

WEBB COUNTY



ORDER REGULATING COIN-OPERATED MACHINES & GAME ROOMS

Adopted: _____, 2020

WEBB COUNTY ORDER REGULATING COIN-OPERATED MACHINES AND GAME ROOMS

Contents

SECTION 1 – INTENT AND AUTHORITY	1
Section 1.1 – Statutory Authority	1
Section 1.2 – Purpose and Intent	1
Section 1.3 – Applicability	2
Section 1.4 – Effective Date	2
Section 1.5 – Abrogation and Greater Restrictions	3
Section 1.6 – Interpretation	3
Section 1.7 – Effect on Other Laws	3
Section 1.8 – Cumulative Effect	3
Section 1.9 – Severability and Future Amendments	3
SECTION 2 – DEFINITIONS	4
SECTION 3 – ADMINISTRATION	9
Section 3.1 – Designation of Game Room Administrator	9
Section 3.2 – Authority, Duties, and Responsibilities	9
SECTION 4 – COIN-OPERATED MACHINES	11
Section 4.1 – Regulation of Coin-operated Machines	11
Section 4.2 – Webb County Occupation Tax	11
Section 4.3 – Annual Registration Certificate and the Payment of Occupation Taxes.....	11
Section 4.4 – Display of Tax Permit and Inventory Control	12
Section 4.5 – Zoning; Land Use Regulations	13
Section 4.6 – Relocation of Machine	13
Section 4.7 – Decommissioning	13
Section 4.8 – Sealing of Delinquent Machines; Mandatory Release Fee	14
SECTION 5 – GAME ROOM LICENSES AND PERMITS	15
Section 5.1 – General Provisions	15
Section 5.2 – Operator License	16
Section 5.3 – Redemption Machine Owner License	17
Section 5.4 – Game Room Business Owner License	19
Section 5.5 – Premise Permit	20
SECTION 6 – GAME ROOM REGULATIONS	22

Section 6.1 – Hours of Operation	22
Section 6.2 – Prohibited Employment and Contracts.....	22
Section 6.3 – Display of Game Room Tax Permits, Inventory Controls, and Licenses.....	22
Section 6.4 – Public Nuisance and Sanitation	22
Section 6.5 – Distancing Restrictions	23
Section 6.6 – Dormant and Inactive Game Rooms.....	23
Section 6.7 – Decommissioned Machines	24
Section 6.8 – Deferral.....	25
SECTION 7 – DENIAL, SUSPENSION, OR REVOCATION.....	26
Section 7.1 – Enforcement of Licenses and Permits, Generally	26
Section 7.2 – Conditions for Denial	26
Section 7.3 – Suspensions.....	27
Section 7.4 – Revocations.....	28
SECTION 8 – PENALTIES.....	30
Section 8.1 – Injunction; Civil Penalty.....	30
Section 8.2 – Criminal Penalty	30
SECTION 9 – FEE SCHEDULE	31
SECTION 10 – EXEMPTIONS, EXCLUSIONS AND “GRANDFATHERING”	32
Section 10.1 – Bingo and Charitable Organizations	32
Section 10.2 – Family Amusement Center; Exclusions & Annual Registration.....	32
Section 10.3 – Grandfathered Premise Permit	32
SECTION 11 – APPEAL	34
Section 11.1 – Appeal.....	34
APPENDICES	35
Appendix I – Certifications for Adoption.....	36
Appendix II – Amendments, Revisions, and Modifications.....	37
Appendix III – Fee Schedules.....	38
Appendix IV – Forms.....	39

Adopted _____, 2020

SECTION 1 – INTENT AND AUTHORITY

Section 1.1 – Statutory Authority

These regulations are promulgated pursuant to Chapter 234, Subchapter E, Texas Local Government Code (TLGC) and Chapter 2153, Texas Occupations Code (TOC), as may be amended, to promote public health, safety and to ensure conformance with regulatory land uses, tax obligations, and public health regulations in Webb County, Texas.

To achieve conformity with all land use regulations and as may be authorized by §2153.452(a), TOC or §234.139, TLGC, these rules shall also incorporate by reference the following state laws and Webb County Orders in effect at the time that an application is filed with the Game Room Administrator pursuant to this Order:

- (a) §341.068 (a-b) and §341.014 (a-e), Texas Health and Safety Code;
- (b) Texas Administrative Code Title 25, Part 1, Chapter 265 Subchapter I;
- (c) Flood Damage Prevention Order;
- (d) Model Subdivision Rules and Subdivision Regulations;
- (e) Order Regulating On-Site Sewage Facilities (OSSF); and
- (f) Solid Waste Management Regulations.

If applicable, these rules shall also incorporate any enacted federal, state or local government's land use regulations governing the location or business operations of game rooms including, but not limited to, subdivision regulations, zoning ordinances, building codes, fire codes, or other regulatory codes, ordinances or orders in effect at the time an application is filed (see §2153.452, TOC).

Section 1.2 – Purpose and Intent

As set out in testimony before the Texas Legislature in the 83rd and 84th Legislative Sessions, with the rise in the number of unregulated game rooms throughout the state, there has been an associated increase in criminal activity and adverse secondary effects including, but not limited to personal and property crimes, gambling offenses, weapon offenses, illicit drug use and drug trafficking. Such unregulated business activities has led to decreased public safety and negative impacts to surrounding properties, schools, and residential neighborhoods. Through the enactment of HB 892 during the 86th Legislative Session, the Legislature recognized the importance of confronting illegal gambling activities by making county regulatory authority over game rooms statewide.

It is the intent of the Webb County Commissioners Court to enact this Order to promote the

public health, safety and welfare of Webb County citizens by regulating game rooms through the licensing and permitting of said facilities in conformance with this Order. The adoption of these regulations have been designed to lessen threats to public safety, advances the public safety purpose and does not impose burdens greater than necessary to limit dangers to life or property by regulating the operation, location and number of game rooms in Webb County, Texas.

It is the further intent of the Webb County Commissioners Court to provide a mechanism by which Webb County enforces the payment of state and local occupation taxes through this Order and in conformance with the overlapping authorities set out in Chapter 2153, Subchapter J, TOC and Chapter 234, Subchapter E, TLGC.

In furtherance of the public health, safety and welfare purpose, it is the intent of the Webb County Commissioners Court to prohibit the operations of game rooms through this Order which are not compliant with state and local sanitation and public nuisance regulations by requiring game rooms to adhere to all enacted regulations governing sanitation, water service, sewer connection or discharge, solid waste disposal, flood protection or floodplain management provisions, or similar land use or occupation restriction as a condition of licensing a game room to operate in Webb County, Texas.

The Webb County Commissioners Court has found that the adoption of this Order will reduce public nuisances characteristic with the operation of such businesses and increases the payment of tax obligations to State and Local Government.

Section 1.3 – Applicability

Except as may be provided by **Section 10 – Exemptions, Exclusions and “Grandfathering”**, this Order shall apply to all persons, entities, businesses, coin-operated machines and amusement redemption machines located within the jurisdiction of Webb County, Texas including any territory located within a municipality, incorporated place, or special district.

Section 1.4 – Effective Date

The effective date of this Order is _____, **2020**. Except as may be provided herein for existing businesses, after _____, **2020**, no person, business or corporation may operate a game room or exhibit an amusement redemption machine in violation of these regulations or without the corresponding licenses or permits required by this Order.

Existing businesses that were operational on and before _____, **2020**, shall be granted an additional ____ days from the effective day of this Order (**being _____, 2020**) to file all necessary applications for licensing and/or permitting and to undertake all corrective measures to bring the existing business operation into compliance with this Order. It shall be a violation

of this Order for such existing businesses to operate a game room or exhibit an amusement redemption machines after _____, **2020** without required licensing or permitting in compliance with this Order.

Subject to the criteria and limitations established by Section 10.3 of this Order, existing businesses that were legally operational on and before _____, **2020**, may be considered for grandfathering exceptions to distancing and setback requirements pursuant to Section 10.3.

Section 1.5 – Abrogation and Greater Restrictions

This Order is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. Where this Order and another order, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail. Equally, any conflict between this Order and any federal, state or local government regulation, the more stringent regulation shall govern.

Section 1.6 – Interpretation

In the interpretation and application of this Order, all provisions shall be; (a) considered as minimum requirements; (b) liberally construed in favor of the governing body; and (c) deemed neither to limit nor repeal any other powers granted under State statutes.

Section 1.7 – Effect on Other Laws

- (a) This Order does not legalize any activity prohibited under the Penal Code or any other State or Federal law.
- (b) A person’s or entities’ compliance with this Order, including operating a game room license issued by this Order, is not a defense to prosecution for:
 - (1) an offense under Title 10, Chapter 47, Penal Code; or
 - (2) an offense subject to prosecution under §234.138, TLGC.

Section 1.8 – Cumulative Effect

The regulations enacted through this Order are cumulative of any other authority that the county has to regulate game rooms, businesses, health and safety regulations, or real property and does not limit that authority including, but not limited to, the assessment and collection of other fees associated with another authority.

Section 1.9 – Severability and Future Amendments

If any section, clause, sentence, or phrase of this Order is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Order. It is intended that these regulations shall be severable and may be constructed and applied as if any such invalid or unconstitutional section, clause, sentence, or phrase had not been included herein.

Any statutory authority cited herein shall include any future amendment enacted.

SECTION 2 – DEFINITIONS

Unless specifically defined below, words or phrases used in this Order shall be interpreted to give them the meaning they have in common usage and to give this Order its most reasonable application.

1. **“Amusement Redemption Machine”** or **“Redemption Machine”** or **“Machine”** - as defined by §234.131(1), Texas Local Government Code, 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.
2. **“Family Amusement Center”**– means a business with amusement redemption machines that are designed for and used in a family fun center, restaurant or arcade with the primary focus of entertainment of children and families.
3. **“Decommissioning”** or **“Temporary Decommissioning”** – means either the permanent relinquishment or the temporary deferment of a license of an amusement redemption machine that is or will be removed from exhibition, use, or operation.
4. **“Deferral”** or **“Deferment”** – means temporary postponement of a game room license and its operation in which an owner or operator has voluntarily ceased operations in order to correct potential deficiencies, secure licensing of new machines, or comply with any other rule, regulation or taxing requirement. See also **“Suspend”** or **“Suspension”**.
5. **“Dwelling”** or **“Residence”** – means any existing structure, mobile home, manufactured home, vehicle, shelter, or self-contained unit of accommodation that is or has, within the last five years, been used as a place of habitation by one or more households regardless of whether such use is permanent, temporary or seasonal.
6. **“Gambling Device”** - means a device described by §47.01(4) (A), Texas Penal Code.
7. **“Game Room”** - as defined by §234.131(2), Texas Local Government Code, means a for-profit business located in a building or place that contains six or more:
 - (a) amusement redemption machines; or
 - (b) 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.

For the purpose of regulation and licensing requirements of this Order, a game room is comprised of all buildings, parking facilities, appurtenant structures, and real property used in the operation of the game room.

8. **“Game Room Administrator”** - The Webb County Commissioners Court appoints the Webb County Game Room Administrator who serves at the pleasure of the Court. The Game Room Administrator shall supervise, control, operate and administer this Order. The Game Room Administrator shall evaluate, approve, deny, attach conditions to, administratively suspend, or revoke game room licenses pursuant to these regulations and any applicable state law. See Section 3.1– Designation of Game Room Administrator.
9. **“Game Room Compliance Officer”**– means the Webb County code enforcement officer(s) or other county personnel designated by the Game Room Administrator to perform inspections, investigations, inventory and other regulatory functions in the administration of this Order.
10. **“Game Room Law Enforcement Official”** – Under a separate Order, the Webb County Commissioners Court may appoint a Webb County Game Room Law Enforcement Official who serves at the pleasure of the Court as the lead enforcement official to investigate and enforce violations of these regulations. In addition to the Game Room Law Enforcement Official, any law enforcement agency is authorized to investigate and enforce violations of these regulations, including any peace officer defined by the Texas Code of Criminal Procedure Art. 2.12.
11. **“Game Room Operator”** or **“Operator”** - as defined by §234.131(4), Texas Local Government Code, means an individual who:
 - (a) 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;
 - (b) 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;
 - (c) takes orders from a customer of a game room for merchandise, goods, entertainment, or other services offered on the premises of a game room;
 - (d) acts as a door attendant to regulate entry of customers or other persons into a game room; or
 - (e) supervises or manages other persons at a game room in the performance of an activity listed in this subdivision.

12. **“Game Room Owner”** - as set out and defined by §234.131(3), Texas Local Government Code, means a person or entity who:

- (a) has an ownership interest in, or receives the profits from, a game room or an amusement redemption machine located in a game room;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) signs a lease for a game room;
- (f) opens an account for utilities for a game room;
- (g) receives a certificate of occupancy or certificate of compliance for a game room;
- (h) pays for advertising for a game room; or
- (i) signs an alarm permit for a game room.

For the purpose of regulation and licensing of this Order, this Order recognizes the unique ownership and financial interests of game room businesses and further segregates such interests into the categories of **“amusement redemption machine”**, **“business”**, or **“premise”** of the real property used for the game room. See also: **“Owner”** as defined herein.

13. **“Grandfathered” or “Grandfathering”** – means a non-conforming business, location or use in existence prior to the enactment of this Order. For the purposes of this Order, “grandfathered,” means a “Grandfathered Premise Permit” issued by the Game Room Administrator pursuant to Section 10.3 of this Order.

14. **“License”** – means a license issued to a person or entity by the Game Room Administrator pursuant to this Order. This Order establishes three (3) categories of licenses as defined below:

- (a) **“Amusement Redemption Machine Owner License”** – means the license issued to a person or entity with ownership interest in one or more redemption machines at a specific location. A separate Redemption Machine License is required for each location in the event that an owner/entity exhibits machines at more than one location.
- (b) **“Business Owner License”** – means the license issued to a person or entity with ownership interest in a game room business as defined by Section 2.12, “Game Room Owner” regardless of whether said person or entity possesses any interest in the real

property containing the game room.

- (c) **“Operator License”** – means the license issued to a person defined as an operator as defined by Section 2.11, “Game Room Operator”.

15. **“Owner”** – means a person or entity defined by Section 2.12. For the purpose of this Order, unique ownership interests of game room businesses have been categorized as follows:

- (a) **“Amusement Redemption Machine Owner”** - means a person or entity with ownership or financial interest in an amusement redemption machine exhibited in a game room.
- (b) **“Business Owner”** - means a person or entity with a financial or ownership interest in the business of a game room regardless of whether said person or entity possesses any interest in the premise or exhibited redemption machines. When the business owner of a game room is different from the premise owner, a separate license shall be required from each owner that clearly identifies the interest in either the business or the real property.
- (c) **“Premise Owner”** – means a person or entity with ownership or financial interest in the real property comprising a game room.

16. **“Premise”** – for the purpose of this Order shall mean the land, buildings or parts of buildings including all appurtenances, parking facilities and real property used in the operation of a game room.

17. **“Premise Permit”** – means the permit issued by the Game Room Administrator that identifies a specific location where a game room may be established. A Premise Permit is valid for twelve (12) months and must be renewed annually. A Premise Permit shall be issued either as:

- (a) **“Regular”** - being a permit issued to a location which conforms to all set-back and distancing requirements;
- (b) **“Regular Non-conforming”** - being a permit issued at a location which conformed to all set-back and distancing requirements when the initial permit was issued but has since become non-conforming due to subsequent development by others; or
- (c) **“Grandfathered”** - being a permit issued to a location containing a grandfathered, pre-existing business as defined by Section 2.13 and subject to the criteria and limitation provisions set out by Sections 6.6 and 10 of this Order.

18. **“Residence”** or **“Dwelling”** – means any existing structure, mobile home, manufactured home, vehicle, shelter, or self-contained unit of accommodation that is used or is zoned as a place of habitation by one or more households regardless of whether such use is permanent, temporary or seasonal.

19. **“Residential Property”** or **“Residential Neighborhood”** – means:

- (a) any unplatted or platted subdivision identified or designated as a **“colonia”** as further regulated by the Webb County Model Subdivision Rules and Chapter 232, Subchapter B, Texas Local Government Code, or any amendment thereto; and
- (b) any tract that contains ten (10) or less acres that has not been restricted against residential use by a recorded deed or plat and in which a residential structure or dwelling is located.
- (c) Any property which is used for residential purposes or is zoned residential.

20. **“Revoke”** or **“Revocation”** – means the permanent end to any owner or operator license or permit issued by the Game Room Administrator under this Order. Revocations do not entitle the license or permit holder to any refund of fees or taxes

21. **“Suspend”** or **“Suspension”** – means the temporary removal of any owner or operator license or permit issued by the Game Room Administrator under this Order until resolution of all pending regulatory enforcement matters or the license/permit is revoked. Suspensions do not extend any license/permit expiration dates nor entitle the license or permit holder to any refund of fees or taxes.

SECTION 3 – ADMINISTRATION

Section 3.1 – Designation of Game Room Administrator

The Webb County Commissioners Court appoints the Webb County Planning Director to serve as Webb County's Game Room Administrator to implement and administer the provisions of this Order and other regulatory authorities governing the operation of game rooms or coin-operated machines located within Webb County, Texas.

Section 3.2 – Authority, Duties, and Responsibilities

The Game Room Administrator duties and responsibilities shall include, but not be limited to, the provisions set out herein below:

1. Implement procedures and forms governing the application process or any required evidentiary documents necessary to administer this Order; the Game Room Administrator has been delegated discretionary authority in this regard.
2. Coordinate and implement procedures in conjunction with the Webb County Tax Assessor and Collector to ensure the efficient collection and documentation of occupation taxes associated with this Order.
3. Where interpretation is needed (i.e., exact location of boundaries or facilities; the applicability of rules; more stringent provisions; the number of licenses or fees required for compliance for a specific game room, etc.), the Game Room Administrator shall make the necessary interpretation.
4. Monitor, investigate and inspect all game rooms located within Webb County to ensure all such businesses comply with this Order.
5. Review all applications to determine compliance with this Order and ensure all required state or local permits, licenses, certificates, registrations, and approvals have been/will be obtained and that all applicable state and local fees and occupation taxes are paid.
6. Approve or deny all applications for licenses or permits as set out by this Order.
7. Suspend or revoke licenses and/or permits as may be necessary to ensure game room businesses, equipment, owners, and operators comply with this Order.
8. Monitor, investigate and inspect coin-operated machines and redemption machines located in Webb County to ensure each exhibited machine is a) located where authorized; b) possesses valid/current licenses or permits; and c) are properly tagged with state and county tax permits and county inventory control seals/tags.
9. Implement procedures for the decommissioning of game room redemption machines that are no longer operational, suspended, revoked or expired;

10. Coordinate and cooperate with other governmental agencies, law enforcement officials, and prosecuting attorneys to ensure game room business operations are compliant with federal, state or local laws and regulations and all associated fees or taxes are paid.
11. Report violations of this Order or other laws governing game room operations, equipment, owners, operators or employees to the appropriate law enforcement official and/or prosecuting attorney.
12. Upon request, assist any prosecuting authority, law enforcement agency or peace officer in their investigation or enforcement of game room operations, owners or operators.
13. Maintain and hold open for public inspection all public records pertaining to the provisions of this Order.
14. As needed, assign staff to perform regulatory enforcement functions required by this Order. The Game Room Administrator may delegate to an authorized employee or representative the authority to inspect, monitor, investigate or review for regulatory compliance including the authority to approve or deny applications. To be valid, any such delegation of authority must be executed in writing by the Game Room Administrator, identify the purpose of the delegation, and expressly provide for any conditions or limitations of the delegation. Written delegations shall be made available for public inspection in the office of the Game Room Administrator.
15. Periodically review, maintain and modify as may be needed the Appendices of this Order to ensure all forms and documents are the most current and applicable.

SECTION 4 – COIN-OPERATED MACHINES

Section 4.1 – Regulation of Coin-operated Machines

1. Pursuant to the authority of Chapter 2153, Subchapter J, Texas Occupations Code, all music, skill or pleasure coin-operated machines located and exhibited within Webb County, Texas that are defined by and subject to regulation and taxation under Chapter 2153, Texas Occupations Code, shall be regulated by this Order.
2. No person, company or corporation may exhibit or display a coin-operated machine in Webb County subject to this Order that has not complied with the provisions set out herein or is delinquent in the payment of state or county occupations tax as imposed by Chapter 2153, Texas Occupations Code.
3. In addition to the regulatory provisions of Section 4, pursuant to the authority of Chapter 234, Subchapter E, Texas Local Government Code a coin-operated machine that is also an “amusement redemption machine” (defined by Section 2.1) that is exhibited in a “Game Room” (defined by Section 2.7), shall be further regulated by all applicable game room regulations and the licensing and permitting requirements established by this Order.
4. The Game Room Administrator shall determine whether a coin-operated machine is subject to further regulation as set out under this section.

Section 4.2 – Webb County Occupation Tax

1. Pursuant to the authority of §2153.451, Texas Occupations Code, the Webb County Commissioners Court has adopted an annual occupation tax of one-fourth the State’s imposed occupation tax for each coin-operated machine displayed or exhibited in Webb County. See Appendix IV – Fee Schedules for current tax.
2. The occupation tax is due and payable on or before **January 1st of each calendar year**. The tax must be paid in full each calendar year and the payment will apply to the calendar year in which the tax is due.
3. The occupations tax may not be pro-rated. There shall be no refund for a machine displayed for less than a full calendar year (a machine was placed in exhibition after January 1st or removed from exhibition before December 31st). The Tax Assessor Collector may not refund or assign credit for the tax imposed to an owner who ceases to exhibit or display a coin-operated machine before the end of the calendar year for which the tax is imposed.

Section 4.3 – Annual Registration Certificate and the Payment of Occupation Taxes

1. To exhibit or display a coin-operated amusement machine in Webb County, Texas, no later than **January 15th of each calendar year** the owner of a coin-operated amusement machine must file an annual registration certificate with the Webb County Game Room Administrator which clearly identifies the machine, its location, and

evidences the payment of State and County occupations tax. At a minimum, the content of the registration certificate shall include the following:

- (a) Name of owner(s);
 - (b) Serial number of machine(s);
 - (c) Model and Description of machine(s);
 - (d) Evidence of payment of State and County occupations tax; and
 - (e) Physical location and address where each machine is exhibited.
2. The purpose of the annual registration certificate is to identify, document, and confirm the payment of occupations tax by the owners of coin-operated amusement machines and to ensure compliance with game room regulations, licensing and permitting requirements established by the Order. The Game Room Administrator will file a copy of the annual registration certificate with the Webb County Tax Assessor Collector to confirm and monitor compliance with all regulatory matters and payment of taxes.
 3. There is no fee for an annual registration certificate.
 4. Owners of multiple machines at various locations may identify all machines owned in one registration certificate form provided that the locations of machines are clearly discernable, and the machines are grouped by each location.

Section 4.4 – Display of Tax Permit and Inventory Control

1. The occupations tax permits issued by Texas State Comptroller and the Webb County Tax Assessor Collector must be visible and securely attached to every exhibited or displayed coin-operated amusement machine available for customers to use.
2. In addition to tax permits, an inventory control seal issued and affixed by the Game Room Administrator must be securely attached to each coin-operated machine defined as a an “amusement redemption machine” to every exhibited or displayed coin-operated amusement machine that is located in a Game Room.
3. Game Room Business Owners as defined herein under Sections 2.12 and 2.15(b), shall be held responsible to ensure that all machines are compliant with the display of tax permits and inventory control seals/tags for each amusement redemption machine exhibited or displayed in their game room business. Business owners or operators shall remove from exhibition any machine with expired, missing or damaged tax permits or inventory controls seals/tags.
4. A person who removes or causes the removal of a state tax permit required by this section commits a criminal offense and is subject to prosecution under §2153.360 of the Texas Occupations Code.

Section 4.5 – Zoning; Land Use Regulations

1. This Order does not prohibit a local government from exercising its authority relating to zoning or land use regulations affecting the property where a coin-operated amusement machine is located.
2. A registration certificate filed with the Game Room Administrator or tax certificate issued by the Webb County Tax Assessor Collector does not authorize or permit a coin-operated amusement machine to be exhibited if it is in violation of any zoning ordinance or land use restriction. In the event that a coin-operated amusement machine is found to be non-compliant with a zoning or land use restriction, the machine owner must undertake the necessary actions to bring the machine into compliance including, but not limited to, the procedures for the relocation of a machine regulated under this Order.
3. A coin-operated machine that is also an “amusement redemption machine” (defined by Section 2.1) that is exhibited in a “Game Room” (defined by Section 2.7), shall be further regulated by all applicable game room regulations and the licensing and permitting requirements established by this Order.
4. If there is a conflict between this Order and any state or local government regulation affecting the location, setback, or exhibition of a coin-operated machine or an amusement redemption machine, the more stringent regulation shall govern.

Section 4.6 – Relocation of Machine

1. Except as provided by subsection 2, an annual registration certificate holder shall notify the Webb County Game Room Administer of any change in the location of an exhibited or displayed coin-operated machine registered by filing an amendment to the annual registration certificate with the Administrator not later than 10 (ten) business days after the date of the change.
2. Despite any conflicting regulation, a coin-operated machine that is also defined as an “amusement redemption machine” that is located in a “game room” as defined by this Order, shall not be relocated for exhibition or display until its relocation has been approved by the Game Room Administrator through documentation that certifies that all regulatory matters associated with the game room and licensing are fully compliant with this Order.

Section 4.7 – Decommissioning

1. A Redemption Machine Owner may apply to the Game Room Administrator for the decommissioning of an amusement redemption machine for the permanent or temporary removal of a machine from exhibition, use, or operation pursuant to this section and as further regulated by Section 6.7.
2. The Game Room Administrator or designees can also initiate decommissioning of an amusement redemption machine.

3. The primary purpose of decommissioning is to establish a method to remove a machine in the inventory of the annual registration certificate or game room licensing because of inoperability, sale, transfer, repair, relocation or as necessary to undertake corrective measures to bring a machine into compliance with this Order.
4. Decommissioning does not extend the licensing expiration date nor entitle the machine or owner to any refund of fees or taxes.
5. A permanent or fully decommissioned machine shall submit an application for a new license to bring it back into operation, use or exhibition.

Section 4.8 – Sealing of Delinquent Machines; Mandatory Release Fee

1. No coin-operated machine may be exhibited or displayed that is delinquent in the payment of the county's occupation taxes.
2. The Webb County Tax Assessor Collector, Game Room Administrator, a licensed peace officer, or an authorized County employee shall seal an exhibited or displayed coin-operated amusement machine that is delinquent in the payment of county occupations tax or does not have affixed to the machine a current county tax permit pursuant to Section 4.4.
3. There shall be a mandatory \$5.00 release fee for each machine sealed under this section.
4. A sealed machine may not be unsealed until all taxes and release fees have been paid.

SECTION 5 – GAME ROOM LICENSES AND PERMITS

Section 5.1 – General Provisions

1. Pursuant to Chapter 234, Subchapter E, Texas Local Government Code, the Texas Legislature has set out authority for a county to regulate the location and operation of game rooms and to provide for the licensing or permitting of game room owners and operators. In order to perform such duties in the most efficient manner, Webb County has set out the licensing and permitting for game rooms into the following categories:

Licenses:

- (a) **Operators** (Section 5.2);
- (b) **Redemption Machines Owners** (Section 5.3);
- (c) **Game Room Business Owners** (Section 5.4); and

Permits:

- (d) **Premise Permit: Regular** (Section 5.5);
 - (e) **Premise Permit: Regular Non-conforming** (Section 5.5); and
 - (f) **Premise Permit: Grandfathered** (Section 5.5).
2. To ensure all required licenses and permits are acquired, a series of applications may be required to obtain a Game Room Business License to operate a game room. Game Room Business Licenses shall not be issued until the business owner has submitted evidence that:
 - (a) all other required licenses/permits for the Operators, Redemption Machines and Premise have been approved and issued by the Game Room Administrator; and
 - (b) coin-operated machines are compliant with this Order and all state and local occupation taxes are current for each machine to be exhibited.
 3. It shall be unlawful for any Game Room subject to regulation under this Order to operate without the required licensing or permitting as set forth herein.
 4. Section 6.6 of this Order shall govern Game Rooms that become dormant or inactive. The Business Owner License and Premise Permit shall be revoked for a Game Room that has become dormant. A license or permit revoked due to inactivity requires a new application to re-establish game room operations in full compliance with all existing regulations including all distancing and setback requirements. All previously issued “Non-conforming” or “Grandfathered” permits are forfeited and the location is no longer

eligible for any exception or exemption to this Order when a game room's premise permit is revoked.

5. An application for any license or permit under this Order shall constitute the applicant's agreement that:
 - (a) Except as made confidential by state law, all applications filed with the Game Room Administrator are a public record;
 - (b) During regular business hours, authorized County employees and/or peace officers shall have uninterrupted access to all displayed or exhibited amusement redemption machines and all public areas of the game room premise to inspect, investigate, inventory or monitor for compliance with this Order; and
 - (c) For licensing, renewals and/or inventory purposes, a Game Room Business Owner or Operator shall provide uninterrupted access to a game room during the County's regular business hours (generally, 8:00 am to 5:00 pm, Monday through Friday), for county employees to inspect, investigate, inventory, or monitor for compliance with this Order. For game rooms that are not open to the public during the County's regular business hours, a Game Room Business Owner or Operator shall provide such access within 48-hours from notice by the Game Room Administrator or authorized county officials/personnel.
6. To obtain a license or permit regulated by this Order, a complete application must be filed with the Game Room Administrator on the forms provided by the Administrator or as may be required by this Order.
7. Incomplete applications will not be accepted. In the event that additional documentation is required, the applicant must submit all required documents within 45 calendar days of receiving written notice from the Game Room Administrator of deficient or missing documents. Applications in which the applicant has failed to submit missing documents within said 45 days shall become null and void on the 46th day from the date of notice from the Game Room Administrator and any application fee submitted shall be forfeited. A new application with applicable fees must be submitted for reconsideration of a voided application.
8. The issuance of a license or permit by the Game Room Administrator shall be contingent upon validation of application submittals including, but not limited to, on-site inspections, deed research, document confirmation, investigation of tax payment, or other regulatory matter required by this Order. Licensing or permitting will be processed after confirmation or validation of such issues.

Section 5.2 – Operator License

1. This Section regulates the licensing of Operators as defined by §234.131(4), Texas Local Government Code and in this Order under Section 2.11.

2. The issuance of an Operator's License authorizes a person defined by Section 2.11 to work in any licensed Game Room within Webb County. An applicant for an Operator's License must file an application with the Game Room Administrator together with required fees (see Appendix IV, Fee Schedule) and a copy of the applicant's State or Federal issued photo ID or driver's license.
3. Since an Operator License authorizes a person to work in Webb County game rooms, applicants must provide evidentiary documentation of their eligibility to work in the United States such as those acceptable documents required in Form I-9.
4. Licensed Operators will be issued a picture ID card by the Game Room Administrator which must be worn and displayed by the operator at all times while on duty. Failure to obtain or adhere with licensing requirements, including the display of such license while on duty, may be grounds for the Game Room Administrator to suspend or revoke an operator license and any other license issued under this Order.
5. Operator Licenses are valid for one (1) year from the date of issuance and must be renewed annually before expiration.

Section 5.3 – Redemption Machine Owner License

1. This Section regulates the licensing of a Redemption Machine Owner as defined by Section 2.14(a).
2. The issuance of a Redemption Machine Owner License shall authorize a person or entity to exhibit one or more licensed machine in a specific licensed game room location in Webb County. Redemption Machine Owners must acquire a separate license for each game room location in which they display redemption machines.
3. An applicant for a Redemption Machine Owner License must file an application with the Game Room Administrator together with required fees (see Appendix IV, Fee Schedule) and evidentiary documentation confirming all taxes are current with the Texas Comptroller of Public Accounts and with the Webb County Tax Assessor/Collector.
4. A valid Redemption Machine Owner License shall be displayed at all times together with the Game Room Business License and Premise Permit at each licensed game room. Failure to obtain and adhere to the licensing and display requirements may be grounds for the Game Room Administrator to suspend or revoke a Game Room Business Owner's License or any other license issued under this Order.
5. A Redemption Machine Owner License and its renewal is contingent upon payment of all County occupation taxes as set out in Section 4.2 of this Order. All Redemption Machine Owner Licenses are due and payable **February 1st of each calendar year** unless the deadline falls on a Saturday, Sunday or county holiday which will extend the deadline to the following working day. An issued license shall cover the licensing requirement for the entirety of the calendar year in which it is issued regardless of the

number of day(s) the machine is exhibited throughout the year. The license fee may not be pro-rated and there shall be no refund of a licensing fee.

6. A Redemption Machine Owner License shall be issued for each game room site or location machines are exhibited. In the case of a Redemption Machine Owner with machines at multiple locations, a separate license is required for each location.
7. Licensed Redemption Machines may be authorized to be relocated and exhibited in a different game room location in Webb County only if the owner applies for and receives a new License or License Revision from the Game Room Administrator in compliance with the following:
 - (a) Redemption Machine Owners must notify the Game Room Administrator within ten (10) business days of any machine that has been relocated;
 - (b) A relocated Licensed Redemption Machine shall not be exhibited in a new game room location until a new License or a License Revision has been issued for the relocated machine at the new location;
 - (c) Owners must apply for either a new License (new locations not previously licensed by the owner) or a License Revision (site revision of an existing license) together with the applicable fees (see Appendix IV, Fee Schedule) to authorize exhibition of relocated machine(s); and
 - (d) Failure to provide notice required by the section or exhibiting a relocated machine without an approved License or License Revision shall be grounds for the Game Room Administrator to suspend or revoke a Game Room Redemption Machine Owner's License or any other license issued under this Order.
8. A License for Redemption Machine(s) and its annual renewal is contingent upon the following requirements and licensing agreements:
 - (a) Pursuant to §234.136, Texas Local Government Code, the county, through its Game Room Administrator, designated county employees, or any peace officer, may conduct uninterrupted, spontaneous inspections, as may be necessary to ensure compliance with this Order. Licensing or an application for a license is the equipment owner's agreement to authorize the county to perform such inspections as set out in Section 5.1.5;
 - (b) Licensing or an application for a license is the equipment owner's agreement to authorize the county to affix the county's inventory control devices or barcode seals/tags on machines for the county's identification, inspection and monitoring of such equipment; and
 - (c) Licensing or an application for a license is the equipment owner's acknowledgement and agreement that all machines will be removed from exhibition from any game room that does not possess a valid premise permit or

license; or the permit or license has been deferred, suspended or revoked for any reason including an action taken pursuant to Section 6.6 for a dormant business.

Section 5.4 – Game Room Business Owner License

1. This Section regulates the licensing of a Game Room Business Owner as defined by Section 2.14(b).
2. The issuance of a License for a Game Room Business Owner shall authorize a person or entity to open a game room and/or exhibit licensed Redemption Machines at a specified site in which the Game Room Administrator has issued a valid Premise Permit. Game Room Business Owners must acquire a separate license for each game room location in which they display Redemption Machines.
3. An applicant for a Game Room Business Owner License must file an application with the Game Room Administrator together with:
 - (a) a copy of the applicant's State or Federal issued photo ID or driver's license;
 - (b) a valid Premise Permit for the location of the game room;
 - (c) a copy of the license or licenses for each Redemption Machine to be exhibited or displayed which indicates that all occupation taxes are current;
 - (d) evidence of applicable registration certificate or license issued by the State Comptroller pursuant to Chapter 2153, Texas Occupations Code;
 - (e) a copy of the license for each Operator to work at the game room;
 - (f) documents evidencing ownership and/or interest as defined by Section 2.12 including but not limited to DBA filings, assume name certificates, articles of incorporation, contracts, agreements, or other documents identifying ownership and/or interest in the game room;
 - (g) evidence of their Texas State Business License provided by the Secretary of State; and
 - (h) required fees (see Appendix IV, Fee Schedule).
4. A valid Game Room Business Owner License shall be displayed at all times together with the Redemption Machine License(s), and Premise Permit at each licensed game room. Failure to obtain and adhere to the licensing and display requirements may be grounds for the Game Room Administrator to suspend or revoke a Game Room Business Owner's License or any other license issued under this Order.
5. A Game Room Business Owner License is valid for one year from the date of issuance and must be renewed before expiration. Annual renewal shall be contingent upon the

business' continued compliance with this Order, payment of occupation taxes, validity of the Premise Permit, and any other regulatory issue established by this Order.

6. A Game Room Business Owner(s) is/are held responsible for ensuring that their business operations are compliant with this Order including, but not limited to:
 - (a) all required licenses and permits are current and displayed;
 - (b) all exhibited redemption machines possess valid licenses, are current in the payment of occupation taxes, and that tax certificates and county inventory control tags/seals are valid and undamaged; and
 - (c) all operators possess and wear valid Operator IDs while on duty.
7. A License for a Game Room Business and its annual renewal is contingent upon the following requirements and licensing agreements:
 - (a) Pursuant to §234.136, Texas Local Government Code, the county, through its Game Room Administrator, designated county employees, or any peace officer, may conduct uninterrupted, spontaneous inspections, as may be necessary to ensure compliance with this Order. Licensing or an application for a license is the business owner's agreement to authorize the county to perform such inspections as set out in Section 5.1.5;
 - (b) Licensing or an application for a license is the game room business owner's agreement to ensure the business operations are compliant with all provisions set out in this Order; and
 - (c) A valid Premise Permit exists for the specific location for which the business license or application for a license is sought. The business owner acknowledges and agrees that any deferment, suspension or revocation of the premise permit shall result in the termination of all game room business operations at that location until the matter is resolved in compliance with this Order including, but not limited to, the permanent revocation of a premise permit pursuant to Section 6.6 for dormant businesses.

Section 5.5 – Premise Permit

1. This Section regulates the Premise Permit as defined by Section 2.17 that is required for each location to authorize the establishment of a Game Room.
2. A Premise Permit is only valid for twelve (12) months and must be renewed annually.
3. Premise Permit shall be issued either as:
 - (a) "**Regular**" - being a permit issued to a location which conforms to all set-back and distancing requirements;

- (b) **“Regular Non-conforming”** - being a permit issued at a location which conformed to all set-back and distancing requirements when the initial permit was issued but has since become non-conforming due to subsequent development by others subject to the limiting provisions set out for dormant businesses under Section 6.6; or
 - (c) **“Grandfathered”** - being a permit issued to a location containing a grandfathered, pre-existing business as defined by Section 2.13 and subject to the criteria and limitation provisions set out by this Order under Sections 6.6 and 10.
4. Only an owner of real property may request a Premise Permit and must file an application with the Game Room Administrator together with:
- (a) a copy of the applicant’s State or Federal issued photo ID or driver’s license;
 - (b) a recorded copy of the deed or other conveyance instrument that identifies ownership in the real property to be used as a game room;
 - (c) a site and improvement survey of the property to be used for a game room which identifies all property boundaries and its dimensions. Said improvement survey shall be drawn to scale not to exceed 1”=200’;
 - (d) a location map which identifies the distance of the game room’s property boundaries to the property boundaries of any property use protected or restricted by this Order including but not limited to any school, any regular place of religious worship, any residential property, or any other game rooms;
 - (e) evidentiary documentation as may be required by the Game Room Administrator to confirm that the location of the game room is within the specified areas of the county as set out by the Webb County Commissioners Court through this Order;
 - (f) if applicable, all evidentiary documentation of a legally operational, pre-existing business as prescribed by Section 10.3 for which a “Grandfathered Premise Permit” may be requested; and
 - (g) required fees (see Appendix IV, Fee Schedule).
5. A valid Premise Permit shall be displayed at all times together with the Game Room Business License and Redemption Machine License at each licensed game room. Failure to obtain and adhere to the licensing and display requirements may be grounds for the Game Room Administrator to suspend or revoke a Game Room Premise Permit or any other license or permit issued under this Order.

SECTION 6 – GAME ROOM REGULATIONS

Section 6.1 – Hours of Operation

A game room shall conform to all state laws and local ordinances governing the hours of operation of the business and further subject to additional access to admit authorized county for inspection, licensing and inventory purposes as set out by this Order under Section 5.1.5(c).

Section 6.2 – Prohibited Employment and Contracts

Game Room Business Owners and Operators shall not employ or enter into contract with any person subject to regulation or licensing under this Order who does not possess a valid License or Permit issued by the Game Room Administrator. Violation shall establish cause for the Game Room Administrator to suspend or revoke a Game Room Business Owner's License or any other license issued under this Order.

Section 6.3 – Display of Game Room Tax Permits, Inventory Controls, and Licenses

1. A Game Room shall not exhibit an amusement redemption machine which does not have affixed a valid Webb County tax permit and an inventory control seal/tag issued by the Game Room Administrator in compliance with the requirements set out in Section 4.
2. A Game Room shall display all current licenses and permits as set out under Section 5 in a common area of the game room premise which is readily accessible to the public without having to enter a controlled area of the business.
3. At all times while on duty, Licensed Operators shall wear and display a valid Operator License issued by the Game Room Administrator in compliance with the requirements of Section 5.2.
4. Failure to adhere to the requirements set out by this subsection will be grounds for the Game Room Administrator to suspend or revoke a Game Room Business Owner's License, Premise Permit or any other license or permit issued under this Order.

Section 6.4 – Public Nuisance and Sanitation

1. A game room is prohibited from operating without adequate restrooms or sewage disposal facilities in compliance with the Texas Health and Safety Code provisions set out by §341.068 (a-b) and §341.014 (a-e).
2. If applicable, a game room shall comply with the licensing and mandatory connection requirements of the Webb County Private On-site Sewage Facilities Order.

3. If applicable, a game room shall comply with the mandated solid waste collection service collection provisions of the Webb County Solid Waste Management Regulations.
4. Failure to comply with a public nuisance or sanitation provision established by this section shall constitute cause for the Game Room Administrator to deny, suspend or revoke a game room license or permit.
5. If applicable, a game room shall not be licensed or permitted within a regulated flood hazard area unless it is in full compliance with the Webb County Flood Damage Prevention Order.
6. If applicable, a game room shall not be licensed or permitted if it directly or in-directly causes or creates a violation or potential violation of the Webb County Model Subdivision Rules.

Section 6.5 – Distancing Restrictions

1. Except as may be authorized by Section 10, a Game Room shall not be located:
 - (a) Within 1,500 feet from any existing or planned school, regular place of religious worship, residential property, or residential neighborhood. ; or
 - (b) Within 2,000 feet from another existing or planned Game Room.
2. For the purposes of Section 6.5, "planned" shall mean that steps have been taken toward the facility's or structure's development including but not limited to an approved master plan, a preliminary or final plat, or a permit or license has been issued for a construction of the facility, design work started on the facility, a bond has been issued for the construction of a school, or action by a school board designating or approving the construction of a school on the property.
3. Measurements to establish distancing restrictions shall be made in a straight line from the nearest portion of the building, appurtenance or property line of the Game Room to the nearest property line of the incompatible premise (i.e., school, religious place, residential neighborhood, etc.).

Section 6.6 – Dormant and Inactive Game Rooms

In recognition of a growing community and in an attempt to establish a balance between the protection of vested rights of business owners and the rights or expectations of other property owners in a developing area, this Order sets out certain protections for game room businesses that continuously operate in compliance with this Order. However, to protect the interests of others, this Order prohibits property owners from utilizing licensing or permitting established

through this Order as a method to prospectively and/or indefinitely burden a property with a non-conforming business use that either does not exist or no longer exists. For this purpose, this Order sets out criteria to identify and designate dormant or inactive game room businesses or premises. Regardless of any contradictory provision of this Order, the following regulations shall be applicable to any game room business or premise that becomes dormant or inactive as set out in this subsection:

1. A game room business or premise shall be designated as dormant or inactive if the business or premise:
 - (a) has not been open to the public for use as a game room for a continuous period of 180 calendar days or more; or
 - (b) has been opened to the public for use as a game room two (2) or less times in a period of 270 calendar days.
2. Business Owner Licenses and Premise Permits shall be revoked for game rooms that become dormant or inactive under this subsection.
3. A license or permit revoked due to inactivity requires a new application to re-establish game room operations in full compliance with all existing regulations including all distancing and setback requirements.
4. All previously issued “Non-conforming” or “Grandfathered” permits are forfeited and the location is no longer eligible for any exception or exemption to this Order when a game room’s premise permit is revoked pursuant to this section.
5. A business or premise owner license or permit revoked under this subsection is not entitled to any reimbursement of fees or taxes for a game room that becomes dormant under this section.

Section 6.7 – Decommissioned Machines

1. A Game Room Business Owner or Operator shall not exhibit any amusement redemption machine that has been decommissioned pursuant to Section 4.7.
2. A fully (permanent) decommissioned amusement redemption machine must be removed from the game room premise within five (5) calendar days after decommissioning.
3. For up to fourteen (14) calendar days, a temporarily decommissioned amusement redemption machine may be permitted to remain in the public areas of a game room provided that the machine is securely sealed, covered and marked as “Out of Service”. Before the fifteenth (15th) day after temporary decommissioning of an amusement redemption machine, the machine shall be removed from the public areas of a game room.

4. Should decommissioning of machines or other regulatory actions result in no valid amusement redemption machine available for public exhibition, the Business Owner shall apply for a deferral of the Business Owner License and cease operations as a game room until regulatory matters are properly resolved in compliance with this Order.
5. Failure to comply with any provision of this subsection shall result in a mandatory enforcement action against the Game Room Business Owner and will be grounds for the Game Room Administrator to suspend or revoke a Game Room Business Owner's License, Premise Permit or any other license or permit issued under this Order.

Section 6.8 – Deferral

1. A Game Room Business Owner may apply to the Game Room Administrator for a temporary postponement of a game room license and its operation in which an owner has voluntarily ceased operations in order to correct potential deficiencies, secure licensing of new machines, or comply with any other rule, regulation or taxing requirement.
2. Owners initiate a request for deferral prior to any enforcement action taken against the game room to allow for the undertaking of corrective measures before violation or citation occurs. Unless approved by the Game Room Administrator for good cause, a deferral is not available for a game room cited for a violation of this Order or has a pending enforcement action.
3. A Deferred game room may not open to the public nor exhibit amusement redemption machines during the pendency of a deferment.
4. A deferral is issued by the Game Room Administrator for a time-certain period not to exceed 160 calendar days and must be officially released in writing by the Game Room Administrator on or before the 179th day from the date of the deferral issuance.
5. The Game Room Administrator shall not release a deferred game room license until all regulatory issues are in full compliance with this Order.
6. On the 180th day after the date a deferment is issued, a game room that has failed to secure a release of the deferral as set out in subsection 4 above shall be designated a "Dormant" or "Inactive" game room business pursuant to Section 6.6.1 and subject to the regulatory provisions set out therein for dormant businesses.
7. Deferrals do not extend any license or permit expiration dates nor entitle the game room owner to any refund of fees or taxes.

SECTION 7 – DENIAL, SUSPENSION, OR REVOCATION

Section 7.1 – Enforcement of Licenses and Permits, Generally

1. Pursuant to Section 3, the Game Room Administrator is delegated discretionary authority in the administration of this Order including, but not limited to, the authority to deny, suspend, or revoke any license or permit required by this Order.
2. During the pendency of an enforcement action or during the appeal of a Game Room Administrator's decision under Section 11, the license or permit holder is prohibited from operating until regulatory matters are resolved.
3. License or permit disruptions caused by enforcement actions or appeals do not extend expiration dates nor entitle the license or permit holder to any refund of fees or taxes.
4. The temporary suspension of licenses through Temporary Decommissioning under Section 4.7 or Deferrals pursuant to Section 6.8 are not considered enforcement actions for the purpose of this Section unless an action arises as a result of a violation of those provisions.
5. A denied application or a revoked license or permit is not entitled to reimbursement of any fees, fines or taxes. A denied application shall be deemed closed and will require the submission of a new application with all associated documents and fees for the Game Room Administrator's reconsideration.

Section 7.2 – Conditions for Denial

Notwithstanding the Game Room Administrator's discretionary authority in the evaluation and interpretation of applications to approve or deny licenses or permits in the administration of this Order, the Game Room Administrator shall not approve or renew an application for a permit or license for a game room that:

1. possesses a currently deferred, suspended or revoked license in which all regulatory issues have not been resolved in accordance with this Order;
2. the applicant or owner is currently under indictment or has been convicted of a violation of Chapters 34, 37, or 47 of the Texas Penal Code;
3. has falsified any information in the application or evidentiary documents;
4. has failed to submit evidentiary documentation or other permits/licenses required by this Order;

5. contains coin-operated machines that fail to comply with all provisions of this Order;
6. is delinquent or failed to submit evidence of current state or local occupation taxes;
7. does not possess or provide evidence of current licensing or registration with the Texas State Comptroller for coin-operated machines;
8. has become a dormant or inactive business pursuant to Section 6.6.1. and has not complied with the additional regulatory provisions of Section 6.6;
9. has failed to comply with a mandated or prerequisite provision of this Order; or
10. is not compliant with a public health, safety, or nuisance provision imposed by state law or has failed to comply with any of the following Webb County regulations:
 - (a) Flood Damage Prevention Order;
 - (b) Model Subdivision Rules and Subdivision Regulations;
 - (c) Order Regulating On-Site Sewage Facilities including mandatory connection to organized sewer systems located within 300 feet of the private system; or
 - (d) Solid Waste Management Regulations.
11. an owner, operator, or representative thereof uses intimidation, threatened intimidation, assaulted, or threatened assault or any form of violence against the Game Room Administrator, authorized employees or peace officers in the administration, investigation, monitoring, or enforcement of this Order; or
12. an owner, operator, or representative thereof has offered or attempted to offer anything of value to influence a decision of the Game Room Administrator, authorized employees or peace officers in the administration, investigation, monitoring, or enforcement of this Order.

Section 7.3 – Suspensions

1. To ensure game room business operations, equipment, owners, and operators comply with this Order, the Game Room Administrator is delegated discretionary authority to suspend or revoke a license or permit issued pursuant to this Order. Suspension is usually the first level of enforcement action by the Game Room Administrator unless revocation is mandated by this Order or warranted by:
 - (a) the use of intimidation, threatened intimidation, assault, threatened assault or any form of violence against the Game Room Administrator, authorized employee or a peace officer in the administration, investigation, monitoring, or enforcement of this Order;

- (b) an owner, operator, or representative thereof offering or attempting to offer anything of value to influence a decision of the Game Room Administrator, authorized employee or a peace officer in the administration, investigation, monitoring, or enforcement of this Order;
 - (c) there is a pattern of habitual violation; or
 - (d) in the opinion of the Game Room Administrator, the violation is so severe that revocation is warranted.
2. A license or permit suspended by the Game Room Administrator may not be reinstated until the license or permit holder has fully and satisfactorily resolved all regulatory matters in compliance with this Order and paid all fees, fines, civil penalties, and taxes.
 3. A suspension mandated by this Order shall be issued by the Game Room Administrator or authorized employee no later than ten (10) business days after discovery unless additional time is needed to complete investigations.
 4. Except as provided by subsection 2, a suspension issued through the discretionary authority of the Game Room Administrator should be issued no later than 30 days from identification of violation.

Section 7.4 – Revocations

1. Generally, unless mandated by a provision of this Order, a license or permit is revoked as a last resort effort to achieve compliance with this Order.
2. In addition to any other provision of this Order, the Game Room Administrator shall revoke a license or permit for:
 - (a) a license or permit holder who has been convicted of a violation of Chapters 34, 37, or 47 of the Texas Penal Code;
 - (b) a license or permit holder or owner, directly or indirectly through others, has used intimidation, threatened intimidation, assault, threatened assault or any form of violence against the Game Room Administrator, authorized employees or a peace officer in the administration, investigation, monitoring, or enforcement of this Order;
 - (c) a license or permit holder, directly or indirectly through others, who has offered or attempted to offer anything of value to influence a decision of the Game Room Administrator, authorized employees or a peace officer in the administration, investigation, monitoring, or enforcement of this Order;
 - (d) a license or permit holder tampering with seals, locks or inventory controls tags of amusement redemption machines;
 - (e) a game room business owner exhibiting an unlicensed or decommissioned amusement redemption machine;
 - (f) a license or permit holder who has falsified any information in the application or evidentiary documents;

- (g) a game room that has become dormant or inactive pursuant to Section 6.6; or
- (h) a license holder who is a repeat offender.

3. A license or permit revoked by the Game Room Administrator may not be considered for reinstatement until the license or permit holder has fully and satisfactorily resolved all regulatory matters in compliance with this Order and paid all fees, fines, civil penalties, and taxes.

SECTION 8 – PENALTIES

Section 8.1 – Injunction; Civil Penalty

1. Pursuant to the provisions of §234.137, Texas Local Government Code, the county may sue in district court for an injunction to prohibit the violation or threatened violation of this Order.
2. Person who violates a game room regulation adopted pursuant to this Order 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. The county may bring suit in district court to recover a civil penalty authorized by this subsection.
3. The county is entitled 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.

Section 8.2 – Criminal Penalty

1. Pursuant to the provisions of Section §234.138, Texas Local Government Code, a person commits an offense if the person intentionally or knowingly operates a game room in violation of a game room regulation adopted under this Order.
2. An offense under this section is a Class A misdemeanor.

SECTION 9 – FEE SCHEDULE

1. Fees adopted for the administration of this Order are set out under a separate order adopted by the Webb County Commissioners Court. Refer to Appendix IV for the current fee schedule.
2. All fees are non-refundable.
3. Fees for the removal of seals or locks from tax delinquent coin-operated machines are established pursuant to §2153.453 of the Texas Occupations Code.
4. Fees associated with the administration of this Order including, but not limited to, licenses, permits, renewals, amendments, revisions, inventory controls, etc. are established pursuant to the authority of §234.135 of the Texas Local Government Code.
5. No fee shall be charged for the Annual Registration Certificate (see Section 4.3).

SECTION 10 – EXEMPTIONS, EXCLUSIONS AND “GRANDFATHERING”

Section 10.1 – Bingo and Charitable Organizations

Bingos and Charitable Organizations as identified and regulated by the Texas State Comptroller or State Lottery Commission pursuant to the provisions of Chapters 2001 or 2002, Texas Occupations Code, shall be exempted from regulation under this Order. Such entities shall post a copy of their state issued license or registration in a conspicuous location at the entrance to such facilities or events so that peace officers and county employees can confirm exemption from this Order.

Section 10.2 – Family Amusement Center; Exclusions & Annual Registration

1. A Family Amusement Center as defined by Section 2.2 of this Order, may be excluded from regulation under Sections 5, 6, 7 and 8 of this Order provided that:
 - (a) the business continues to operate as a Family Amusement Center;
 - (b) secures and maintains annual Registration Certificates required by Section 4.3;
 - (c) posts a copy of the current annual Registration Certificate at the facility's entrance;
 - (d) ensures that all coin-operated or amusement redemption machines are compliant with Section 4 requirements;
 - (e) provides evidence of proper registration or licensing from the Texas Comptroller of Public Accounts pursuant to Chapter 2153, Texas Occupations Code; and
 - (f) consents to entry for annual and random inspections for compliance, renewal or inventory purposes.

2. A Family Amusement Center business which fails to comply with the requirements of this section shall trigger designation as a “game room” as defined by this Order and subject the business to regulation under Sections 5, 6, 7 and 8.

Section 10.3 – Grandfathered Premise Permit

1. As referenced in Section 1.7, this Order does not legalize any activity under other State or Federal law. Consistent with that objective, the “grandfathering” of a pre-existing game room business shall be based on the principle that the business was operating in compliance with law that was in effect during the time of operation prior to the effective date of this Order. Consequently, applicants requesting “grandfathering” under this section carry the burden of proof that their pre-existing business and equipment complied with law including, but not limited to, the registration, licensing or remittance of occupation taxes with the Texas State Comptroller.

2. The Game Room Administrator may issue or renew a “Grandfathered Premise Permit” to a pre-existing, non-conforming game room business pursuant to this section. An initial application claiming the grandfathered exception under this section shall only be

considered if the business meets the following criteria:

- (a) The initial application for a “Grandfathered Premise Permit” is submitted to the Game Room Administrator on or before _____, **2020**;
 - (b) The business has submitted evidentiary documentation of the registration or licensing issued by the Texas Comptroller of Public Accounts pursuant to Chapter 2153, Texas Occupations Code on or before _____, **2020** for either the game room or its equipment at the specific location for which grandfathering is being requested;
 - (c) The game room business has continuously been owned and operated at the same location and under the same name shown on the Texas Comptroller’s registration or license required by subsection (b); and
 - (d) The business is compliant with the Public Nuisance and Sanitation requirements prescribed by Section 6.4.
3. A “Grandfathered Premise Permit” is non-transferable.
4. Similar to the purposes set out in Section 6.6 for dormant or inactive businesses, this Order also establishes conditions for a “Grandfathered Premise Permit” to retain eligibility to operate as a grandfathered business in area with incompatible uses (i.e., adjacent to schools, places of worship, residences or other game room facilities) so that such incompatibilities can ultimately be phased out to and relocated to appropriate areas of the county. Therefore, in addition to the criteria set out in subsection 2. to establish initial eligibility, a game room authorized through a “Grandfathered Premise Permit” shall be revoked for a business or premise that:
- (a) the owner has transferred ownership of the game room business;
 - (b) the business ceases to operate as a game room or is designated dormant or inactive pursuant to Section 6.6 provisions;
 - (c) the “Game Room Business License” or its renewal is denied or revoked;
 - (d) the business owner failed to renew the “Game Room Business License” within ten (10) business days after the expiration date;
 - (e) the premise owner failed to renew the “Grandfathered Premise Permit” within ten (10) business days after the expiration date;
 - (f) the business owner, premise owner or operator of the game room is lawfully convicted of an illegal gambling offense;
 - (g) the business operated with expired licenses or permits required by this Order;
 - (h) the business exhibited redemption machines in violation of this Order; or
 - (i) the business has failed to maintain full compliance with the Public Nuisance and Sanitation requirements prescribed by Section 6.4.
5. The site of a valid “Grandfathered Premise Permit” issued by the Game Room Administrator is not subject to the distance and setback requirements established by Section 6.5 unless the Game Room Administrator pursuant to subsection 4 or other regulation prescribed by this Order revokes the “Grandfathered Premise Permit”.

SECTION 11 – APPEAL

Section 11.1 – Appeal

1. Pursuant to §234.134(c), Texas Local Government Code, the district court has jurisdiction over any suit that arises from the denial, suspension or revocation of a license or permit required by the Order.
2. The applicant or occupant of a license or permit under this Order shall not operate during the pendency of any appeal.

APPENDICES

Contents:

1. Appendix I – Certifications for Adoption
2. Appendix II – Amendments, Revisions and Modifications
3. Appendix III – Fee Schedules
4. Appendix IV – Forms

Appendix I – Certifications for Adoption

Contents:

1. Webb County Commissioners Court Adoption Order
2. Takings Impact Assessment (Exempt Action)
3. Public Notice of Proposed Action
4. Publisher's Affidavit

Appendix II – Amendments, Revisions, and Modifications

List of Webb County Commissioners Court Revisions

Action Date (MM/DD/YY)	Item#	Section Affected:	Effective (MM/DD/YY)	Copy Attached (Yes/No)
__/__/__		All - Lead Law Enforcement Official	__/__/__	

Appendix III – Fee Schedules

Adopted: _____

Revised: _____

Fees for Game Room Licenses and Permits (§234.135, LGC)	
<i>The fees listed below are non-refundable, and must be submitted with a complete application.</i>	
Operator License - Fee and Annual Renewal Fee	\$75.00
Business Owner License - Fee and Annual Renewal Fee	\$1,000.00
Redemption Machine License - Fee and Annual Renewal Fee	\$1,000.00
Premise Permit - Fee and Annual Renewal Fee	\$1,000.00
Annual Webb County Occupation Tax for Coin-Operated Machines (tax due by January 1st each calendar year – no pro-rating)	\$15.00 per machine
Report for Registration Certificate for Coin-operated Machines (report due by January 15th each calendar year).	No Fee
<i>NOTE: Annual reports are required from Family Amusement Centers to remain exempted from game room regulations and licensing.</i>	

Sealing & Locking Fee Chart (§2153.453, Texas Occupations Code)	
Fee for the removal of a seal or lock (tax delinquent machine)	\$5.00 per machine

Administrative Fees to Revise Redemption Machine License (Relocated machines)	
License Revision for 1-10 Machines	\$100.00
License Revision for 11-50 Machines	\$250.00
License Revision for 51-100 Machines	\$500.00
License Revision for 101 or greater Machines	New license required

Appendix IV – Forms

Contents:

1. Inventory Form for Annual Registration Certificate for Coin-operated Machines
2. Application for Licensing of Game Room Business Owner; Redemption Machine Owner or Premise Permit
3. Application for Operator License

