

PERMIT _____

**APPLICATION FOR
LOCAL PREMISES GAMING PERMIT
(NON-TRANSFERABLE)**

The City of Vernon Code of Ordinances Section 50-31 requires an operator's permit be obtained for any business which operates amusement redemption and/or gaming machines, or any business whose principal business is the operation of amusement redemption and/or gaming machines.

LEGAL INFORMATION ONLY

Operator/Owner Name _____ Phone # _____
(Legal Name: sole proprietor, ltd, Partnership, or incorporated)

Operator/Owner Address _____ Zip _____ E-mail _____
(Legal Address)

Name of Local Agent for Operator/Owner _____ Phone # _____
(If Operator/Owner is not a resident of the City of Vernon)

Address of Local Agent _____ Zip _____

Name of Business _____

Address of Business _____ Zip _____

Manager's Name _____

Phone: _____ E-Mail: _____

Maximum number of machines at this address for the entire year _____

I, _____ hereby affirm that, to the best of my
(Owner or manager/local agent)

knowledge, the information appearing on this application is true and correct.

Signature of Operator/Owner or Local Agent/Manager

SUBSCRIBED AND SWORN TO BEFORE ME on this _____ day of _____, _____

Notary Public in and for the State of Texas
Commission expires _____

APPROVED:

(1) _____
Zoning Official (Only if First-time applicant)

(2) _____
Fire Marshall (Site Plan Approved)

(3) _____
City Secretary

**CITY OF VERNON
PROCEDURES FOR OBTAINING A
LOCAL PREMISES GAMING PERMIT**

Any business location which operates amusement redemption and/or gaming machines shall obtain a valid operator's permit and post in a conspicuous place near the machines.

Schedule an appointment with the Community Development Department personnel to discuss zoning requirements.

If the location meets zoning requirements, the Application for Local Premises Gaming Permit should be routed as follows:

1. **Zoning:** Schedule an appointment to obtain final Code Enforcement approval and signatures @ 940-552-2581, 1725 Wilbarger St. **Obtain signature if first time applicant.**
2. **Fire Marshall:** Schedule an inspection of the premises @ 940-552-1782, 4105 Wilbarger St. **(Machines must be in operational set up prior to inspection, city decal/sticker on machines not required at time of fire marshal inspection). Obtain signature.**
3. **Office of City Secretary:** When the application is properly prepared (including serial numbers for machines to be permitted) and the signatures from the required departments have been obtained, the City Secretary will sign the application and issue the Operator's Permit @ 1725 Wilbarger St, phone 940-552-2581.

Fees due upon approval of application:

Annual Permit application fee	\$200
Annual Machine Fee	\$100 per machine

ALL PERMITS EXPIRE DECEMBER 31 OF EACH YEAR

It is the applicant's responsibility to obtain the required signatures listed above. Upon approval of the application and payment of the fee, the owner will be issued one decal per machine to be securely affixed to the machine. All State regulations and permits are separate from the City permit. **OPERATORS PERMIT AND MACHINE PERMIT SHALL BE RENEWED EACH YEAR BY DECEMBER 31.**

**APPLICANTS SHOULD READ ORDINANCE NO 1591 AND BE AWARE OF ALL
APPLICABLE SECTIONS.**

Note: If device revenue is less than 50% of the total revenue of the establishment, you are exempt for this ordinance. You may be required to document if you claim this exemption.

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

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Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

Permitted Machine:

Serial Number: _____

Permit Number _____

(Issued by City)

ORDINANCE NO. 1591

AN ORDINANCE CREATING SECTION 50-31; PERMITS AND BUSINESS FEES FOR AMUSEMENT AND GAMING DEVICES, OF ARTICLE II, BUSINESS OCCUPATION, PROFESSION OR TRADE OF CHAPTER 50, TAXATION AND LICENSES OF THE CODE OF ORDINANCES OF THE CITY OF VERNON, TEXAS; ESTABLISHING DEFINITIONS PERTAINING TO MACHINE RECREATION GAMES, ESTABLISHMENT OF FEES FOR AMUSEMENT DEVICES AND MACHINES; ESTABLISHING BOUNDARIES TO WHICH THE RECREATION AND AMUSEMENT ESTABLISHMENTS MAY BE SET UP WITHIN THE MUNICIPALITY OF VERNON, TEXAS; PROHIBITIONS AND OFFENSE; ESTABLISHING PENALTIES UPON CONVICTION OF VIOLATION OF THIS ORDINANCE; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, the necessity of this Ordinance is to protect the public safety, health and welfare of the citizens of the City of Vernon; and

WHEREAS, the City of Vernon recognizes the Texas Occupations Code 2153.152, 2153.154, 2153.155, 2153.156 and 2153.159 that all facilities housing such machines must be licensed by the State Comptroller of Public Accounts and comply with the State Regulations; and

WHEREAS, Section 2153.451 of the Texas Occupations Code specifically authorizes a municipality to impose an occupational permit on an amusement redemption and coin-operated machine; the rate of the tax may not exceed one-fourth (1/4) of the tax imposed under Section 2153.401;

BE IT ORDAINED BY THE CITY OF VERNON, TEXAS

SECTION 1: Definitions:

a) **"Gaming Place"** means any real estate, building, room, tent, vehicle, boat, or other property whatsoever, one of the uses of which is the making or settling of bets, bookmaking, or the conducting of a lottery, sweepstakes, or the playing of gaming devices. [Penal Code 47:3] Exemption: Business whose income from gaming machines

is less than fifty percent (50%) of total business income will not be considered a gaming place.

b) **"Gaming Devices"** means any electronic, electromechanical, computerized, or mechanical contrivance that for a consideration affords the player an opportunity to obtain anything of value, the award of which is determined solely or partially by chance, even though accompanied by some skill, whether or not the prize is automatically paid by the contrivance. [Penal Code 47:4] This includes, but is not limited to, gambling device versions of bingo, keno, blackjack, lottery, roulette, video poker, or similar electronic, electromechanical, computerized, or mechanical games, or facsimiles thereof, that operate by chance or partially so, that as a result of the play or operation of the game award credits or free games, and that record the number of free games or credits so awarded and the cancellation or removal of the free games or credits; and does not include any electronic, electromechanical, computerized, or mechanical contrivance designed, made, and adapted solely for bona fide amusement purposes if the contrivance rewards the player exclusively with non-cash merchandise prizes, toys, 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 10 times the amount charged to play the game or device once or \$5.00, whichever is less.

c) **"Private Place"** means a place to which the public does not have access, and excludes, among other places, streets, highways, restaurants, taverns, nightclubs, schools, hospitals, and the common areas of apartment houses, hotels, motels, office buildings, transportation facilities, and shops. [Penal Code 47:8]

d) **"Thing of Value"** means any benefit, but does not include an unrecorded and immediate right of replay not exchangeable for value. [Penal Code 47:9]

e) **"Amusement Redemption Machine"** means a skill or pleasure coin-operated machine that is designed, made and adapted solely for bona fide amusement purposes, and that by operation of chance or a combination of skill and chance affords the user, in addition to any right of replay, an opportunity to receive exclusively non-cash merchandise prizes, toys, or novelties, or a representation of a value redeemable for those items. Amusement Redemption Machine does not include:

- 1) A machine that awards the user non-cash merchandise prizes, toys, or novelties solely and directly from the machine, including claw, crane, or similar machines; nor
- 2) A machine from which the opportunity to receive non-cash 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 objects into the machine or a part thereof, including basketball, golf, bowling pusher, or similar machines.

f) **"Coin-Operated Machine"** means a machine or device operated by the payment or insertion of paper currency or any other consideration.

g) **"Representation of Value"** means cash paid under authority of sweepstakes contests as provided by Texas Business and Commerce Code, Section 43, or a gift certificate or gift card that is presented to a merchant in exchange for merchandise.

h) **"Total Combined Fee"** means the total number of machines times the annual fee per machine or the total number of machines times the semi-annual fee per machine issued by the City of Vernon.

i) **"Placed in the Establishment"** means all machines physically located in the establishment whether operating or not.

SECTION 2: – Local Premises Gaming Permit for Amusement Redemption Machines, Coin-Operated Machines and Gaming Devices:

a) **Application Fee and License Fee** – An owner, operator, or lessee of premises on which an amusement redemption machine is made available to others shall be required to secure a permit by paying to the City an annual Local Premises Gaming Permit for Amusement Redemption Machines, Coin-Operated Machines and Gaming Devices. Permit fee as follows:

- 1) \$200 Permit Application Fee (one time unless permit expires)
- 2) Application shall be made on a form as approved by the City Secretary.
- 3) Fee shall be \$100 per Machine (operable or inoperable).
- 4) Upon approval of the application, and inspection by the Building Inspector, a fee of \$100 per machine per year shall be paid. By January 15th of each subsequent year, a renewal fee shall be paid of \$100 per machine per year. Failure to pay renewal fee by said date shall result in immediate revocation of all permits and license.
- 5) Denial of permits may appeal to the City Manager.

b) **Expiration and Renewal of said fee:** The total fee applicable for the number of machines located on the premises with the addition of new machines after the annual permit is obtained and/or renewed shall be the total fee due upon addition of added machines in one establishment and shall hence forth be the fee due.

Permits shall automatically expire December 31st of each year, except as otherwise stated herein, such permit shall also automatically expire if the holder thereof sells, transfers equity, or otherwise disposes of such devices. The City shall not refund any portion of a Local Premises Gaming Permit for Amusement Redemption Machines, Coin-Operated Machines and Gaming Devices fee after the permit is issued, nor shall it prorate or reduce in amount any fee due to the City. It is the establishment's responsibility to notify the City Secretary of additional machines added to the premises within the permit year. The current permit will be replaced with a renewed permit to include the additional machines and devices at the Local Premises Gaming Permit for Amusement Redemption Machines, Coin-Operated Machines and Gaming Devices fee at the cost per additional machine. Permits for each machine are non-transferable to other machines.

- c) **Payment** – Payments shall be made by January 15th for the current year. If payment is not made by January 15th for existing businesses, the application will expire and a new application will be due.
- d) **Late Penalty** – Upon the expiration of a permit, and within 30 days thereafter, the person making the device available to others shall obtain a renewal thereof in the same manner as an original permit if he wishes to continue operating premises on which an amusement redemption machine is made available to others.
- e) **Sealing** – The City shall have the authority to seal any amusement redemption machine located at an establishment for which a Local Premises Gaming Permit fee has not been secured. A \$10.00 fee will be charged for the release of any machine sealed for non-payment of said Local Premises Gaming Permit fee.
- f) **Permit Posting** – The permit shall be conspicuously posted on each device. Permits for each machine are non-transferable to other machines.
- g) **Revocation of Permit** – The City Manager may revoke any permit to maintain and operate premises on which an amusement redemption machine is made available to others when the licensee has been found guilty by a court of competent jurisdiction of violating any provisions of this ordinance or any applicable State Statute. After such conviction, the license may be reissued if the circumstances leading to the conviction have been remedied and the premises are being maintained and operated in full compliance with the law and this ordinance. Provided, however, that an owner, operator, or lessee of premises on which an amusement redemption machine is made available to others, who is found to be in violation of this ordinance based on a finding that the number of amusement redemption machines exceeds the number for which the premises is permitted shall be required to pay an amount equal to twice the difference of the original permit fee and the permit fee required for the number of machines actually on the premises.
- h) **Inventory** – Each owner, operator, or lessee of premises on which an amusement redemption machine is made available to others shall be required to provide the City of Vernon with a complete inventory of all machines located on the premises. The inventory shall include the make, model, serial number and date placed in service of each amusement redemption machine.

SECTION 3: – Limits on Permits and Location of Premises (Housing Regulation)

Location of Premises (Housing Regulations) - This housing regulation restricts amusement redemption machines, coin-operated machines and gaming devices from being housed within 300 feet of a school, church or hospital. The Commercial type

zoned areas of the City of Vernon shall serve as the authorized boundaries for the operation and housing of amusement redemption machines.

SECTION 4: Prohibitions

a) **Persons under 21:** The presence of persons under twenty-one (21) years of age on premises subject to a Local Premises Gaming Permit for Amusement Redemption Machines is prohibited and is punishable by a fine as provided in Section 1-6. In addition to any other penalty or punishment imposed by law, violation of this section shall be cause for revocation of a Local Premises Gaming Permit for Amusement Redemption Machines issued pursuant to this Ordinance. It is an affirmative defense to prosecution under this subsection that the person under twenty-one (21) years of age was a bona fide employee of the establishment subject to a Local Premises Gaming Permit for Amusement Redemption Machines.

b) **Alcoholic Beverages:** The presence of alcoholic beverages on premises subject to a Local Premises Gaming Permit for Amusement Redemption Machines that operate more than ten (10) amusement redemption machines is prohibited and is punishable by a fine as provided in Section 1-6. In addition to any other penalty or punishment imposed by law, violation of this section shall be cause for revocation of a Local Premises Gaming Permit for Amusement Redemption Machines issued pursuant to this Ordinance.

c) **Person Commits an Offense:** If he makes a bet on the partial or final result of a game or contest or on the performance of a participant in a game or contest; Plays and bets for money or other thing of value at any game played with cards, dice, balls, or any other gambling device; If he played for money using an electronic, electromechanical, computerized or mechanical contrivance including the definition of gambling device under Section 1(b) of this ordinance and the Penal Code Section 47.01 (4) (b).

4d) An offense under this section is a Class "C" misdemeanor. Any person who violates any provision of this Ordinance for which no other penalty is set forth shall, upon conviction, be subject to a to a penalty as provided in Section 1-6 per incident or per day in which such condition exists. Each day that such violation is permitted to continue shall constitute a separate offense. The term "person" as used in this section shall include the owner, occupant, mortgager or vender in possession, assignee or renter, receiver, executor, trustee, or lessee, agent or another person, firm or corporation directly, or indirectly, in control of a building or tract of land.

SECTION 5: If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provisions hereof be given full force and effect for its purpose.

SECTION 6: All ordinances or parts of ordinances in conflict with this ordinance are repealed to the extent of such conflict only.

SECTION 7: Should any portion or part of this Ordinance be held for any reason invalid or unenforceable, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

SECTION 8: This Ordinance shall not be recorded in length in the minutes of the City Commission, but shall be filed for permanent record in the office of the City Secretary.

SECTION 9: This Ordinance shall become effective on and after the adoption and publication as required by law. This Ordinance shall become effective on and after July 1, 2012.

NUMBER OF VOTES FOR ____ NUMBER OF VOTES AGAINST ____.

PASSED and APPROVED on first reading this the 17th day of April, 2012.

PASSED and APPROVED on second and final reading this the 22nd day of May, 2012.



Jeff Bearden, Mayor

Attest:



Linda Byers, City Secretary

