

- SUBJECT:** Disabling gambling equipment on cruise ships in Texas waters
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 9 ayes — Wilson, Yarbrough, Flores, Goolsby, Haggerty, D. Jones, J. Moreno, Palmer, A. Reyna
0 nays
- WITNESSES:** 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.
- Texas territorial waters extend for nine miles into the Gulf of Mexico. Most states' territorial waters extend for three miles.
- DIGEST:** HB 1802 would amend current law providing an affirmative defense to prosecution for the presence of gambling equipment on an ocean-going vessel stopping at a Texas port. The bill would require that when a ship was in the state's territorial waters, a device disabling gambling equipment could not be removed except for inspection or repair of the equipment.
- HB 1802 would remove the requirement that while a vessel is in state territorial waters, the part of the boat containing the gambling equipment must be locked and inaccessible to anyone except the crew, and the equipment itself must be covered.
- The bill would take effect on September 1, 1999, and apply only to offenses committed on or after the effective date.
- SUPPORTERS SAY:** HB 1802 would make Texas ports 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 stopping at Texas ports because state law requires that their gaming areas be physically secured from passengers once in Texas waters. Because these gaming areas are located in very central or prominent areas of the ship, it is difficult to lock out passengers. In fact, in order to comply with Texas law, some ships have had to lock emergency exit doors adjacent to gaming rooms and limit passenger mobility on board, raising the potential for a real disaster should a fire or other emergency occur.

Current law also requires the ships' crews to waste their time covering gaming devices when a boat is in state waters. This is an outdated requirement since machines can be electronically disabled. Furthermore, Texas territorial waters extend for nine miles into the Gulf of Mexico, already putting Texas at a competitive disadvantage, since cruise ships have to travel a longer distance before allowing gambling.

**OPPONENTS
SAY:**

HB 449 would loosen state control over casino gambling under the guise of increasing tourism and furthering economic development. Current law is not forcing cruise lines to 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. This bill would not offer any benefit sufficient to justify this potential encroachment on the casino gambling ban. Instead, looser regulations could encourage others start casino gambling based in Texas ports.