ORDINANCE NO. 575

**AN ORDINANCE AMENDING THE CITY OF FRITCH, TEXAS CODE OF ORDINANCES BY ADDING ARTICLE 4.06, “GAME ROOMS AND AMUSEMENT REDEMPTION MACHINES” CONCERNING THE REGULATION AND CONDUCT OF GAME ROOMS WITHIN THE CITY; ESTABLISHING A LICENSING AND REGULATORY PROCESS FOR GAME ROOMS AND AMUSEMENT REDEMPTION MACHINES; ADDING AN OCCUPATION TAX; PROVIDING FOR A PENALTY NOT TO EXCEED $500.00 FOR EACH OFFENSE; PROVIDING AN EFFECTIVE DATE; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALER AND PROVIDING FOR PUBLICATION.**

**WHEREAS,** the City of Fritch, Texas, a Type A general law municipality, is authorized by state law to adopt and implement necessary and reasonable ordinances for the government, interest, welfare, or good order of the municipality and that is in the best interests of its citizenry; and

**WHEREAS,** the City Council of the City of Fritch desires to regulate game rooms and amusement redemption machines located within the municipal limits of the City of Fritch; and

**WHEREAS,** the City Council of the City of Fritch, finds the following addition to the Code of Ordinances for the City of Fritch regulating gaming rooms and amusement redemption machines is reasonable and beneficial for the public health, safety and general welfare of the citizens of Fritch and a proper exercise of its police power;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF FRITCH, TEXAS, THAT:**

SECTION 1. The Code of Ordinances of the City of Fritch, is amended by adding Article 4.06 to read as follows:

**“ARTICLE 4.06 GAME ROOMS AND AMUSEMENT REDEMPTION MACHINES**

**Sec. 4.06.001     Definitions**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Amusement redemption machine*.

Any electronic, electromechanical or mechanical contrivance designed, made and adapted solely for bona fide amusement purposes if the contrivance rewards the player exclusively with noncash merchandise, prizes, or novelties, or a representation of value redeemable for those items, that have a wholesale value available from a single play of the game or device of not more than ten times the amount charged to play the game or device once or $5.00, whichever amount is less.

*City official*. Any code enforcement officer or building official of the city or any law enforcement officer.

*Excluded machine*.

The following are not considered an “amusement redemption machine” for purposes of this article.

(1)     A machine that awards the user noncash merchandise prizes, toys or novelties solely and directly from the machine, including claw, crane, or similar machines; or

(2)     A machine from which the opportunity to receive noncash merchandise prizes, toys, or novelties, or a representation of value redeemable for those items, varies depending upon the user's ability to throw, roll, flip, toss, hit, or drop a ball or other physical object into the machine or a part thereof, including basketball, skeet ball, golf, bowling, pusher, or similar machines.

*Game room*. Any establishment, building, facility or other place open to the public where two or more amusement redemption machines are displayed or exhibited for public use.

*Game room owner or owner*. A person who has an ownership interest of at least 25 percent in a game room.

*Licensee*. Any person, individual, firm, company, association, or corporation operating an amusement redemption machine game room in the city.

**Sec. 4.06.002     License required; annual license fee; term of license**

(a) An owner, operator, or lessee of a game room with amusement redemption machines shall be required to secure an annual license and no person shall operate an amusement redemption machine game room in the city without first obtaining a license from the city, as required by this article. No license shall be issued until:

(1)  The occupation tax has been paid for each amusement redemption machine within the premises;

(2) The annual license fee of $1,500.00 has been paid to the City; and

(3) A tax permit issued by the state and all seals required by the state are securely affixed to each amusement redemption machine.

(b) Upon payment of the license fee, compliance with all licensing requirements and the terms of this article, a license shall be issued by the city.

(c)     A license issued for an amusement redemption machine game room under this article:

(1) Is an annual license which expires December 31st of each year unless it is suspended or cancelled earlier;

(2) Is effective for a single place of business only;

(3)  Vests no property right in the licensee except to maintain, display for public patronage, and permit the use or skill or pleasure of amusement redemption machines in accordance with the terms and conditions of this article;

(4)    Shall automatically expire if the licensee thereof sells the property or the business, transfers equity to accomplish same, or otherwise disposes of amusement redemption machines;

(5)  Is not assignable or transferable; and

(6) Is non-refundable after being issued and is not subject to proration or reduction.

**Sec. 4.06.003 Transparent, uncovered windows required**

(a) Every game room shall have transparent unobstructed windows or open space on at least one (1) side so that the area is open to view by the general public passing by on a public street or using a corridor, lobby or other room to which the public has access and is admitted without charge.

(b) The owner, manager or employee of a game room shall not permit any obstruction of such public view by the use of drawn shades, blinds, partitions, tinting or other structures or obstructions.

**Sec. 4.06.004     Restrictions, regulations, controls, and limitations**

(a)     All building and fire code standards must be met. Inspection by city officials and the issuance of a certificate of occupancy shall be obtained before a license for a game room as defined under this article is issued.

(b)     Only one game room shall be permitted on any lot or in any single building, structure or strip center except for game rooms in existence as of the date this article goes into effect and which do not meet this criteria; in which case full compliance with this subsection shall be required within six (6) months of the effective date of this article or upon abandonment of use at such location, whichever occurs first.

(c)     No amusement redemption machine game room shall be situated within 300 feet of any church, school, daycare or hospital except for game rooms in existence as of the date this article goes into effect and which do not meet this criteria; in which case full compliance with this subsection shall be required within six (6) months of the effective date of this article or upon abandonment of use at such location, whichever occurs first.

(d)     The distance shall be measured in a straight line without regard to intervening objects or structures and from the nearest lot line of the amusement redemption machine game room seeking a license to the nearest lot line of the church, school, daycare, or hospital.

(e)     No amusement redemption machines or related business activities shall be allowed to be situated and/or performed outdoors.

(f)     The hours of operation for an amusement redemption machine game room shall be limited to the following hours:

(1)     Monday through Thursday, open at 11:00 a.m. and close at 11:00 p.m.; and

(2)     Friday through Sunday, open at 11:00 a.m. and close at 12:00 a.m.

(g)     One parking space shall be provided for each two amusement redemption machines within the amusement redemption machine game room, plus one additional parking space for each employee per shift.

(h)     The owner, operator, or manager of the licensed premises must be present to supervise the operation of the amusement redemption machine game room. The amusement redemption machine game room shall not be left unattended.

(i)     Amusement redemption machines must be situated within the licensed premises as to be in full and open public view, which entails being visible to all patrons of the establishment.

(j)     No person under the age of 18 years shall be permitted inside the building, structure, facility or space housing the amusement redemption machine game room.

(k)     The owner, operator, or manager of the licensed premises shall mark each entrance to a game room with a sign in one and one-half inch (1-1/2") or larger block letters and which is legible from a distance of at least twenty-five feet (25') that states the following:

 “GAME ROOM: No person under the age of 18 years permitted.”

(l)     The total number of amusement redemption machines allowed in one game room establishment shall be limited to a maximum number of fifty (50) operational amusement redemption machine games. For purposes of this section, any back-up, nonoperational or replacement amusement redemption machines will not count towards this maximum limit so long as they are secured in a locked storage area or closet to which the public is not allowed to enter and such machines shall not be connected to electricity or otherwise operational. The occupation tax on such back-up or be replacement amusement redemption machine games shall be paid annually regardless of whether such machines are used by the game room's patrons.

(m)     Game rooms shall only be permitted in the Highway Business District zoning district. A person, including the manager, operator or owner of a game room, commits an offense if he or she operates or permits the operation, or establishment of a game room in any other zoning district of the city.

(n)     Nothing contained herein shall be construed or have the effect to license, permit, authorize or legalize any machine, device, table, or gaming machine, the keeping, exhibition, operation, display or maintenance of which is illegal or in violation of any ordinance of the city, any regulation of the county, any section of the penal code of this state, or the constitution of this state.

**Sec. 4.06.005     Application for amusement redemption machine game room license**

(a)     An applicant for a license under the provisions of this article shall file with the city secretary a written application on a form provided for that purpose by the city which shall be signed by the applicant, who shall be the owner of the amusement redemption machine game room sought to be licensed. A separate application must be filed for each location sought to be licensed. The following information is required in the application:

(1)  Name, address, telephone number, and driver's license number of the applicant if the applicant is a natural person;

(2)    Name, address, telephone number and driver's license number of all persons who own 25 percent or more interest in the amusement redemption machine game room;

(3)  Name, address, telephone number and driver's license number of all corporate officers, if any, of such business;

(4)      Name, address, telephone number of the business;

(5)    If incorporated, the name of the business registered with the Texas Secretary of State;

(6)    If a partnership, the name, address, telephone number and driver's license of each of the general and limited partners;

(7)  The trade name by which the applicant does business and a true and correct copy of the registration of the applicant's assumed name filed in the office of the county clerk, bearing the file mark or stamp that evidences its filing in that office;

(8)    If applicant is not the owner of the premises, the applicant shall furnish the name, address, and telephone number of the property owner;

(9)  Name, address, and telephone number of the operator of the premises to be permitted;

(10)  Number of amusement redemption machines in the premises to be permitted and tagged and the serial number of each amusement redemption machine;

(11)  Whether a previous license of the applicant, or, if applicable, a corporate officer of the applicant, has been revoked within two years of filing of the application;

(12)  The previous occupation(s) of the applicant and, if applicable, all corporate officers and partners of the applicant within the preceding five years;

(13)  A notarized statement, under oath, that:

(A)     All the facts contained in the application are true and correct;

(B)     The amusement redemption machines are not and will not be used as gambling devices;

(C)     The location and operation of the amusement redemption machine game room will not violate any applicable deed restrictions;

(D)     The amusement redemption machine game room will be operated in accordance with all laws.

(14)  Name, address, and telephone number of an emergency contact person who can be reached after hours;

(15)  A floor plan of the amusement redemption machine game room interior depicting the layout of the amusement redemption machine game room interior specifically including, but not limited to, the location of all amusement redemption machines, coin operated machines or devices, the manager's station(s), restroom facilities, kitchen and bar facilities, if any, and all areas to which patrons will not be permitted; and

(16)  Any other plans that may be required by this code.

(b)     Any failure to provide the documents required by this section shall be grounds for denial of the application to which it applies.

**Sec. 4.06.006     Renewal of amusement redemption machine game room license**

(a)     A license may be renewed for the following calendar year beginning October 1st of each year by filing a completed application for each license and paying the annual license fee of $1,500.00. A renewal application shall be subject to the same requirements in this section as for a license application.

(b)     Upon the expiration of a license, the licensee shall be required to obtain a renewal of the expired license if the licensee wishes to continue operating an amusement redemption machine game room. Failure to obtain the renewal within 30 days after expiration may require such person to pay an additional late fee in an amount equal to 20 percent of the fee as currently established or as hereafter adopted by city council from time to time. Nothing herein authorizes the licensee to operate after the expiration of a license and before a renewal is effective.

**Sec. 4.06.007     Grounds for denial of license; applicants or licensees indebted to city**

(a)     The city shall refuse to approve issuance or renewal of a permit or licensee for one or more of the following reasons:

(1)    Any failure to provide the information required by this article;

(2)  A determination by the city that inaccurate, erroneous or incomplete information has been submitted;

(3)  A false statement as to a material matter made in an application for a license;

(4)  Revocation of a license, pursuant to this article, of the applicant or a co-owner or a corporate officer of the applicant within two years preceding the filing of the application;

(5) Refusal or failure to pay the occupation tax on any amusement redemption machine;

(6) Refusal or failure to pay the correct license fee amount;

(7)  The applicant or a co-owner for such license has, within the past three years, been convicted of any violation of this article;

(8)  The applicant or a co-owner for such license has, within the past five years, been convicted of any violation of regulations adopted by the county relating to game rooms; and/or

(9)  The applicant or a co-owner for such license has, within the past ten years, been convicted of a crime involving moral turpitude.

(b)     The city shall not issue or renew a license under this article and shall suspend or cancel a license if it be determined that the applicant or licensee is indebted to the city for any fee, costs, penalties, or delinquent taxes.

**Sec. 4.06.008     Suspension or revocation of license for violation of article**

(a)     Power and authority. If any individual, company, corporation or association who owns, operates, exhibits, or displays any amusement redemption machine(s) in an amusement redemption machine game room in this city shall violate any provision of this article, the city shall have the power and authority to suspend or revoke the license(s) issued hereunder to any of the foregoing by giving written notice, stating the reason justifying such suspension or revocation, and the same shall be suspended or revoked ten days from the date of such notice.

(b)     Suspension. The city manager or his designee shall suspend a license for a period not to exceed 30 days if he determines that a licensee or an employee of a licensee has:

(1)  Violated or is not in compliance with any of the provisions of this article;

(2)  Refused to allow or interfered with an inspection of the amusement redemption machine game room premises; or

(3) Demonstrated an inability to operate or manage an amusement redemption machine game room in a peaceful and law-abiding manner thus necessitating action by law enforcement officers.

(c)     Revocation for continuing violations. The city manager or the city manager’s designee shall revoke a license if a cause of suspension occurs and the license has been previously suspended within the preceding twelve months.

(d)     Automatic revocation. The city manager or the city manager’s designee shall revoke a license if:

(1)  A licensee gave false or misleading information in the material submitted to the city during the application process;

(2) A licensee or an employee of a licensee knowingly allowed the possession, use, or sale of a controlled substance on the premises; or

(3) A licensee or an employee of a licensee knowingly operated the amusement redemption machine game room during a period of time when the licensee's permit was suspended.

(e)     Effect of revocation. No license shall be issued within a period of one year to anyone whose license has been revoked, except at the discretion of the city manager or his designee. If the license of an individual, company, corporation, or association owning, operating, or displaying amusement redemption machines in this city is cancelled, such individual, company, corporation or association shall not operate, display or permit to be operated or displayed such amusement redemption machines in any amusement redemption machine game room until a new license is granted.

**Sec. 4.06.009     Appeal from denial, suspension or revocation of license**

If the city manager or the city manager’s designee refuses to approve the issuance of a license or the renewal of a license to an applicant, or suspends or revokes a license issued under this article, this action is final unless the applicant or licensee, within ten days after the receipt of written notice of the action, files a written appeal with the city secretary, who shall, within ten days after the appeal is filed forward same to city council for its consideration at a public meeting following a hearing. The city council shall, within 30 days, grant such hearing to consider the action. The city council has authority to sustain, reverse, or modify the action appealed. The decision of the city council is final.

**Sec. 4.06.010     Display of license**

A valid license issued under this article for an amusement redemption machine game room shall be displayed at or near the entrance of the business premises, and such display shall be permanent and conspicuous.

**Sec. 4.06.011     Inspections**

(a)     The premises in which such amusement redemption machines are located shall conform to all building codes and fire prevention codes of the city and the fire official of the city and his assistants or designees, the city inspector/code enforcement officer, the chief of police or designee, and the city manager or designee may enter into the premises where such amusement redemption machines are located at any time during normal business hours for the purposes of inspecting said premises for fire hazards.

(b)     All law enforcement personnel and/or the city inspector/code enforcement officer of the city shall have the right to enter into said premises at any time during normal business hours for the purpose of inspection and enforcement of the terms of this article.

(c)     The city shall have the authority to seal any amusement redemption machine located in any amusement redemption machine game room for which the occupation tax has not been paid. A fee in the amount of $5.00 will be charged for the release of any machine sealed for nonpayment of said occupation tax.

**Sec. 4.06.012     Responsibility of licensee**

A licensee hereunder shall not permit any of the following activities within the licensed premises:

(1)  The operation of any amusement redemption machine by a person younger than 18 years of age;

(2)  Gambling by any person;

(3) The possession of gambling materials; and

(4) Unlawful or criminal activity of any kind.

**Sec. 4.06.013     Parking facilities**

Any person who desires a license for the operation of two or more amusement redemption machines in one specific location shall be required to provide sufficient off-street parking to accommodate the vehicles of the patrons as provided for herein. Such parking area shall be maintained in a safe, clean manner and shall not interfere with safe and expeditious movement of other vehicular or pedestrian traffic.

**Sec. 4.06.014     Violations of existing laws not authorized**

Nothing herein shall be construed or have the effect to license, permit, authorize or legalize any machine, device, table, or gaming machine, the keeping, exhibition, operation, display or maintenance of which is illegal or in violation of any ordinance of the city, any regulation of the county, any section of the penal code of this state, or the constitution of this state.

**Sec. 4.06.015     Offense; penalties**

(a) Any violation of this article by any person shall constitute a misdemeanor and shall be punishable by a fine in accordance with the general penalty provision found in Section 1.01.009 of this code. This penalty provision shall be in addition to any other legal or equitable remedies available to the City to enforce this article.

(b) Proof of a culpable mental state is not required for a conviction of an offense under this article.

(c) Each day that a violation occurs is a separate offense.

(d) In addition to the penalty described in (a) above, the city may pursue other remedies such as injunctive relief, abatement of nuisance, revocation current license and securing an amusement redemption machine so as to render it inoperable.”

SECTION 2. Penalty. Any person found in violation of any provision of this Ordinance shall be shall be guilty of a misdemeanor and upon conviction thereof shall be fined in accordance with the general penalty provision found in Section 1.01.009 of the Code of Ordinances of the City of Fritch, Texas.

SECTION 3. Effective Date. This ordinance shall take effect immediately from and after its passage and publication as may be required by governing law.

SECTION 4. Repealed. All other terms and provisions of the Code of Ordinances of the City of Fritch, not in conflict herewith and not hereby amended shall remain in full force and effect.

SECTION 5. Severability. If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or the application thereby shall remain in effect, it being the intent of the City Council of the City of Fritch, Texas in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 6. Publication. The City Secretary of the City of Fritch is hereby authorized and directed to cause publication of the descriptive caption of this Ordinance as an alternative method provided by law.

Passed and approved on first reading this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2019.

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Dwight Kirksey, Mayor

ATTEST:

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Michelle Moneymaker, City Secretary