

Texas Department of Insurance

# Amusement Ride Operator Compliance Biennial Report

Fiscal years 2021-2022





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Fiscal years 2021-2022

by the

**Texas Department of Insurance**

Submitted September 2022

A handwritten signature in black ink, appearing to read "C. Brown", with a long horizontal flourish extending to the right.

Cassie Brown

Commissioner of Insurance

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# Overview

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The Texas Department of Insurance (TDI) administers the state’s amusement ride program in compliance with the [Texas Amusement Ride Safety Inspection and Insurance Act](#). Texas Senate Bill 1, Article VIII, 87th Legislature requires TDI to compile a biennial report on: (1) its efforts to bring amusement ride operators into compliance with Texas law, and (2) the result of those efforts.

An [amusement ride](#) is a mechanical device that carries passengers along, around, or over a fixed or restricted course to give passengers amusement, pleasure, or excitement. Examples include:

- Mobile carnival rides.
- Theme park rides and devices.
- Bounce houses, jumping pillows, moonwalks, slides, and other continuous airflow inflatable devices.
- Concession go karts, water slides, bungee jumps, mechanical bulls, trackless trains, simulators, bumper boats, and zip lines.

To operate an amusement ride in Texas, the owner or operator must submit the following:

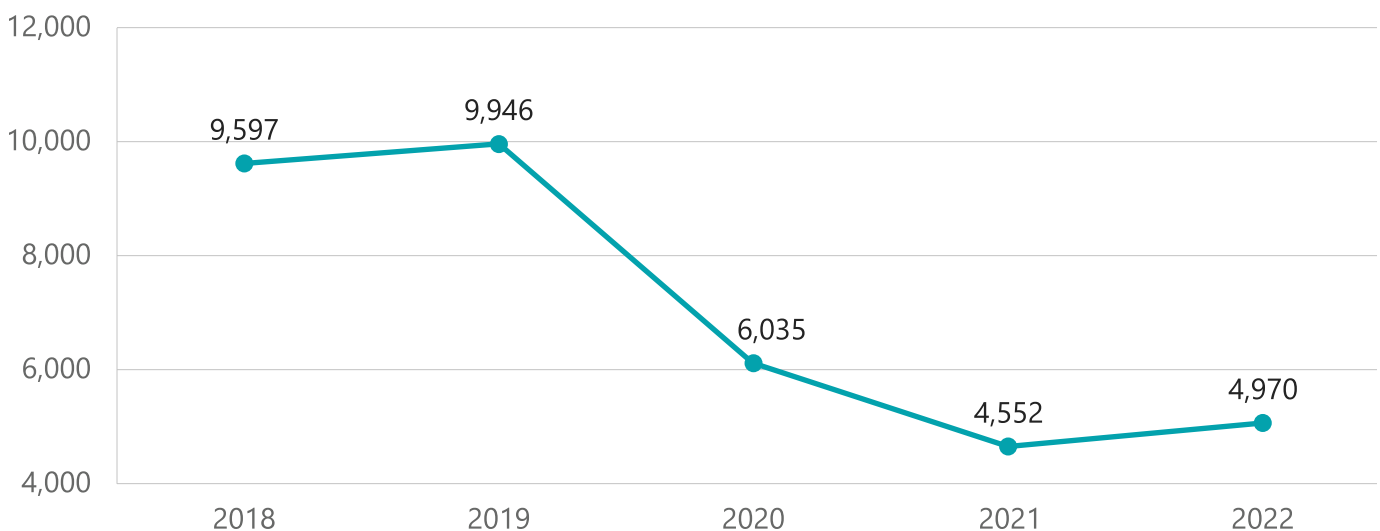
- A general liability insurance policy with the minimum statutory limits for bodily injury liability and property damage liability.
- An annual safety inspection performed by the insurer’s authorized representative.
- A filing fee of \$40 per ride or device.

Once an owner has met these requirements, TDI issues a compliance sticker for the ride. The sticker is valid for one year and is renewed the month the inspection occurred. The owner or operator must place the compliance sticker on the ride in a place visible to riders.

TDI keeps a database of owners, operators, and compliance stickers and posts a list of compliant rides on the [Amusement ride stickers](#) webpage.

## Compliance stickers issued by fiscal year

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# Compliance

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When TDI finds an owner or operator who isn't in compliance or doesn't have a file, TDI tries to contact them by phone, email, or by mailing an information packet. TDI also sends renewal notices to amusement ride owners and operators to remind them of compliance sticker expiration dates. Owners and operators may get more than one renewal notice if they have rides that renew on different dates.

From March 2020 to March 2022, TDI did not send noncompliance notices to owners and operators that hadn't renewed or been issued a compliance sticker because of the COVID-19 pandemic. However, TDI continued sending renewal reminders to get a compliance sticker before they started operating a ride. TDI also sent a noncompliance notice if they operated a noncompliant ride.

If an owner or operator continues to operate a noncompliant ride after the second notice, TDI sends a notice of violation and copies local law enforcement. Once a month, TDI sends copies of the notices to the Office of the Attorney General.

## Amusement ride activities by fiscal year

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Activity	2018	2019	2020	2021	2022
Owners and operators who got compliance stickers	963	1,005	595	533	544
Compliance stickers issued	9,597	9,946	*6,035	4,552	4,970
Renewal notices sent	1,072	942	1,324	896	1,019
First noncompliance notices sent	889	751	351	-	269
Second noncompliance notices sent	414	613	231	-	108
Referrals to TDI General Counsel	301	159	134	-	19
Referrals to the Attorney General's Office	197	67	120	-	-

\* In the 2020 report, compliance stickers issued in FY 2020 were incorrectly reported as 4,869. The correct number, 6,035, is included in the table.

TDI does not have authority to fine noncompliant owners or operators, but the county district attorney or the Texas Attorney General may seek an injunction against an owner or operator. Local law enforcement also has authority to enter and inspect an operation and prohibit the operation of noncompliant amusement rides. Operating a noncompliant amusement ride is a Class B misdemeanor. The owner or operator can bring a ride into compliance at any point during this process.

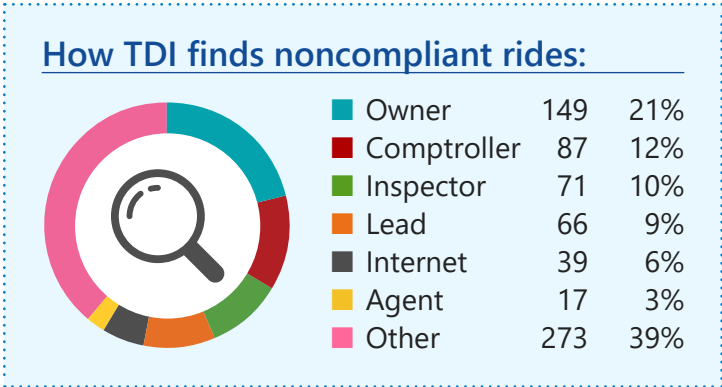
Between FY 2018 and 2022, TDI opened 702 files for ride owners or operators not listed in the agency’s database. TDI used various sources to find these owners and operators. The largest source is owners or operators who contact TDI, followed by internet and Facebook searches by TDI employees.

TDI also gets leads on noncompliant owners and operators from parents, riders, schools, facilities, and other ride owners or operators. TDI researches each lead to determine if the ride is subject to regulation or is already in compliance.

TDI has established relationships with insurance agents and inspectors involved with the amusement ride compliance process. Because agents and inspectors know the statutory requirements, they send TDI information about owners and operators who have a new business or aren’t aware of state requirements.

Since 2015, TDI has also used the sales tax license reconciliation process to locate owners and operators. Every month TDI asks the Texas Comptroller of Public Accounts for a list of owners and operators who applied for a sales tax license with a North American Industry Classification System (NAICS) code. TDI compares the report to the amusement ride database and investigates owners and operators that aren’t listed.

The monthly list generally includes 2,500 to 6,500 companies. If TDI finds an owner or operator that isn’t in compliance, TDI contacts them and begins the compliance process.



**NAICS codes requested for possible amusement ride companies**

Code	NAICS title	Common keywords
333318	Other commercial and service industry machinery manufacturing	Carnival and amusement park rides manufacturing
339999	All other miscellaneous manufacturing	Amusement machines, coin-operated, manufacturing
423850	Service establishment equipment and supplies merchant wholesalers	Amusement park equipment merchant wholesalers
561599	All other travel arrangement and reservation services	Ticket agencies (amusement, sports, theatrical)
713110	Amusement and theme parks	Amusement parks (theme, water)
713120	Amusement arcades	Amusement arcades
713990	All other amusement and recreation industries	Amusement device (except gambling) concession operators (supplying and servicing in others’ facilities), go carts

## Outreach

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TDI uses several methods to educate the public on how to legally operate an amusement ride. The agency:

- Provides answers to questions from large organizations and events, such as the State Fair of Texas, Houston Livestock Show and Rodeo, and South by Southwest conferences and festivals.
- Contributes to local news stories about amusement rides. TDI uses these opportunities to explain compliance requirements and provide links to online data and compliance reports.

Each month, TDI updates the website with lists of current compliance stickers, insurance, and legislatively required amusement ride injury reports.



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