

Texas Department of Insurance

# Amusement Ride Operator Compliance Biennial Report

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October 2024





# Amusement Ride Operator Compliance Biennial Report

Fiscal years 2023-24

by the

**Texas Department of Insurance**

Submitted October 2024

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](#). In 2023, the Texas Legislature passed House Bill 1, Article VII that requires TDI to compile a biennial report about its efforts to bring amusement ride operators into compliance with Texas law and 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.

Amusement ride owners or operators must give TDI:

- Proof of a general liability insurance policy with the minimum statutory limits for bodily injury liability and property damage liability.
- Proof of 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. Each month, TDI updates the [amusement ride requirements webpage](#) with current compliance stickers, insurance, and amusement ride injury reports.

# 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 about compliance sticker expiration dates. Owners and operators can get multiple renewal notices if they have rides with different renewal dates.

From March 2020 to March 2022, TDI didn't send noncompliance notices to owners and operators who hadn't renewed or received a compliance sticker because of the COVID-19 pandemic. Instead, TDI sent 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 operates 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.

## Compliance activities by fiscal year

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Activity	2020	2021	2022	2023	2024
Owners and operators who got compliance stickers	595	533	544	615	631
Compliance stickers issued	*6,035	4,552	4,970	7,411	6,453
Renewal notices sent	1,324	896	1,019	735	666
First noncompliance notices sent	351	-	269	235	49
Second noncompliance notices sent	231	-	108	65	24
Referrals to TDI General Counsel	134	-	19	38	21
Referrals to the Attorney General's Office	120	-	-	-	-

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

TDI doesn't have authority to fine noncompliant owners and operators. County district attorneys and the Texas Attorney General may seek injunctions against owners and operators. Local law enforcement can enter and inspect an operation and shut down 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.

## How TDI finds noncompliant rides

In fiscal years 2023 and 2024, TDI opened 172 files for ride owners or operators not listed in the agency's database.

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

TDI has 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. Each 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 list includes 2,500 to 6,500 companies. If TDI finds an owner or operator not in compliance, TDI contacts them and begins the compliance process.

### NAICS codes requested for possible amusement ride companies

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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 educates the public about how to legally operate amusement rides. The agency:

- Answers questions from large organizations and events, such as the State Fair of Texas, Houston Livestock Show and Rodeo, and South by Southwest conference and festival.
- 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.



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