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**CITY OF PORT LAVACA**

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**MEETING:** April 13, 2026

**DATE:** 04.07.2026

**TO:** HONORABLE MAYOR AND CITY COUNCIL

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

**SUBJECT:** Consider a proposed amendment 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. After discussion during the February 23, 2026 workshop and with the Planning Board, the following changes are recommended:

1. Increase the distance to 500 feet from any church, school, hospital, daycare or residence
2. No differentiation profit or nonprofit business regulations.
3. Remove the limit of six (6) machines for amusement centers.

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 more than six amusement redemption machines or random generator machines at any location other than an amusement Center. No owner shall operate an amusement center within 500 feet from any church, school, hospital, daycare or residence. Nor shall any amusement center

operate 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