



To the Mayor and Members of the City Council

October 8, 2024

Page 1 of 1

SUBJECT: GAME ROOM UPDATE

The purpose of this IR is to provide an update on the game-room litigation the City has been involved in since 2015 which has now been decided in the City’s favor to allow for the prohibition of eight-liners/amusement redemption machines in game room.

In 2014, in response to citizen complaints about crime around game rooms, the City Council adopted two ordinances, licensing and zoning, to combat the problems residents were experiencing with game rooms in their communities. Upon the ordinances’ effective date in January 2015, the City was sued by game rooms and eight-liner owners and operators in three separate suits—two of the lawsuits were abated pending the outcome of *Stephannie Lynn Rylie, et al v. The City of Fort Worth and David Cooke*.

After City losses at the district court in 2017 and court of appeals in 2018, the Texas Supreme Court accepted the case and issued a ruling favorable to the City in 2020, and remanded to the court of appeals. In 2022, on remand, the Second Court of Appeals held that eight liners, referred to as amusement redemption machines in our ordinances, are unconstitutional lotteries—they are games of chance. Following the decision of the court of appeals, the game rooms sought review from the Texas Supreme Court. In December of 2023, the Texas Supreme Court (Court) denied further review of the case. The game rooms requested a rehearing on the denial of review from the Court; the Court requested full briefing, but ultimately denied rehearing, ending the litigation that began in 2015.

The decision by the Court to deny a rehearing of the decision of the Second Court of Appeals is a victory for the City. The City may now ban eight liners in game rooms, convenience stores, and other places because they are unconstitutional lotteries or games of chance. Therefore, the process has begun to amend zoning and licensing/business ordinances that will act to prohibit eight liners/amusement redemption machines and game rooms from the City.

The anticipated schedule is as follows:

- City Code:
 - Ordinance banning eight liners and game rooms October 15, 2024
- Zoning Ordinance:
 - Zoning Commission November 13, 2024
 - City Council December 10, 2024

During the pendency of the litigation, the City and Tarrant County cooperated to promulgate the Tarrant County Game Room Regulations. Some game rooms were permitted pursuant to these county rules, but the keeping of eight liners/amusement redemption machines shall not be grandfathered or permitted.

If you have any questions concerning this information, please contact Senior Assistant City Attorney, Chris Mosley at 817-392-7603.

David Cooke
City Manager