

**SUMMARY OF KEY CHANGES PROPOSED BY  
ORDINANCE NO. O-05-25  
AMENDING CODE RELATING TO COIN-OPERATED MACHINES AND  
AMUSEMENT REDEMPTION MACHINES**

**Coin-Operated Machines:**

- **Amusement Redemption Machines are no longer excluded from the definition of coin-operated machines.** This is a technical correction based on state law and the state comptroller's office guidelines that an amusement redemption machine (ARM) is a type of coin-operated machine and may therefore be subject to the City's occupation tax on a coin-operated machine. *[See attached Tex. Occupations Code, §2153.002(1) and §2153.451.]*
- **Non-profit organizations exempt from the coin-operated machine occupation tax will now be required to provide a copy of the State Comptroller's written notice verifying such exemption.** Based on state law and current City code, eligible non-profits are exempt from the annual state and city coin-operated machine occupation tax (\$60 per machine for state tax and \$15 per machine for city tax). Whenever a non-profit organization applies to the State Comptroller's office for an exemption from this tax, the State Comptroller provides the organization with a written notice confirming eligibility of exemption. Requiring a copy of this notice will ensure that the City is not making the decision of whether or not an organization is exempt from the coin-operated machine city tax but is instead deferring to the State Comptroller's decision. *[See attached Tex. Admin Code, §3.602(f), Exemptions.]*
- **Cross references to the zoning code relating to coin-operated machines and to the ARM ordinance have been added.** The current zoning code contains limitations regarding the placement of coin-operated machines within 300 feet of a church, school, or hospital, and the City code relating to ARMs contains several additional requirements relating only to ARMs. Adding cross references to these provisions will help ensure that these provisions are not overlooked when enforcing City ordinance relating to coin-operated machines. *(See attached Crockett Zoning Code, §309.)*

**Amusement Redemption Machines and Establishments:**

- **Allows eligible non-profit organizations to be exempt from the ARM establishment licensing and inspection fee, which is currently \$1,000 annually per ARM.** The exemption will apply only to non-profit organizations providing the City with a copy of the above-referenced State Comptroller's written notice confirming the eligibility of exemption from the coin-operated machine occupation tax. Such organizations must still obtain an ARM establishment license from the City and comply with all other ARM regulations.
- **An ARM license for an organization, other than a non-profit organization, will only be granted for an ARM that has a current State Comptroller tax permit attached to the machine.** This provision will ensure that the owner of the machine at an ARM establishment has first complied with state law requiring registration with the State Comptroller's office of the ARM as a coin-operated machine before receiving an ARM license from the City. *(See attached Tex. Admin Code, §3.602(e)(4) and (5) relating to the display of tax permits on coin-operated machines.)*