

SUBJECT: Securing gambling equipment on cruise ships in Texas ports

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 7 ayes — Wilson, Kubiak, Haggerty, Hamric, D. Jones, Pickett, Yarbrough
0 nays
2 absent — Goolsby, Torres

WITNESSES: For — Diane Falcioni, Texas Ports Association
Against — None

BACKGROUND : The Penal Code makes it a crime in Texas to possess gambling devices, equipment, and paraphernalia for commercial use. However, cruise ships fitted with gambling devices may lawfully enter Texas waters and dock at Texas ports so long as the area containing the equipment is physically secured and may be accessed only by the captain and crew.

DIGEST: HB 449 would amend the Penal Code to provide alternatives to physically isolating gambling equipment on cruise ships. HB 449 would allow for covering devices, so long as only the ship master or crew could uncover them, or disabling equipment through some electronic or other means that could only be reversed by the master or crew.

HB 449 would also permit the master or crew to uncover or remove any disabling device to allow for inspection or repair of the gambling equipment.

The bill would take effect September 1, 1997.

SUPPORTERS SAY: HB 449 would make Texas ports more competitive with those in other states by allowing them to attract large cruise ships that provide a full range of gambling facilities while maintaining adequate protections against gambling within state waters. Current law discourages these ships from making ports of call in Texas because their gaming areas are located in very central or prominent areas of the boat and cannot easily be physically secured from

passengers once in Texas waters. In fact, in order to comply with Texas law, some ships have had to lock emergency exit doors adjacent to gaming rooms, limiting passenger mobility on board and raising the potential for a real disaster should a fire or other emergency occur.

Texas remains the only state with an absolute ban upon passengers even being in the same room with gaming devices. Because of this, Texas ports receive just the smaller ships that can more easily restrict passengers' access to areas where gaming devices are displayed or stored. The flexibility that would be provided by HB 449 would encourage cruise lines to land their larger, casino-equipped ships at Texas ports, with more passengers spending more tourist dollars during layovers. Ports like Houston, Galveston, and Corpus Christi would enjoy increased economic activity, with positive impacts for the state as a whole.

HB 449 would not allow passengers to engage in gambling activities while a ship was in Texas territorial waters. It would maintain present prohibitions against any use, viewing, or inspection of gaming equipment by passengers. It would only provide additional alternatives to current methods of securing equipment in order to comply with laws banning casino-style gambling in Texas.

HB 449 also would provide for servicing or repair of equipment while in port. Cruise lines use ports of call for all types of routine maintenance efforts, including servicing equipment. Allowing ships to undertake such activities while in Texas ports would make Texas destinations even more attractive to the cruise lines.

**OPPONENTS
SAY:**

HB 449 would loosen state control over casino gambling under the guise of increasing tourism and furthering economic development. It would remove an effective safeguard preventing violations of the state's gambling laws by cruise lines. There is no evidence that passengers are seriously burdened or harmed by the brief respite from gambling legally mandated under state law when their vessels enter Texas waters.

It does not appear that current law has forced cruise lines to totally abandon Texas cities as important ports of call during travel in the Gulf of Mexico area. Texas already earns its fair share of national tourist dollars even with

current restrictions, and this bill would not offer any benefit sufficient to justify this potential encroachment on the casino gambling ban.

NOTES: The companion bill, SB 864 by Patterson, is pending in the Senate State Affairs Committee.