



CITY OF SULLIVAN CITY

**APPLICATION PACKET
FOR OPERATION OF A
COIN-OPERATED AMUSEMENT
REDEMPTION MACHINE GAME
ROOMS**



CITY OF SULLIVAN CITY



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CITY OF SULLIVAN CITY

**RULES & REGULATIONS FOR OPERATION OF A COIN-OPERATED
AMUSEMENT REDEMPTION MACHINE GAME ROOM AND
APPLICATION FOR GAME ROOM PERMIT**

**RULES AND REGULATIONS REGARDING THE OPERATION OF GAME ROOMS
PERMITTED BY THE CITY OF SULLIVAN CITY AND THE TEXAS GAME ROOM
OWNERS ASSOCIATION**

This document is to serve as the general rules regulating Coin-Operated Amusement Machine Game Rooms operating within the City of Sullivan City under Ordinance 2023-____, as written by the Texas Game Room Owners Association and adopted by the City of Sullivan City.

I. General Rules for the Game Rooms

1. **The City shall only permit Amusement redemption machines 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.** Each novelty item in the game room must comply. A minimum of twenty-five (25) different novelty items must be provided in each game room. Cash payouts are strictly prohibited.
2. **Game Rooms can only offer to their patrons prizes, awards, or compensation in a bona fide contest for the determination of skill, speed, strength, or endurance.** Except for the advantage of skill or luck, the risks of losing and the chances of winning are the same for all participants.
3. **All game room owners must be listed on the application in the requested sections.** Game Room owners to be identified on the application are anyone who has an ownership interest in or receives the profits or the like from a game room or an amusement redemption machine located in a game room. This includes anyone or any entity that signs a lease; opens an account for utilities; receives a certificate of occupancy or certificate of compliance for a game room; pays for advertising for a game room; or signs for a permit for a game room.
4. **All Operators must be listed in the application in the requested sections.** This includes any individual who 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; 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; takes orders from a customer of a game room for merchandise, goods, entertainment, or other services offered on the premises of a game room; acts as a door attendant to regulate entry of customers or other persons into a game room; or supervises or manages other persons at a game room.
5. **No altered equipment is permitted.** The motherboards and game chips that operate the amusement redemption machines cannot be altered. This includes any other equipment within the amusement redemption machines that contain equipment altered or designed to enhance the game room's chances of winning.

6. **Gambling Promotions are not permitted.** This includes "matching," "match-play," and the selling of chances on the result or chance of winning to any participant in any game or contest.
7. **All applicable fees and assessments must be timely paid or the game room may lose its permit.**

II. Game Room Permit Restrictions

1. A maximum of five (5) permits shall be considered for approval and operation within the corporate limits of the City of Sullivan City
2. A maximum of two hundred (200) amusement redemption machines per game room location shall be permitted.

III. Issuance of Permits

Game room permit applications are not eligible for approval until all the following have been received by the City and Association and completed by the Applicant.

1. An official application for a Coin-Operated Amusement Machine Game Room Permit has been submitted to the City Secretary or City Manager along with the application fee. Only checks or cashier's checks are permitted as forms of payment.
2. A fully executed lease or purchase of property for the proposed game room location has been submitted.
3. The Applicant has also applied for an occupancy permit from the City of Sullivan City and has paid the appropriate fees.
4. The City and the Association approve the aesthetics of the proposed game room location along with the signage and parking arrangements.
5. A risk assessment has been submitted along with a receipt showing proof of payment.
6. All machines have up to date stickers reflecting registration and payment of the occupational tax to the Texas Comptroller's Office.
7. Fire Marshall inspection has been completed.
8. All documents are on file with the City and Association.
9. The Association has made the recommendation of approval of the final application to the City.
10. The Applicant has a certificate of occupancy issued by the City of

IV. General Rules for Operation

1. Game Rooms shall not permit anyone under the age of eighteen (18) in the premises.
2. Licensed and Bonded security personnel required at each game room together with high resolution surveillance cameras required.
3. No alcohol, smoking or vaping permitted in the game room.
4. Hours of operation are up to twenty-four (24) hours per day.



CIUDAD DE SULLIVAN CIUDAD

**REGLAS Y REGLAMENTOS PARA EL FUNCIONAMIENTO DE UNA
OPERACIÓN CON MONEDAS DIVERSION REDENCIÓN MÁQUINA JUEGO
HABITACIÓN Y
SOLICITUD PARA JUEGO HABITACIÓN PERMISO**

**REGLAS Y REGLAMENTOS RELATIVOS AL FUNCIONAMIENTO DE LAS
SALAS DE JUEGO PERMITIDO POR LA CIUDAD DE SULLIVAN CITY Y LA
SALA DE JUEGOS DE TEXAS PROPIETARIOS ASOCIACIÓN**

Este documento sirve como las reglas generales que regulan las Máquinas recreativas que funcionan con monedas. Juego Habitaciones operando dentro el Ciudad de Sullivan Ciudad bajo Ordenanza 2023-__, como esta escrito por el Juego de Texas Propietarios de habitaciones Asociación y adoptado por el Ciudad de Ciudad Sullivan.

I. General Reglas para el Juego Habitaciones

1. La ciudad solo permitirá máquinas de redención de diversiones fabricadas y adoptadas para buena fideicomiso diversión propósitos eso recompensas el jugador exclusivamente con mercancías, premios, juguetes o novedades que no sean en efectivo, o una representación de valor redimible para aquellos elementos, con a venta al por mayor valor disponible de a soltero jugar de el juego o dispositivo en una cantidad no mayor a 10 veces la cantidad cargada a jugar el juego o dispositivo una vez o \$5, cualquiera cantidad es menos. Cada novedad artículo en la sala de juegos debe cumplir. Un mínimo de veinticinco (25) artículos de novedad diferentes debe ser proporcionó en cada juego habitación. Pagos en efectivo son estrictamente prohibido.
2. Juego Habitaciones poder solo oferta a su mecenas premios, premios, o compensación en a Concurso de buena fe para la determinación de habilidad, velocidad, fuerza o resistencia. Excepto por la ventaja de la habilidad o la suerte, los riesgos de perder y las posibilidades de ganar son el mismo para todos los participantes.
3. Todo juego habitación dueños debe ser listado en el solicitud en el solicitado secciones. Juego Habitación dueños a ser identificado en el solicitud son cualquier persona que tiene un interés de propiedad en o recibe las ganancias o similares de una sala de juegos o un máquina de redención de diversión ubicada en una sala de juegos. Esto incluye a cualquiera o cualquier entidad eso señales a alquiler; abre un cuenta para utilidades; recibe a certificado deocupación o certificado de cumplimiento de una sala de juegos; paga la publicidad de un juego habitación; o signos para a permiso para a juego habitación.
4. Todos los Operadores deben estar listados en la solicitud en las secciones solicitadas. Este incluye a cualquier individuo que opere una caja registradora, cajón de efectivo u otro depósito en el instalaciones de a juego habitación o de a negocio dónde el dinero ganado o el registros de transacciones con tarjeta de crédito u otras transacciones de crédito generadas de cualquier manera por el se mantiene el funcionamiento de una sala de juegos o las actividades realizadas en una sala de juegos; pantallas, entrega, o proporciona a a cliente de a juego habitación mercancías, bienes, entretenimiento, o otro servicios Ofrecido en el instalaciones de a juego habitación; acepta pedidos de a cliente de a juego habitación para mercancías, bienes, entretenimiento, o otro servicios Ofrecido en el local de una sala de juegos; actúa como un portero para regular la entrada de clientes o otras personas a una sala de juegos; o supervisa o dirige a otras personas en un juego habitación.
5. No se permite ningún equipo alterado. Las placas base y los chips de juegos que funcionan las máquinas de canje de diversiones no se pueden modificar. Esto incluye

cualquier otro equipo dentro el diversión redención máquinas eso contener equipo alteradoo diseñado para mejorar el juego habitaciones posibilidades de victorioso.

6. No se permiten promociones de apuestas. Esto incluye "emparejamiento", "juego de emparejamiento", y la venta de oportunidades sobre el resultado o la posibilidad de ganar a cualquier participante en cualquier juego o concurso.
7. Todo aplicable honorarios y evaluaciones debe ser oportuno pagado o el juego habitación puede perderes permiso

II. Juego Habitación Permiso Restricciones

1. Se considera un máximo de cinco (5) permisos para aprobación y operación dentro de los límites corporativos de la Ciudad de Sullivan City
2. Se permitirá un máximo de doscientas (200) máquinas de canje de diversión por ubicación de sala de juegos.

III. Emisión de Permisos

Juego habitación permiso aplicaciones son no elegible para aprobación hasta todo el siguiente tener estado recibió por el Ciudad y Asociación y terminado por el Solicitante

1. Una aplicación oficial para una sala de juegos de máquinas recreativas que funcionan con monedas El permiso ha sido presentado al Secretario de la Ciudad o al Administrador de la Ciudad junto con el solicitud tarifa. Solo cheques o cajero cheques son permitido como formularios de pago.
2. A completamente ejecutado alquiler o compra de propiedad para el propuesto juego habitación ubicación tiene sido presentado.
3. El Solicitante también ha solicitado un permiso de ocupación de la Ciudad de Sullivan Ciudad y ha pagado el adecuado honorarios.
4. El Ayuntamiento y la Asociación aprueban la estética de la sala de juegos propuesta ubicación junto con señalización y arreglos de estacionamiento.
5. Se ha presentado una evaluación de riesgos junto con un recibo que muestra la prueba de pago.
6. Todas las máquinas cuentan con etiquetas adhesivas actualizadas que reflejan el registro y el pago de la ocupacional impuesto a la Contraloría de Texas Oficina.
7. Fuego marshall inspección tiene estado terminado.
8. Todo documentos son en archivo con el Ciudad y Asociación.
9. El Asociación tiene hecho el recomendación de aprobación de el final solicitud hacia Ciudad.
10. El Solicitante tiene a certificado de ocupación emitido por el Ciudad de

IV. General Normas para Operación

1. Juego Habitaciones deberá no permiso alguien bajo el edad de dieciocho (18) en el instalaciones.
2. Con licencia y Garantizado seguridad personal requerido en cada juego habitación juntos con alto resolución de vigilancia cámaras requerido.
3. No alcohol, de fumar o vapeo permitido en el juego habitación.
4. Horas de operación son arriba a veinticuatro (24) horas por día.

CITY OF SULLIVAN CITY

COIN-OPERATED AMUSEMENT MACHINE GAME ROOM PERMIT APPLICATION



CITY OF SULLIVAN CITY

COIN-OPERATED AMUSEMENT MACHINE GAME ROOM PERMIT APPLICATION

This document is to serve as the official application for a Coin-Operated Amusement Machine Game Room Permit. Approval for a Game Room permit is not limited to the contents and requirements of this document. Both the City of Sullivan City and the Texas Game Room Owners Association must approve applications and the License to Operate a Coin-Operated Amusement Game Room must be signed by the Attorney-in-Charge of the Texas Game Room Owners Association and remain in effect for operations to commence and remain in operation.

A \$50,000 Non-Refundable Non-negotiable Application Fee payable to the City of Sullivan City is required at the time of submittal of application. Sticker fees are due upon approval of application. Each coin-operated machine must have a serial number that is clearly visible on the machine. If a machine is manufactured without a serial number, the owner must assign a serial number and stamp or engrave the number on the machine.

An Occupation Tax Permit sticker issued by the City of City of Sullivan City **MUST** be affixed to each registered machine when it is placed on location. Occupation Tax Permit sticker must be securely attached to the **FRONT** of the machine **NEXT TO** State sticker.

A Compliance Certification sticker issued by the Texas Game Room Owner's Association **MUST** be affixed to each registered machine when it is placed on location. The Compliance Certification sticker must be securely attached to the **FRONT** of the machine **NEXT TO** the other stickers.

Any person who intentionally removes a current Occupation Tax Permit from a machine is subject to criminal prosecution and automatic revocation of permit.

Any person who intentionally removes a current Compliance Certification Permit from a machine is subject to criminal prosecution and automatic revocation of permit.

Each address location must have its own permit application and permit.

Individual Authorized to Receive Notices from the City of Sullivan City:

Full Name: _____
 First Middle Last
Mailing Address: _____
 Address City State Zip

Section 1: Verification Requirements

Please read the following acknowledgments and sign the attached verification. It is a requirement of your application that you read this document and sign the attached verification. An application will not be considered if this requirement is not met.

In submitting this application, you, as the Applicant, are hereby acknowledging the following:

- 1) You have read, fully understand, and agree to comply with the City of Sullivan City Game Room Ordinance on _____ (hereinafter referred to as "Ordinance") and the City of Sullivan City Rules and Regulations as adopted by the City of Sullivan City Council on _____ (hereinafter referred to as the "Regulations").
- 2) You are an "Owner" of the game room you are attempting to permit as that term is defined by Section 5 of the Ordinance and have fully disclosed all interested parties, listed and unlisted in the game room.
- 3) The business establishment you are attempting to permit is in fact a "Game Room" as that term is defined by Subsection 5 of the Ordinance.
- 4) You have disclosed the identity of all "Owner(s),"¹ "Operator(s),"² employee(s), agent(s), and any other individual(s), proprietorship(s), corporation(s), association(s), and/or other legal entity(s) acting for, or acting on behalf of the game room along with a photocopy of their driver's license or government-issued identification and incorporation papers as applicable.
- 5) You have not withheld any pertinent information that relates to this Game Room Permit Application under the penalty of perjury as defined under Section 37.02 of the Texas Penal Code.
- 6) You understand making a misleading statement on this Game Room Application, providing false, fraudulent, or untruthful information on this Game Room Application and/or withholding pertinent information on this Game Room Application will result in denial or revocation of the Game Room Permit pursuant to Subsection 7(j) of the Ordinance.
- 7) You swear and affirm that all the information provided in this game room application is true and correct under the penalty of perjury as defined under

Section 37.02 of the Texas Penal Code.

- 8) You swear and affirm that you have not misrepresented any information on this Game Room Application and understand that any misrepresentation on this Game Room Application is a third-degree felony offense as defined under Section 37.10 of the Texas Penal Code.
- 9) You swear and affirm that you, all parties listed, and all interested parties in the Game Room, whether listed or unlisted, have not been convicted of a gambling or gaming related charge or crime of moral turpitude.
- 10) You swear and affirm that you, all parties listed, and all interested parties in the Game Room, whether listed or unlisted, have not applied for another game room permit for any other location within the corporate limits of Sullivan City.
- 11) Will not engage in any criminal activity nor are currently being charged with organized criminal activity at the time this application is filed.
- 12) Will abide by the Ordinance and Rules and Regulations as set out by the City of Sullivan City and the Texas Game Room Owners Association at all times during operation of the game room.
- 13) Will not approach any city official or employee directly or indirectly with regard to getting approval of a game room permit outside the scope of this application.
- 14) Will notify the City of Sullivan City and the Texas Game Room Owners Association of any changes to this application immediately while it is under review.
- 15) Will not attempt to circumvent the Texas Game Room Owners Association in the obtaining of a game room permit pursuant to the Game Room Ordinance of Sullivan City.

VERIFICATION

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned Notary Public, on this day personally appeared by me duly sworn, _____, an "Owner" and "Applicant" of _____ Game Room located at _____, and on his/her oath deposed, said that he/she swears that 1) he/she has read the above acknowledgments, fully understands the above acknowledgments, and swears that the above acknowledgments are true and correct as they pertain to this Game Room Application, 2) the information provided in the Game Room Application is true and correct, and 3) all pertinent information has been disclosed in making this Game Room Application.

An "Owner" and "Applicant" of _____ Game Room

SUBSCRIBED AND SWORN TO BEFORE ME on the ____ day of _____, 20____, to certify which witness my hand and official seal.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Notary Seal:

My Commission Expires: _____

NOTE: All the definitions and provisions contained in the Ordinance are hereby incorporated in this Game Room Permit Application by reference.

Section 2: Application Requirements

2.1 Game Room Permit Required

A permit, issued pursuant to the Regulations, is required to operate a Game Room. A person who operates a Game Room without first paying the fee and securing a Game Room Permit, or who operates a Game Room after the permit has been revoked or suspended, may be assessed a civil penalty not to exceed \$10,000 per violation. Each day a violation occurs or continues to occur is considered a separate violation. Further, a Person commits a Class A misdemeanor offense if they intentionally or knowingly operate a Game Room in violation of the Regulations.

2.2 Applicant Must Apply in Person to the City Secretary or City Manager who will then forward the completed application to the Texas Game Room Owners Association for processing and approval.

You shall apply in person. No mail-in applications will be accepted. Please check with the City of Sullivan City to obtain the hours in which an application can be submitted.

2.3 Fee Schedule

Pursuant to Subsections 7 (e) of the Ordinance, the following fee schedule applies to Game Room Permit Applications:

- Application for a NEW Game Room Permit: \$50,000 non-refundable
- Application for RENEWAL of a Game Room Permit: \$15,000 per quarter non-refundable

Payments are to be made by money order, corporate check, or cashier's check only. Please make all money orders and checks payable to **CITY OF SULLIVAN CITY**.

2.4 Incomplete Applications Shall NOT be Accepted

Incomplete applications shall not be accepted. The application process will not begin until you:

- 1) Fill out the entire application, including the verification page, and submit it, in person, to the Sullivan City Manager and/or Sullivan City Secretary.
- 2) Provide all the necessary information required by this application and the Regulations;
- 3) Pay all applicable fees; and
- 4) Provide all the required documentation and information listed in in Exhibit A attached hereto. A photocopy of the Applicant's valid driver's license and/or valid identification card, along with a photocopy of the Applicant's Social Security Card must be attached.

2.5 A Receipt is NOT a Game Room Permit

A receipt shall be hand delivered or sent by certified mail to you, the Applicant, within thirty (30) days of submission of a complete application and payment of the application fee to the Sullivan City Manager and/or Sullivan City Secretary. A receipt showing payment of the application fee is NOT a Game Room Permit.

2.6 Inspections

Once a complete application has been received along with the required information, the Association will conduct up to three (3) inspections of the proposed Game Room to ensure compliance with these Regulations during the application process. You, the Applicant, must be present, in person, during these inspections. It is your responsibility to provide an interpreter if necessary. If approved, pursuant to Subsections 14.3 and 14.4 of the Regulations, you consent to compliance inspections at any time to determine whether compliance to the Regulations is met.

2.7 Duty to Comply with the Regulations

If you are issued a Game Room Permit pursuant to the Regulations, you have a duty to comply with all the provisions contained in the Regulations. Any violation of the Regulations can result in suspension or revocation of your Game Room Permit.

If you or any other Owner, Operator, employee, agent, and/or any other individual acting for, or acting on behalf of your proposed Game Room violates any offense outlined in the Ordinance, your Game Room Permit may be immediately revoked.

Signature of Applicant

Date

3.1 "Applicant"

Applicant shall complete the following information and shall abide by all requirements pursuant to Section 7(d) and all other relevant sections of the Ordinance.

Entity Name if not a natural person:

Full Legal Name:

Last Name	First Name	Middle/Maiden Name
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Date of Birth: ____ / ____ / ____ Height: ____ Weight: ____ Eye Color: ____

Social Security Number: ____ Scars/Marks/Tattoos: ____

Driver's License Number: ____ Identification Card Number: ____

Present Address: ____ Apt. No.: ____

City: ____ State: ____ Zip: ____

Home Phone: ____ Cell Phone: ____

Business Phone: ____ Email: ____

A photocopy of the Applicant's valid driver's license and/or valid identification card, along with a photocopy of the Applicant's Social Security Card must be attached.

If you are attempting to permit your proposed Game Room as an individual, confirm by signing below. By signing below, you are also acknowledging that you understand that if you are issued a Game Room Permit it is not transferable, assignable, or divisible. A Person commits a "Class A misdemeanor" if they intentionally or knowingly transfer, assign, or divide a Game Room Permit or attempt to do so. Further, they may be assessed a civil penalty not to exceed \$10,000 per violation. Each permit transferred, assigned, or divided or attempted to transfer, assign, or divide being considered a separate violation.

Signature of Applicant

Date

(By signing this document, you acknowledge that the information provided above is true and correct under the penalty of Perjury as defined by Chapter 37.02 of the Texas Penal Code. Additionally, providing false information on this document is a third-degree felony under Section 37.10 of the Texas Penal Code. Further, you are hereby acknowledging that the above listed individuals are "Owner(s)" of the Game Room you are attempting to permit as that term is defined by Subsection 5.1(c) of the Regulations.)

If you contend that the Game Room you are attempting to permit will be operated as a partnership, you are required to provide the information requested below. Provide the proposed partner's name, date of birth, present residential address, and a description of how that individual is an "Owner" of the proposed Game Room. Please use the specific language contained Section 5 of the Ordinance for your description—i.e., he/she is an "Owner" of the proposed Game Room because he/she signed an alarm permit for the proposed game room.

Also, please provide a photocopy of the proposed partner's driver's license or identification card and social security card.

All Owners, Operators and Interested parties, whether listed or not listed on any legal documents:

Name	Date of Birth	Present Residential Address	Description

In submitting this application, if you contend that the game room you are attempting to permit will be operated as a corporation, you are required to provide the information requested below.

Name of Corporation: _____

Mailing Address: _____
 (No PO Box Accepted) City State Zip

Business Address: _____
 (No PO Box Accepted) City State Zip

Business Phone No.: _____ Business E-Mail Address: _____

Provide a complete and accurate list of all directors, officers, agents, and shareholders with more than ten (10) percent of the outstanding shares.

Also, please provide a photocopy of the individual's driver's license or identification card and social security card.

Name	Date of Birth	Present Residential Address	Description

4.1 "Owner(s)"

In the chart below, disclose all other "Owner(s)" of your proposed Game Room as that term is defined by Subsection 5.1(c) of the Regulations. You are required to give the individual's full name, date of birth (if applicable), and present residential address. If the "Owner(s)" is a legal entity, please provide its full legal name and present business address.

Also, you are required to describe how that individual is an "Owner" of your proposed Game Room. Please use the specific language contained Section 5. of the Ordinance for your description — i.e., he/she is an "Owner" of the proposed game room because he/she signed an alarm permit for the proposed game room.

You are also required to provide a photocopy of the individual(s) driver's license or government issued identification.

If the "Owner(s)" are a legal entity, you are required to provide a photocopy of that entity's incorporation papers.

Name	Date of Birth	Present Residential Address	Description

5.1 "Operators"

In the chart below, disclose all "Operators" of your proposed game room as that term is defined by Subsection 5.1(g) of the Regulations. You are required to give the individual's full name, date of birth, and present residential address. Also, you are required to describe how that individual is an "Operator" of your proposed Game Room. Please use the specific language contained in Section 5 of the Ordinance for your description—i.e., he/she is an Operator of this game room because he/she operates a cash register. You are also required to provide a photocopy of the individual(s) driver's license or government issued identification.

Name	Date of Birth	Present Residential Address	Description

Signature of "Owner" and "Applicant"

Date

(By signing this document, you acknowledge that the information provided above is true and correct under the penalty of Perjury as defined by Chapter 37.02 of the Texas Penal Code. Additionally, providing false information on this document is a third-degree felony under Section 37.10 of the Texas Penal Code.)

Pursuant to the Ordinance, in making this application and signing the verification below, you certify that you, the Applicant, and none of the other Owner(s), Operator(s), employee(s), agent(s), and/or any other individual(s) acting for or acting on behalf of the Game Room have been convicted of any level of any offense listed in the Ordinance.

You further agree that you will immediately notify the Game Room Permit Administrator if any Owner, Operator, employee, agent or any other person acting for or on behalf of the Game Room is charged with, or convicted of, any of the offenses listed in 5.1(t) of the Regulations.

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned Notary Public, on this day personally appeared by me duly sworn, _____, an "Owner" and "Applicant" of _____ Game Room located at _____, and on his/her oath deposed, said that he/she swears that 1) he/she has read the above acknowledgments, fully understands the above acknowledgments, and swears that the above acknowledgments are true and correct as they pertain to this Game Room Application, 2) the information provided in the Game Room Application is true and correct, and 3) all pertinent information has been disclosed in making this Game Room Application.

"Owner" and "Applicant" of _____ Game Room

SUBSCRIBED AND SWORN TO BEFORE ME on the ___ day of _____, 20___, to certify which witness my hand and official seal.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Notary Seal:

My Commission Expires: _____

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

Date _____

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**CITY OF SULLIVAN CITY
TEXAS GAME ROOM OWNERS ASSOCIATION
FEE SCHEDULE**

PAYABLE TO THE CITY OF SULLIVAN CITY

- 1. \$50,000 NON-REFUNDABLE NON-NEGOTIABLE ONE-TIME APPLICATION FEE**
- 2. \$15,000 NON-REFUNDABLE NON-NEGOTIABLE RENEWAL FEE DUE EACH QUARTER COMMENCING ON THE DATE OF ISSUANCE OF THE GAME ROOM PERMIT**

**TEXAS GAME ROOM OWNERS ASSOCIATION COMPLIANCE CERTIFICATION
STICKER RATE SCHEDULE**

Quarters	Machine Totals		Fee Per Machine	Total Amount
1 st Quarter		X	\$50.00 =	\$
2 nd Quarter		X	\$50.00 =	\$
3 rd Quarter		X	\$50.00 =	\$
4 th Quarter		X	\$50.00 =	\$

Name of Business: _____

Address of Business: _____

Business Phone #: _____ E-Mail Address: _____

Owner's Name: _____

Owner's Address: _____

Owner's Phone #: _____ E-Mail Address: _____

Game Room Business: _____

IDENTIFY ANY AND ALL GAMING EQUIPMENT TO BE IN OPERATON AT THE GAME ROOM

	Unit Number	Model	Serial Number	State Sticker Number	TGROA Sticker Number
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
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31.					
32.					
33.					
34.					
35.					
36.					
37.					
38.					
39.					
40.					

Game Room Business: _____

IDENTIFY ANY AND ALL GAMING EQUIPMENT TO BE IN OPERATON AT THE GAME ROOM

	Unit Number	Model	Serial Number	State Sticker Number	TGROA Sticker Number
41.					
42.					
43.					
44.					
45.					
46.					
47.					
48.					
49.					
50.					
51.					
52.					
53.					
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75.					
76.					
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80.					

Game Room Business: _____

IDENTIFY ANY AND ALL GAMING EQUIPMENT TO BE IN OPERATON AT THE GAME ROOM

	Unit Number	Model	Serial Number	State Sticker Number	TGROA Sticker Number
81.					
82.					
83.					
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119.					
120.					

Game Room Business: _____

IDENTIFY ANY AND ALL GAMING EQUIPMENT TO BE IN OPERATON AT THE GAME ROOM

	Unit Number	Model	Serial Number	State Sticker Number	TGROA Sticker Number
121.					
122.					
123.					
124.					
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Game Room Business: _____

IDENTIFY ANY AND ALL GAMING EQUIPMENT TO BE IN OPERATON AT THE GAME ROOM

	Unit Number	Model	Serial Number	State Sticker Number	TGROA Sticker Number
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ORDINANCE NO. 2023-04

AN ORDINANCE BY THE TEXAS GAME ROOM OWNERS ASSOCIATION FOR THE CITY OF SULLIVAN CITY TEXAS ("CITY") ; CREATING AN ORDINANCE REGULATING ELECTRONIC GAME ROOMS, GAME FACILITIES, AND TECHNOLOGY; PROVIDING FOR LEGISLATIVE AUTHORIZATION; PROVIDING FOR DEFINITIONS; PROVIDING FOR PERMITTING, FEES, AND INSPECTIONS; PROVIDING FOR SAFETY AND SECURITY REQUIREMENTS; PROVIDING FOR ENFORCEMENT PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, electronic game rooms have created problematic issues for local law enforcement authorities, complicated by limitations of resources and difficulty of enforcement of state law; and

WHEREAS, the uncontrolled proliferation of electronic game rooms will have a detrimental impact on the health, safety and welfare of its citizens and visitors of the City, unless properly regulated; and

WHEREAS, the City has a duty to affirmatively eliminate the potential detrimental impact of a proliferation of electronic game rooms; and

WHEREAS, confusion has existed for some years as to the interpretation and enforcement of state statutes regarding electronic games, which grant an exemption from the statutory framework prohibiting illegal gambling activities; and

WHEREAS, in order to avoid such activity transitioning to and becoming illegal gambling, strict compliance with the law must occur; and

WHEREAS, local law enforcement authorities have limited resources with which to police this industry, and a regulatory fee will better fund enforcement efforts and ensure compliance with State law; and

WHEREAS, the City has evaluated and estimated the costs of permitting and enforcement, and has determined that the permitting fees and revenues will not exceed such costs; and

WHEREAS, the increased participation in electronic game rooms has the potential to mislead and confuse unwary citizens if not regulated, and therefore increases the need for an ordinance; and

WHEREAS, an ordinance to regulate the use of electronic games which display images associated with slot machines and gambling will protect the public welfare; and

WHEREAS, increased participation by citizens and patrons in electronic game rooms increases the need for a security presence on the premises offering the activity, so as to prevent and/or

deter criminal activity; and

WHEREAS, a likelihood of confusion exists of businesses using electronic games to conduct drawings by chance and game promotions or sweepstakes or other lawful uses, with businesses that may use electronic equipment to conduct gambling, as both legitimate and illegal operations often display images associated with traditional slot machines, and fraud and misrepresentation may occur at these businesses because of this confusion unless properly regulated; and

WHEREAS, some operations display images of gambling or slot machines in their advertisements and signage suggesting the presence of illegal activity; and those activities should be controlled and regulated; and

WHEREAS, the City has determined that regulating this activity is in the best interests of the health, safety, and welfare of the community; and

WHEREAS, regulation by the City is deemed desirable to ensure that the locations in which such machines are placed has adequate facilities to accommodate the number of persons likely to be attracted by the placement of such machines in addition to other persons on the premises by reason of other activities or attractions located thereon; to ensure that other activities conducted on the premises are not deleterious to the health, welfare, safety and morals of persons under the age of eighteen years operating or watching the operation of such amusement machines; to ensure that the peace and order of the community will not be disrupted by persons operating or waiting to operate such machines; to ensure that the persons exhibiting such machines are of good moral character; and to require that the owner or operator of any establishment used for the exhibition of such machines is responsible for protecting the peace and order of the community from disturbances caused by patrons of such establishments.

NOW, THEREFORE, BE IT ORDAINED BY THE TEXAS GAME ROOM OWNERS ASSOCIATION, INC. ("THE ASSOCIATION") FOR THE CITY:

Section 1.

Recitals.

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2.

Legislative Findings.

The City finds as follows:

(a) Desiring to protect individual rights, while at the same time affording opportunity for the fullest development of the individual, and promoting the health, safety, education, and welfare of the people, the City has a compelling interest in protecting its citizens from certain activities and influences which can result in irreparable harm if left unregulated.

(b) The Association has a legitimate interest in protecting citizens from unethical business practices, ensuring operators of regulated establishments are of good moral character, providing safe locations for people to congregate, and protecting the quality and well-being of its neighborhoods.

(c) It is necessary and in the public interest to ensure that businesses portray themselves in a manner not likely to mislead the public.

(d) The imposition of a regulatory scheme for electronic game rooms bears a rational relationship to the public interest and welfare.

(e) That the State of Texas authorizes drawings by chance, game promotions, sweepstakes, and other electronic games. The City and Association recognize that establishments that utilize electronic equipment to display the results of drawings by chance and game promotions or sweepstakes by simulating a game or games ordinarily played on a slot machine can deceive members of the public into believing that they are engaging in a licensed gambling activity if left unregulated. The City and Association further recognize that establishments that utilize games of skill only are separate and distinct from other game machines and game technology.

(f) That the City has an obligation and responsibility to protect its citizens from the use of deceptive practices.

(g) In order to ensure the enforcement of existing laws, to preserve the public peace and good order, and to safeguard the health, safety, morals and welfare of the community and citizens thereof, it is necessary and advisable to provide greater regulation of the use of electronic equipment to display the results of drawings by chance and game promotions.

(h) This Chapter is enacted in the interest of the public health, peace, safety, morals and general welfare of the citizens and inhabitants of the City, Texas pursuant to Article XI, Section 5, of the Texas Constitution. It is established to regulate the use of electronic game rooms, including giveaways through drawings by chance conducted in connection with the sale of a consumer product or service, sweepstakes, game promotions and other electronic games that do not otherwise violate Texas law.

Section 3.

Intent.

The intent of the Association acting on behalf of the governing body of the City in adopting this Ordinance is to regulate electronic game rooms, including the use of electronic means to effect giveaways through drawings by chance conducted in connection with the sale of a consumer product or service, coin-operated amusement machines, sweepstakes, and game promotions that do not otherwise violate Texas law. This regulation is intended to include all locations that utilize electronic games that simulate a game or games ordinarily played on a slot machine or other images associated with gambling, including those used to display the results of a drawing by chance conducted in connection with the sale of a consumer product or service, game promotion or sweepstakes. It also is intended to regulate all Operators (as defined herein) who operate electronic game rooms. This Ordinance is limited to only adult game room entertainment businesses and excludes video arcade type of game rooms for family entertainment that may include gaming arcade geared to general public, children and adults.

Section 4.

General Prohibition.

Except as expressly regulated and permitted by this Ordinance, no Person shall operate an electronic game room, including those that conduct drawings by chance, eight-liners, sweepstakes or game promotions or any other game of chance on any electronic or mechanical device provided by an operator of the game room which displays the result by simulating a game or games ordinarily played on a slot machine or other image associated with gambling under the law. Each location is limited to two-hundred (200) machines per location.

Section 5. Definitions.

This Ordinance is limited to only adult game room entertainment businesses and excludes video arcade type of game rooms for family entertainment that may include gaming arcade geared to general public, children and adults.

Skill or Pleasure coin-operated machine: "Skill or Pleasure coin-operated machine," as that term is used herein, includes any machine or device of any kind or character which is operated by or with coins, metal slugs, tokens, or checks and that, when operated, is used or is capable of being used or operated for amusement or pleasure or to afford skill or pleasure. Included within such term are Coin-operated electric game machines, "eight liner machines" and all other coin-operated machines which dispense or vend merchandise, music or service exclusively and coin-operated machines designed exclusively.

Owner: "Owner," as used herein, is, according to context, the person, individual, firm, company, association or corporation who owns a skill or pleasure coin-operated machine or the person, firm, company, association, individual or corporation who holds either legal or equitable title to the premises upon which a skill or pleasure coin-operated machine is to be located, displayed, exhibited or operated.

Operator: "Operator," as used herein, means any person, firm, company, association or corporation who exhibits, displays or permits to be exhibited, displayed or operated in a place of business owned by him or under his control any "Skill or Pleasure coin-operated machine," in the City.

Premises: "Premises," as used herein, means a designated piece of real property within the corporate limits of the City, together with all the buildings and structures thereon, upon where a skill or pleasure coin-operated machine is located or proposed to be located.

City Official: "City Official" means a police officer, code enforcement or building official employed or designated by the City.

Person: means an individual, association, partnership, joint venture, corporation, limited liability company, not-for-profit entity, or entity of any kind authorized to engage in business in Texas.

Applicant: means the Operator for whom a permit application is submitted and in the name of whom, if the permit is granted, the electronic game room shall be operated.

Conviction: means a determination of guilt in a Criminal case by a court of competent jurisdiction, regardless of whether the defendant plead guilty, no contest, or *nolo contendere*, was found guilty by a judge or jury, or had adjudication withheld.

Electronic Equipment: means any electronic or mechanical device provided by or on behalf of the Operator that is used or adapted for use to conduct game play and/or to reveal the results of a drawing by chance conducted in connection with the sale of a consumer product or service, sweepstakes, or game promotions that display results by simulating a game or games ordinarily played on a slot machine or associated with gambling. For any server based or internet based electronic game, each player station shall be deemed a separate Electronic Equipment device.

Electronic Game Room: means a Premises at which electronic games are provided, to members or the general public, that utilize Electronic Equipment for entertainment, amusement, or prize giveaways.

Minor: means an individual under the age of eighteen (18) years.

Permit Holder: means the Operator in whose name the Association has issued a permit under this Chapter.

Rules: means the restrictions and covenants governing the operation of any drawing by chance, sweepstakes, or game promotion.

Section 6.

Occupation Tax Levied

The \$60 occupation tax is due to the Texas Comptroller's Office annually on each coin-operated amusement machine that is displayed in the City. An occupation tax permit (decal) affixed to each machine shows that the tax has been paid. The tax can be prorated quarterly for machines placed in service for the first time in Texas during the year.

Section 7.

Permitting and Fees.

- (a) **Permit Required.** Every Operator operating an Electronic Game Room shall obtain a permit from the City for each Premises. Each permit is valid only for the Operator and the Premises named in the permit. Each permit is valid for one quarter, to be renewed quarterly.
- (b) **Initial Permits.** Within thirty (30) days of enactment of this Ordinance, those Operators that have been operating an Electronic Game Room as of enactment of this ordinance at a Premise, and which apply for, facially qualify for, and pay required fees for a permit, Shall be granted a permit for the Premises as provided for in this section. Each such Operator shall, in addition to the requirements set forth herein as part of the application, provide proof satisfactory to the City that the Operator was lawfully operating an Electronic Game Room as of April 24, 2023, which such evidence may include a current and valid lease, rental agreement, purchase and sale contract, bill of sale or receipt indicating the purchase, lease or use of Electronic Equipment on the Premises, or other certificates, permits, licenses, receipts or filings issued by the Federal, State or

local government indicating proof of the uses contemplated by this Ordinance on the Premises.

- (c) *Permits Limited.* No more than up to (5) permits shall be issued as provided for in subsection (b) above. All qualifying Operators who receive an initial permit as provided for in subsection (b) shall be entitled to renew their permit if they otherwise qualify and pay required fees. All renewals are subject to approval by the Association.

(d) *Application Materials Required for Permit.*

1. Applicant shall file with the City the following materials:

- i. If applicable, a copy of Applicant's proposed Rules governing raffles, sweepstakes or other game promotions which includes the odds of winning and the prize table;
- ii. A complete list of all products and services offered and the prices charged therefore;
- iii. For every principal, officer, manager and director of the Operator, a fingerprint card and letter certifying the results of a criminal background check generated by the Sullivan City Police Department or Texas Department of Public Safety;
- iv. A sworn affidavit containing the following:
 - (a) the identity of the applicant;
 - (b) a description, including the number of pieces, of the Electronic Equipment;
 - (c) a statement of whether any of the individuals listed has, within the five-year period immediately preceding the date of the application, been convicted of any felonies under the laws of Texas, the United States, or any other state, or has had adjudication withheld, and, if so, the particular criminal act involved and the place of conviction; the street address of the Electronic Game Room;
 - (d) the name and address of an individual in Sullivan City who is authorized to receive notices from the City;
 - (e) a statement certifying that all information on the application and any attachments thereto is true; and
 - (f) that the Applicant understands that any misstatement of material fact in the application will result in the denial of the permit or, if it has been issued, in the suspension or revocation of the permit.

- (e) *Fees.* Any applicant applying for a permit under this Ordinance, at the time the applicant applies for the machine permit or permits, apply to the City for a Premises License. The initial application fee for a Premises License shall be Fifty Thousand Dollars (\$50,000.00) non-refundable and non-negotiable made payable to the City of Sullivan City and to be submitted to City Secretary or City Manager, in advance for each location to be licensed. Fee is to cover administration costs of investigations, licensing and the hiring of additional police and/or city employees for the regulation and enforcement of this ordinance. Fee to be paid by applicant.

A quarterly renewal fee of Fifteen Thousand Dollars (\$15,000) is due to the City, made payable to the City of Sullivan City and to be submitted to City Secretary or City Manager after permit is approved, in order to remain in operation. The Association assesses a quarterly fee of Fifty Dollars (\$50) non-refundable and non-negotiable per machine for ordinance compliance inspections Fees to be paid by each respective permit holder.

(f) Review of Application.

1. **Duration of Review.** After receipt of an Applicant's completed permit application, the Texas Game Room Owners Association shall grant or deny the application at its discretion once all requirements are met and the Association is satisfied that the Applicant will meet all required criteria for lawful operation.
2. **Eligibility of Applicant.** The permit may be denied by the Association for any of the following reasons:
 - i. The Application contains false information; is incomplete; the Applicant has failed to comply with a state statute; the Applicant has a criminal record precluding approval;
 - ii. The Applicant had a license under this Article that has been suspended or revoked, or was a partner in a partnership, or an officer, director or principle stakeholder of a corporation which had a license suspended or revoked during the previous ten (10) years;
 - iii. The Applicant, within ten (10) years of the date of the application, has been convicted of any felony under the laws of Texas, the United States, unless the felony or felonies resulted in deferred adjudication. Criminal records are to be reviewed by the Association.
 - iv. The Applicant has been found to be in violation of any provision of this Ordinance, other provisions of the City Code when such violation occurs on the premises licensed hereunder.

(g) Denial of Permit; Reapplication. Any decision of the Association pursuant to the granting or denying of a license under this Ordinance may be reviewed upon the filing of the appropriate pleading by the aggrieved party within thirty (30) days of the date of the written decision. If an applicant reapplies for a permit at a particular location within a period of one (1) year from the date of denial of a previous application at the same location, and there has not been an intervening change in the circumstances which will lead to a different decision regarding the application, the application may be rejected.

(h) Duration of Permit. A permit shall be valid quarterly from the date of issuance.

(i) Renewal of Existing Permit. Existing permits shall be renewed upon compliance with this Article, notwithstanding the total number of permits issued. The Permit Holder shall apply for the renewal permit no later than sixty (60) days and no sooner than one-hundred twenty (120) days before the expiration of the current permit. The renewal permit application shall include all the materials and the application fee required for the issuance of an original permit. Renewal permit applications shall be processed using the same procedure and standards as required for review of an original permit application. Upon approval, Renewal permit applicants shall pay the same fees as set forth in subsection (h) above and said renewals shall be deemed denied if an eligible Applicant fails to pay these fees on or before the thirtieth (30th) day after approval, availability, and notice of the permit authorization.

(j) **Revocation of Permit.** The Association may revoke a permit for violation of any provision of this Ordinance or as is deemed necessary. Prior to revocation, the Association shall provide to the Permit Holder, through their individual authorized to accept notices from the Association, the following:

1. A written notice of intent to revoke the permit,
2. A ten (10) calendar day opportunity to cure the alleged violation or issue, and
3. An opportunity to be heard by the Association prior to revocation. Revocation shall not take place before five (5) days after a notice of revocation, Opportunity to cure, and opportunity to be heard is delivered to the Permit Holder. The decision to revoke a permit shall be considered final.

(k) **Transfer of Permits.** Permits shall not be transferred to another Owner and or Operator or premises nor shall Permits be transferred to any other person or entity without express approval of the Association and without the transferee first applying and qualifying under the provisions of this Ordinance. Any change in majority or controlling interest in any corporate Permit Holder shall be deemed a transfer to another entity and the Permit shall be automatically revoked as of the date such change was made. A \$50,000 non-negotiable transfer fee is due at the time of applying for transfer of the permit. The fee is to cover the cost of review of the applicants, the transferee and to cover the cost of diligence investigations, compliance and enforcement costs, and other administrative costs related to the transfer of the Permit. The Association must approve the transfer transaction prior to transfer of any permit.

(l) **Permit to be Affixed to Machine or Computer: Duplicate Permits Authorized.** The permit required above shall be evidence of payment of the occupation tax hereby levied and shall be securely attached to the machine in a manner that will require the continued application of steam and water to remove it. In the event a valid permit is lost, stolen or destroyed the Association shall issue a duplicate permit for a fee of \$50.00 per machine or sticker. No permit is required for any machine exempt from taxation under the State Law. Otherwise, all State taxes must be paid and state sticker properly affixed to each machine.

Section 8.

Information required for issuance of permit.

Any person wishing to exhibit, locate or display a skill or pleasure coin-operated or computer-based gaming system within the corporate limits of the City and any person wishing to continue exhibit, locate or display such machines or computer systems within the City must apply to City and to be reviewed and approved by the Association per this ordinance, and shall require the applicant to furnish the following information:

- A. The name, address, telephone number and nature of the business entity wherein a machine is proposed to be located, displayed or exhibited.
- B. The make, type and serial number of each machine and/or computer proposed to be placed in each location.
- C. The name, address and telephone number of the owner of each machine and/or computer listed on the application.

- D. Whether each machine listed on the application has affixed a valid permit issued by the State of Texas and the number of such permit.
- E. The application must be submitted under oath by the owner of the premises at which the machines are intended to be located, displayed, exhibited or operated and the application must be accompanied by the permit fee or occupation tax hereinabove imposed and levied.
- F. Any other information as required by the permit application, the Rules and Regulations, and any other additional information as requested by the City/Association.

Section 9.

Inspection of Premises.

During business hours, the Association, the City, the Police Department or their agents may enter the Premises for purposes of inspecting all areas of the Premises otherwise accessible to the general public, to ensure compliance with the provisions of this Article or any other ordinances within their authority, including but not limited to the right to enter the Premises and to select and remove any piece(s) of Electronic Equipment to inspect, test and/or have tested to determine compliance with this Article. The Association or the City may issue to the Permit Holder a show cause order requiring the production on Premises of documents or data relating to the electronic games. Production of the records or inventory shall only be for inspection and review to determine compliance with this Article. Within three (3) days of receipt of the show cause order the Permit Holder shall produce all requested records and inventory.

Section 10.

Signage Requirements.

(a) *Exterior of Premises.* Exterior signage shall be limited to the advertisement of the consumer product and or service sold on the Premises, and the name of the Electronic Game Room. No signs shall be posted on the exterior of the Premises that suggest gambling takes place on the Premises or displays any image commonly associated with slot machines. All signage shall be further subject to Code requirements. All signage must be approved by the Association prior to installation.

(b) *Interior of Premises.* The Permit Holder shall conspicuously post the Permit at the entrance or main counter. The Permit Holder shall also conspicuously post the name of the Permit Holder, a description of all products and services sold, and the complete rules for all drawings, raffles, sweepstakes or game promotions at the Premises' front or main counter. Rules for all game promotions shall include the following language in at least 26-point font: "State and local law prohibits this establishment from requiring an entry fee, payment, or proof of purchase as a condition of participating. No donation or contribution is Required. You may obtain free entries upon request from any employee on the premises." The Permit Holder shall also post a sign which shall include the following language in at least 26-point type: "The video displays are for amusement and entertainment only. The video displays do not determine the result of your sweepstakes entries." The Permit Holder shall affix signage that shall include the following language in at least 10-point type on each piece of Electronic Equipment: "The video displays are for amusement and entertainment only. The video displays do not determine the actual result." A complete copy of the Rules, prizes, and odds of winning shall be made available on request without cost. Any consumer product or service offered for sale shall

be identified by description and price by conspicuous posting.

Section 11.

Limitations on Operation of Business.

(a) *Alcoholic Beverages.* Permit Holders shall not sell or permit any individual to consume or possess any alcoholic beverages inside the Establishment.

(b) *Tobacco.* Permit Holders shall not sell or permit any individual to consume tobacco within the Establishment, other than exterior designated smoking areas.

(c) *Minors.* Permit Holders shall not permit Minors to enter the Premises.

(d) *Conditions of Alternative Means of Entry.* Entities that are available without purchase or financial donations shall be made available on request. The Permit Holder shall not impose any condition on the provision of such entries other than proof of identity by government issued identification from any state. The Permit Holder shall not limit the number of such entries offered per day per individual to less than the equivalent amount of entries that Permit Holder provides to individuals who make a donation, or purchase of a product or service valued at least \$1.00.

(e) *Employee Background Checks.* The Texas Game Room Owners shall ensure that a criminal background check is conducted on all owners, operators, and employees within thirty (30) days of hire and that such documentation is maintained on the Premises and submitted to the City.

(f) *Additional Requirements.* An Operator conducting a drawing by chance in connection with the sale of a consumer product or service, sweepstakes or game promotion shall be required to:

1. Maintain a list of the names and addresses of all persons who have won prizes which have a value of more than \$25 for one (1) year;
2. Maintain a trust account or bond in an amount equal to the total announced value of the prizes offered or \$50,000, whichever is less.

Section 12.

Location, Exhibition or Operation within 200 feet of a Residence, School, Church, Day Care or Hospital Prohibited Unless Otherwise Permitted.

No permit shall be issued for the display, exhibition or operation of any skill or pleasure coin-operated machine "eight liners" within two hundred (200) feet door-to-door of a residence, school, church, day care or hospital, school, church, day care or hospital in a straight line between the two points. A Day Care location is defined as a school for purposes of this section. In computing this distance limitation, it shall be necessary to measure from entrance to entrance or measure along streets. This Section is subject to the Model Subdivision Rules in which a variance may be considered by the City. The spacing measurements shall be door-to-door. A variance may be considered if enforcement of the spacing rule is: not in the best interest of the public; constitutes waste or inefficient use of land or other resources; creates an undue hardship on an applicant for a permit; does not serve its intended purpose; is not effective or necessary; or for any other reason that the city council,

after consideration of the health, safety, and welfare of the public and the equities of the situation, determines is in the best interest of the community.

Section 13.

Safety and Security Requirements.

The Premises of the Electronic Game Room shall maintain the following security devices and standards:

- A security camera system operating during business hours and capable of recording and retrieving an identifiable image for both, the interior and exterior of the Premises;
- A sign or posted notice that the premises are under surveillance;
- A drop safe or cash management device for restricted access to cash receipts;
- A conspicuous notice at all public entrances to Premises stating cash register contains limited amount of cash and that the manager does not have access to the safe;
- At exits to Premises, height markers displaying height measures;
- A cash management policy limiting cash on hand;
- A silent alarm system capable of notifying law enforcement; and
- During nighttime hours when the Premises is open for business at least one licensed, armed security guard who is a licensed peace officer residing within the City.
- Sullivan City Police are to have preference as to security detail.

Section 14.

Standards for Issuance or Disapproval of Application.

It shall be grounds for disapproval for any application for any Premises License or any renewal thereof and no license shall be issued if the Association finds that:

- Premises sought to be licensed is located within three hundred (300) feet of a residence school, church, day care (school) or hospital without a variance; or
- The owner, operator or lessee of the premises has been convicted of a felony or of any other classification of crime involving moral turpitude; or
- The premises to be licensed does not have separate sanitary facilities for both men and women; or
- The premises to be licensed does not have adequate parking space which will be considered based on the square feet of the facility located on the premises; or
- There is not proper lighting in the front of the premises; or
- The premises in question does not fully comply with City fire, health, safety, building, plumbing or electrical codes; or
- After reasonable notice from the City, the owner or operator of the premises is delinquent in the payment of any City, School, or County tax, fee or assessment including utility charges; or
- The machines to be located on the premises have not been issued permits by the Association or permit is not requested for all machines at the time a permit is applied for; or
- No permit shall be issued for any skill or pleasure coin-operated machine "eight liner" that has been used or commissioned in connection with any act prohibited by the State of Texas;

- or
- A licensee or an employee of a license knowingly allowed the possession, use, or sale of a controlled substance on the premises; or
- Unlawful or criminal activity of any kind; or
- All skill or pleasure machine businesses shall have all doors providing ingress and egress from the game room unlocked during the hours of operation; or
- The Fire Marshall shall make periodic inspections without notice to all skill or pleasure machine businesses.

Section 15.

Additional License Agreements.

In addition to meeting the criteria set forth in Section 11 above, the applicant shall agree as a condition precedent to the issuance of Premises License that:

- A. No person in an intoxicated condition will be permitted to enter or remain on the licensed premises. No loud or boisterous behavior will be tolerated either inside or outside the premises by patrons or potential patrons on the premises. Should the Sullivan City Police Department receive more than three (3) disturbance calls in anyone calendar year by persons complaining of loud and boisterous behavior on or about the premises and should the Police determine that patrons of the premises are responsible for the disturbance, the receipt of such calls to the Sullivan City Police Department and the determination by the Sullivan City Police Department as to the fact that the patrons of the licensed premises are responsible for the disturbance shall be grounds for cancellation or suspension of the license.
- B. No child under the age of eighteen (18) years shall be permitted to play or operate a skill or pleasure coin-operated machine unless accompanied by his or her parent or legal guardian.
- C. No obscene material shall be permitted to be sold, viewed or be available for viewing or sale on the premises. No material of a sexually explicit nature or which is defined as "Harmful Material" in Section 43.24 Texas Penal Code may be displayed on the premises in such a way that any minor might view the material and thereby become offended or alarmed by the display.
- D. An owner, manager, or employee of a skilled or pleasure machine business (game room) or other person exercising control over a game room, a portion of a game room or an operational amusement redemption machine, shall provide a City Official with immediate unrestricted access during business hours to all areas of the game room and to all operational amusement redemption machines located in the game room.
- E. An association official may inspect a game room, game facility or an operational amusement redemption machine located within the City, Texas incorporated city limits to determine whether the game or the operational amusement redemption machine complies with the City Code of Ordinances and State Law.
- F. An owner manager or employee of a game room or other person who does not allow an Association or city official to inspect a game or operational amusement redemption machine commits an offense.
- G. An association official may inspect a game room, game facility or an operational

- amusement redemption machine located within the City, Texas incorporated city limits to determine whether the game or the operational amusement redemption machine complies with the City Code of Ordinances and State Law.
- H. An owner, manager, or employee of a game room or other person who does not allow an Association or city official to inspect a game or operational amusement redemption machine commits an offense.
- (a). The requirements of subsection (I) of this section may be waived or modified by an Association official if the establishment owner can demonstrate:
1. The establishment is located in a structure deemed a historic landmark, or the structure is within a historic district, and deemed to have architectural or historic significance; and all game rooms shall have all doors providing ingress and egress from the game room unlocked during the hours of operation.

Section 16.

Required Information on Application.

The application for Premises License shall also require the applicant to furnish the name, address, telephone number and type of business entity of the owner of premises, supported by three (3) forms of recognized identification. Likewise, the names and addresses of any person, firm, corporation, partnership or other type of legal or business entity whatsoever having financial interest in the ownership or operation of the licensed premises shall be disclosed together with the percentage of financial interest applicable to each person or entity. The application shall be sworn to by the applicant that the information contained therein is true and correct.

Section 17.

Issuance or Disapproval of License: Cancellation of License

Should the application, reveal that the applicant is qualified in all respects for the issuance of the license applied for, and inspection of the premises reveal that the premises for which license is sought meets the requirements of this Ordinance, then the Association shall issue the license upon the applicant's written acceptance of the terms and conditions of the license and payment of required fees. Should the applicant not qualify for the license or the premises be deficient in meeting any of the requirements hereof or should the applicant not accept any of the license conditions then such application will be denied by the Association and no license will be issued. In the event any applicant should, after issuance of the Premises License, whether original, renewal or amended become disqualified to hold such a license, or should the premises become deficient in any respect, or should the applicant, owner or operator suffer, allow or permit a violation of any of the terms and conditions of the Ordinance or the license issued hereunder, the Association may cancel such license and instruct the owner, operator or applicant to cease operation of all machines permitted under such license to any game room permit issued. Grounds for cancellation of any permit shall include the use of any machine used to commit an act in violation of the laws of the State of Texas. Any licensee whose license is canceled by the Association may appeal to the Association members by filing a written notice of appeal within five (5) days of receipt of the cancellation notice issued by the Association, which cancellation notice shall be personally delivered to any person in charge of the licensed premises or mailed by certified or registered mail, return receipt requested, to the licensee.

at the address of the licensee shown on application that is on file with the Association. The appellate process shall be in accordance to Section 7(k) of this Ordinance.

Section 18.

Violations shall be punished by Fine; Grounds for Revocation of License; Abatement of Nuisance

It shall be unlawful for any Person, Operator, Manager, or Permit Holder to violate any of the Provisions of this Chapter. Violations of different provisions of this Chapter shall constitute separate offenses. Each day a violation occurs shall constitute a separate offense. A first violation of any of the provisions of this Chapter constitutes a civil infraction punishable by up to a \$10,000 fine. Any subsequent violation of any provision of this Ordinance shall be punishable by up to a \$10,000 fine per day. A violation of the terms of this Ordinance shall constitute a misdemeanor and subject the person violating same to a fine of up to \$500.00. Each day violation shall continue it shall constitute a separate offense. Likewise, any violation of this Ordinance by an owner, operator, permit holder or licensee shall constitute grounds for revocation of any license or permit issued by the Association. Further, a violation of any condition hereby imposed shall render any machine covered by this Ordinance to be a public nuisance and subject to abatement by the Association in the manner allowed for abatement of public nuisances otherwise by law.

Section 19.

Construction with other Ordinances

The provisions of this Ordinance shall govern the location, operation, display or exhibition of skill or pleasure coin-operated machines and any other Ordinances imposing conflicting regulations shall be construed as inapplicable to the extent of the conflict. A conditional use permit under the City's Zoning Ordinance shall be required only if the location, operation, display or exhibition of ten (10) or more such machines is proposed. In such case, a conditional use permit shall be required in addition to the premised license and machine permit.

Section 20.

Severability Clause

The provisions of the Ordinance shall be construed in accordance with applicable Federal and State Constitutional provisions and State Laws governing the regulation of skill and pleasure coin-operated machines. To the extent of any conflict with the State and Federal Constitutions, and statutory provisions, the provisions of the U.S. Constitutions, Constitution of the State of Texas and laws passed by the Congressional Legislature of the State of Texas shall control. Likewise, should any part of this Ordinance be finally determined to be invalid, such provision is hereby declared and found to be severable from the valid portions hereof and such valid provisions shall remain in full force and effect, notwithstanding the invalidity of any particular part or section hereof, and the remainder of this ordinance shall remain in full force and effect.

Section 21.

Inclusion in Code.

It is the intent of the City and Association that the provisions of this Ordinance shall become and

be made a part of the City Code and that the sections of this Ordinance may be renumbered or re lettered and the word "ordinance" may be changed to "section", "article", or such other appropriate word "or phrase in order to accomplish such.

Section 22.

Filing with the Department of State.

The Clerk shall be and is hereby directed forthwith to send an electronic copy of this Ordinance to the Secretary of State for the State of Texas in accordance with Texas Statutes.


Section 23.

Effective Date.

This ordinance shall become effective as provided for by law.

ENACTED this _____ day of _____, 2023.

FILED with the Secretary of State this _____ day of _____, 2023.



Alma D. Salinas
Mayor

Attest:


Ana N. Mercado
City Manager

Approved as to form and Substance:


Frank Garza, City Attorney


Robert R. Flores, Attorney-in-Charge
Texas Game Room Owners Association, Inc.



NOTICE

IT IS HEREBY ORDERED THAT

ALL INQUIRIES AS TO THE CITY GAME ROOM ORDINANCE, ITS APPLICATION, AND RULES AND REGULATIONS FOR APPROVAL AND OPERATION ARE TO BE

DIRECTED TO:

INFO@TGROA.ORG

ONLY

NO INQUIRIES ARE TO BE DIRECTED TO THE CITY OF SULLIVAN CITY