurry County Commissioners' Court to exercise its police power, as established under Chapter 234 of the Local Government Code, to establish reasonable and uniform regulation of Game Rooms to promote the public health, safety, and welfare and to prohibit business activities which merely serve as a front for criminal activities, including but not limited to gambling and tax evasion.

(c) These Regulations do not legalize anything prohibited under the Texas Penal Code or any other law(s) or regulation(s).

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(d) Scurry County may sue in district court for an injunction to prohibit the violation or threatened violation of this subchapter or a regulation adopted under Section 234.133 of the Local Government Code. The county is entitled to recover reasonable expenses incurred in obtaining injunctive relief, including reasonable attorney's fees, court costs, and investigatory costs.

(e) A person who violates a regulation adopted under section 234.133 of the Local Government Code is liable to the county for a civil penalty of not more than \$10,000 for each violation. Each day a violation continues is considered a separate violation for purposes of assessing the civil penalty. This suit will be brought by the county in district court. The county is entitled to recover reasonable expenses incurred in obtaining civil penalties including reasonable attorney's fees, court costs, and investigatory costs.

(f) Under section 234.138 of the Local Government Code, as amended, a person commits an offense if the person intentionally or knowingly operates a Game Room in violation of a regulation adopted by the county under Section 234.133. An offense under this section is a Class A misdemeanor.

(g) The revocation or suspensions of any license shall not prohibit the imposition of a criminal penalty, and the imposition of a criminal penalty shall not prevent the revocation or suspension of a license.

(h) Pursuant to Texas Local Government Code Section 234.138, a person commit an offense if the person intentionally or knowingly operates a game room in violation of this ordinance, or regulation set out Herein. A violation is classified as a Class "A" misdemeanor. Texas Local Government Code 234.138 (b).

SECTION 10. APPLICATION

The applicant shall complete an application and registration of video game devices as set forth in attachments "A," "B," and "C."

SECTION 11. EXISTING LAWS

Nothing herein shall be construed or have the effect to license, permit, authorize or legalize any machine, device, table or coin-operated or slot machine, the keeping, exhibition, operation, display or maintenance of which is now illegal or in violation of any article of the Texas Penal Code and of any federal laws of the United States of America.

- The Commissioners Court shall cause a notice of the passage of this ordinance to be published twice within thirty (30) days of the passage of the Ordinance in a newspaper of general circulation within Scurry County. The notice shall announce the passage of the Ordinance and the availability of additional information from the Scurry County Commissioners Court.

SECTION 12. GRANDFATHERED GAME ROOM REQUIREMENTS

Game rooms that were in operation prior to the effective date of the County Game Room Ordinance **10/31/2025** are considered *grandfathered* and are temporarily exempt from compliance with the regulations outlined in the ordinance. However, **beginning on 01/01/2026** or upon completion of the application for new game room approval, whichever comes first, all grandfathered game rooms must come into full compliance with the current County Game Room Ordinance. Failed to do so will be in violation of the County Ordinance. Failed to do so many result in Civil Penalties. As long as the Game room remains in continuous operation at the same location, it will be exempt from not being able to be located within the required distances stated above.

- A game room that was not in continuous operation since **10/31/2025** shall not operate during the pendency of the application and until the game room application is approved and the permit issued. A game room that has been in continuous operation since **10/31/2025** is permitted to continue operating during the pendency of the application as long as the application is filed on or before **01/01/2026**.

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- Any person who continues with the operation of a game room without complying with this requirement shall be in violation of this Ordinance and shall be assessed a civil penalty of 10,000.00 per violation, with each day a violation occurs or continues to occur being considered a separate violation, payable to the permit office (400 37th Street) – Scurry County Sheriff's Office.

SECTION 13. MISCELLANEOUS

Should any conflict between the Texas Local Government Code, Chapter 234 E 'Game Rooms' and this ordinance exist, the Texas Local Government Code shall control.

SECTION 14. EFFECTIVE DATE

This Ordinance shall become effective **09/16/2025**.

BE IT SO ORDERED

on this _____ day of _____, _____.

SCURRY COUNTY, TEXAS