

**ORDINANCE 2012-05**

**AN ORDINANCE OF THE CITY OF LA FERIA AMENDING CHAPTER 4 (BUSINESS REGULATIONS) OF THE CODE OF ORDINANCES TO AMEND THE DEFINITION OF LEVEL 1 GAMING DEVICE AND TO ESTABLISH AN EFFECTIVE DATE**

**WHEREAS**, the City of La Feria, a home-rule city, may adopt and enforce ordinances necessary to protect health, life, and property and to preserve the good government, order, and security of the municipality and its inhabitants; and

**WHEREAS**, the City of La Feria has previously concluded that a Game Halls (a) can have a detrimental effect on the appraised value of surrounding properties and the community as a whole; (b) require higher protective safeguards from secondary negative effects which require more fire and law enforcement monitoring than other businesses; (c) numerous Game Halls in the County of Cameron, Texas have been raided for illegal activity involving gambling, money laundering, loan sharking, theft, and bribery and have been the location of armed robberies; (d) have a tendency to become public nuisances; and (e) require greater monitoring and regulation by the fire marshal and law enforcement officers that take city officials away from other necessary activities resulting in higher administrative costs to the City of La Feria; and

**WHEREAS**, the City previously took action to protect health, life, and property and to preserve the good government, order, and security of the municipality and its inhabitants through the regulation of businesses using devices offering non-cash prizes;

**WHEREAS**, the federal and state courts have concluded that sweepstakes which reward cash prizes through devices, so long as certain rules are followed including the ability to participate without making a purchase or a donation, is not illegal gambling; and;

**WHEREAS**, the City of La Feria concludes that the operation of such a sweepstakes business presents the same, legitimate public policy considerations as the operation a game hall involving devices which do not award cash prizes;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, THAT:**

- I. Chapter 4, Article 4.13 of the Code of Ordinances, Sec. 4.13.002 Definitions is hereby amended as follows.
  - (a) "Level 1 gaming device" means an electronic, electromechanical, or mechanical contrivance [including any software related to the operation thereof] designed, made, and adapted solely for bona fide amusement purposes which rewards the player, either by chance or a combination of skill and chance, exclusively with noncash 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 ten times the amount charged to play the game or device once or Five Dollars (\$5.00), whichever is less. A Level 1

gaming device also includes an electronic, electromechanical, or mechanical contrivance [including any software related to the operation thereof] designed, made, and used for amusement, promotional or charitable fundraising purposes and commonly referred to as a "sweepstakes;" provided such sweepstakes meets all criteria imposed by Texas law related to such activity. To qualify as a sweepstakes, the player must be rewarded solely by chance, participation is not conditioned upon the making of a purchase or donation, the odds of winning are identical whether the participant makes a purchase or donation or does not make a purchase or donation, a single finite set of entries is available, and a single finite set of prizes is awarded regardless of the number of participants and is established prior to commencing the sweepstakes. A "Level 1 gaming device" includes, but is not limited to, gaming and sweepstakes versions of bingo, keno, blackjack, lottery, roulette, video poker, or similar 8-liner machines whether operated on a dedicated machine exclusively programmed therefor or on a non-dedicated device including but not limited to a computer terminal.

II. This Ordinance is effective immediately upon passage and approval by the City Commission.

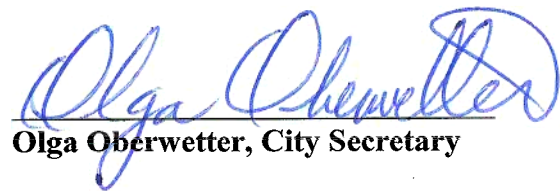
**PASSED AND APPROVED THIS 13<sup>th</sup> DAY OF MARCH 2012.**

**APPROVED:**



**STEVE BREWER, Mayor**

**ATTEST:**

  
**Olga Oberwetter, City Secretary**

**APPROVED AS TO FORM:**

  
**Richard S. Talbert, City Attorney**