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**CITY OF PORT LAVACA**

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**MEETING:** February 23, 2026

**DATE:** 02.18.2026

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** DERRICK SMITH, DEVELOPMENT SERVICES DIRECTOR

**SUBJECT:** Discuss and consider proposed amendments to Chapter 8 - Article II. - Amusements Machines of the Code of Ordinances.

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As previously discussed with council, city staff has received numerous inquiries regarding the opening of amusement redemption machine centers in city limits. Our current ordinance limits businesses to no more than six (6) machines at any location that is for profit. Our ordinance does not regulate nonprofit businesses. Therefore, interested individuals are trying to obtain a nonprofit status in order to operate more than 6 machines within a facility.

If we don't regulate nonprofit amusement redemption machines, then it may result in an influx of these centers. It is staff's concern that may result in a negative impact on our community. To date, there are at least four new operators looking for or in the process of renting a building for such use. There have been several more that have come to our office asking for our regulations. We currently have three in operation and one that will be opening soon.

In accordance with Section 2153. 452 (b) of the Texas Occupations Code, a political subdivision may restrict the exhibition of a coin-operated amusement machine within 300 feet of any church, school, or hospital. It is staff's recommendation to increase the distance to 500 feet. Staff is also recommending that our ordinance does not specify whether the business is for profit or nonprofit. Furthermore, staff does not recommend a maximum number of machines. Currently, our ordinance requires an annual license fee of \$150 per machine.

It is staff's recommendation to amend **Section 8-22. – Location and number of machines allowed within city limits** to state the following:

**Sec. 8-22. - Location ~~and number~~ of machines allowed within city limits.**

Within each place of business in which machines are regulated under this section, the machines will be so situated that they will be in full, open public view. Further, no owner shall operate an amusement center within 1,500 feet of another business operating under a license issued under this article.

Below are regulations found in surrounding municipalities:

City	Fee/Cost per Machine	Machine Limits	Distance/Location Restrictions	Other Key Rules
Victoria, TX	~\$100 per machine permit (plus possible license fee)	Game rooms defined if ≥5 machines	Not within <b>300 ft of church/school/daycare/hospital</b>	Building codes & hours apply
Edna, TX	Annual license (No Fee Found); occupation tax tag on each machine (1/2 the amount levied by the state)	<b>Max 6 machines per location</b>	Full open public view; minors restricted by time	Hours restrictions; inspections required
Cuero, TX	Annual license of \$250 plus permit for each machine.	<b>Max 50 machines per establishment</b>	≥ <b>500 ft from church/school/daycare/hospital/residence</b>	Zoning & occupancy apply; operator age 18+. Any game that is beyond the ability of a player to predict or control the outcome is prohibited.
Portland, TX	Annual (calendar year) permit of \$300 per machine	N/A	(State rules still apply)	Does not include skilled-based machines that provide non-cash merchandise.
Yoakum, TX	N/A	N/A	N/A	N/A
Palacios, TX	N/A	N/A	N/A	N/A
Beeville, TX	N/A	N/A	N/A	N/A

**Staff is prepared to bring this before Council for a first reading as soon as March 9, if Council is receptive to the language of the ordinance at this workshop.**