

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORANGE,
TEXAS AMENDING THE CITY OF ORANGE CODE OF ORDINANCES
CHAPTER 12 “PLANNING AND ZONING SECTION 12.502 “DEFINITIONS”
BY ADDING A DEFINITION FOR “AMUSEMENT REDEMPTION
MACHINES”, ADDING A DEFINITION FOR “GAMBLING DEVICE”, AND
ADDING A DEFINITION FOR “GAME ROOMS”; AMENDING CHAPTER 12
“PLANNING AND ZONING” SECTION 12.608 “LAND USE MATRIX” BY
PROHIBITING AMUSEMENT REDEMPTION MACHINES AND/OR GAME
ROOMS IN ANY ZONING DISTRICT; AMENDING ORDINANCE 2016-15 BY
PROHIBITING AMUSEMENT REDEMPTION MACHINES AND/OR GAME
ROOMS IN THE MUZD-MIXED USE ZONING DISTRICT; AMENDING
ORDINANCE 2022-14 BY PROHIBITING AMUSEMENT REDEMPTION
MACHINES AND/OR GAME ROOMS IN THE MUZD-MIXED USE ZONING
DISTRICT; AMENDING ORDINANCE 2022-15 BY PROHIBITING
AMUSEMENT REDEMPTION MACHINES AND/OR GAME ROOMS IN THE
MUZD-MIXED USE ZONING DISTRICT; AMENDING ORDINANCE 2023-20
BY PROHIBITING AMUSEMENT REDEMPTION MACHINES AND/OR
GAME ROOMS IN THE MUZD-MIXED USE ZONING DISTRICT;
REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE;
PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY
CLAUSE; PROVIDING AN EFFECTIVE DATE; AND OTHER MATTERS.**

WHEREAS, the City Council previously adopted Ordinance 2023-17 providing for the regulation of amusement redemption machines and game rooms in the City of Orange, and

WHEREAS, in *City of Fort Worth v. Rylie*, 563 S.W.3d 346, 352 (Tex. App. 2018), *rev'd*, 602 S.W.3d 459 (Tex. 2020), the Second Court of Appeals found that electronic gaming machines, amusement redemption machines that includes games that are more commonly referred to as “eight-liners”, were unconstitutional because they are illegal lotteries as they require consideration for a chance to win a prize, and that city ordinances regulating such machines were not preempted by the Texas Occupation Code; and,

WHEREAS, The Texas Supreme Court declined to hear an appeal of the case cited above, and

WHEREAS, game rooms that operate amusement redemption machines, such as but not limited to eight liners, can have a deleterious effect on both the existing businesses around them and the surrounding residential areas adjacent to them, causing increased crime, such as gambling, theft, criminal trespass, criminal mischief, and burglary; and

WHEREAS, game rooms that operate amusement redemption machines have objectionable operational characteristics contributing to urban blight and downgrading the quality of life in the adjacent area; and

WHEREAS, the City Council desires to minimize these adverse effects and thereby protect the health, safety, and welfare of the citizenry; protect citizens from increased crime; preserve the quality of life; preserve property values and character of surrounding neighborhoods and deter the spread of urban blight; and

WHEREAS, the City Council believes that amusement redemption machines including but not limited to eight-liner machines and game rooms are detrimental to the health, safety and welfare of the citizens of Orange; and

WHEREAS, prohibiting game rooms and amusement redemption machines carries out the goals and is consistent with the master plan; and

WHEREAS, prohibiting game rooms and amusement redemption machines is beneficial to the health and general welfare of the city; and

WHEREAS, the Planning and Zoning Commission and the City Council conducted a joint public hearing on October 7, 2025 to receive public comments on amending Chapter 12 "Planning and Zoning" to prohibit game rooms and/or amusement redemption machines in any zoning district; and

WHEREAS, the Planning and Zoning Commission voted 5-0 to recommend that the City Council adopt an ordinance to prohibit game rooms and/or amusement redemption machines in any zoning district; now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS

Section 1. That, the Orange Code of Ordinances Chapter 12 "Planning and Zoning" Section 12.502 "Definitions" is hereby amended to add the following definitions:

Amusement Redemption Machine shall mean any electronic, electromechanical or mechanical contrivance, including sweepstakes machines, designed, made, and adopted solely for bona fide amusement purposes, and that by operation of chance or a combination of skill and chance affords the user, in addition to any right of replay, an opportunity to receive exclusively non-cash merchandise prizes, toys or novelties, or a representation of a value redeemable for those items and is in compliance with Tex. Penal Code §47.01(4)(b).

Amusement Redemption Machine does not include:

- 1) A machine that awards the user non-cash merchandise prizes, toys or novelties solely and directly from the machine, including claw, crane or similar machines; or
- 2) A machine from which the opportunity to receive non-cash merchandise prizes, toys or novelties, or a representation of value redeemable for those items, varies depending on the user's ability to throw, roll, flip, toss, hit or drop a ball or other physical objects into the machine or a part thereof, including basketball, golf, bowling or similar machines. A representation of value means cash paid under

authority of sweepstakes contestants as provided by the Tex. Business and Commerce Code §43, or a gift certificate or gift card that is presented to a merchant in exchange for merchandise.

Gambling Device shall mean any electronic, electromechanical, or mechanical contrivance that for a consideration affords the player an opportunity to obtain anything of value, the award of which is determined solely or partially by chance, even though accompanied by some skill, whether or not the prize is automatically paid by the contrivance. The term includes, but is not limited to, gambling device versions of bingo, keno, blackjack, lottery, roulette, video poker, or similar electronic, electromechanical, or mechanical games, or facsimiles thereof, that operate by chance or partially so, that as a result of the play or operation of the game award credits or free games, and that record the number of free games or credits so awarded and the cancellation or removal of the free games or credits.

Game room shall mean a building, facility or other place where amusement redemption machines or gambling devices are present and does not mean a building, facility or other place where only legal amusement machines are present.

Section 2. That, the City of Orange Code of Ordinances Chapter 12 “Planning and Zoning” Section 12.608 “Land Use Matrix” is hereby amended to prohibit amusement redemption machines and/or game rooms in any zoning district.

Section 3. That, Ordinance 2016-15 is hereby amended to prohibit amusement redemption machines and/or game rooms in the MUZD-Mixed Use Zoning District.

Section 4. That, Ordinance 2022-15 is hereby amended to prohibit amusement redemption machines and/or game rooms in the MUZD-Mixed Use Zoning District.

Section 5. That, Ordinance 2022-15 is hereby amended to prohibit amusement redemption machines and/or game rooms in the MUZD-Mixed Use Zoning District.

Section 6. That, Ordinance 2023-20 is hereby amended to prohibit amusement redemption machines and/or game rooms in the MUZD-Mixed Use Zoning District.

Section 7. That, it is expressly ordained that if any section, or subsection clause, sentence or paragraph of this Ordinance, including the attached exhibits, shall be found to be illegal, invalid or void by any court of competent jurisdiction, then such findings shall not affect the remaining portions of this ordinance, but the same shall be valid and in effect, it being the expressed intention of the City Council of the City of Orange, Texas, to pass each and every sentence, clause, paragraph, section or exhibit individually.

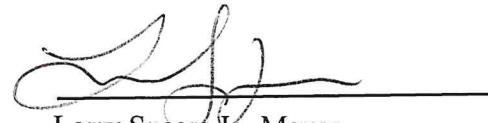
Section 8. That, all Ordinances that are in conflict with the provisions of this Ordinance be repealed to the extent of such conflict and all other Ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 9. That, any person who violates any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be fined in an amount not to exceed the maximum amount allowed by the City of Orange Code of Ordinances Chapter 1 "General Provisions" Section 1.106 "General Penalty for Code Violations" of the City of Orange Code of Ordinances. In addition to the criminal offense and penalties prescribed in this section, the city may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits. Any person found guilty of violating the provisions of this section shall become liable to the city for any expense, loss, or damage incurred by the city by reason of remediating such violation.

Section 10. This Ordinance shall become effective upon second and final reading and publication as required by State law and the City Charter.

PASSED AND APPROVED on first reading this the 14th day of October, 2025.

PASSED, APPROVED AND ADOPTED on final reading this the 28th day of October, 2025.



Larry Spears Jr., Mayor

ATTEST:



Patricia Anderson, City Secretary

APPROVED AS TO FORM:



K. H. Spears
City Attorney

Land Use Matrix

Land Use Matrix													
P = Permitted Use X = Not Permitted SE = Special Exception AA=Requires Approval by Administrative Action													

(Refer to the Standard Industrial Classification Manual, United States Office of Management and Budget)

LAND USES	SIC Code	MAJOR GROUP	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-5 Cove	OTC	IDC	I
Agriculture, forestry, and fishing	1	Agriculture Production-crops	X	X	X	X	X	X	X	X	X	X	P
	017	Fruit and Nut Trees	SE	SE	SE	X							
	018	Horticultural Specialties	SE	SE	SE	X							
	019	General Farms, Primarily Crops	SE	SE	SE	X							
	02	Agriculture production livestock and animal specialties	X	X	X	X	X	X	X	X	X	X	P
	07	Agriculture Services	X	X	X	X	X						
	07	Small animal boarding kennels						P					
	08	Forestry	X	X	X	X	X	X	X	X	X	X	X
	09	Fishing, hunting and trapping	X	X	X	X	P	P	P	P	P	P	P
Metals	10	Metal mining	X	X	X	X	X	X	X	X	X	X	X
	12	Coal mining	X	X	X	X	X	X	X	X	X	X	X
	13	Oil and gas extraction	AA	AA	AA	AA							
	14	Mining quarrying of nonmetallic minerals, except fuels	X	X	X	X	X	SE	X	X	X	X	SE
	15	Building construction - general contractors and operative builders	X	X	X	X	X	SE	X	X	X	X	SE
	16	Heavy construction other than building construction - contractors	SE	SE	SE	SE							
	17	Construction - special trade contractors	X	X	X	X	X	P	P	P	SE	P	P
Manufacturing	20	Food and kindred products	X	X	X	X	X	X	X	X	X	X	P
	2084	Wineries, manufacturing	X	X	X	X	X	X	X	X	X	P	P
	21	Tobacco products	X	X	X	X	X	X	X	X	X	X	P
	22	Textile mill products	X	X	X	X	X	X	X	X	X	X	P
	23	Apparel and other finished products made from fabrics and similar materials	X	X	X	X	X	X	X	X	X	X	P
	24	Lumber and wood products, except furniture	X	X	X	X	X	X	X	X	X	SE	P
	25	Furniture and fixtures	X	X	X	X	X	X	X	X	X	X	P
	26	Paper and allied products	X	X	X	X	X	X	X	X	X	X	P
	27	Printing, publishing and allied industries	X	X	X	X	X	X	X	SE	X	X	P

LAND USES		MAJOR GROUP	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-3 Cove	OTC	IDC	I
	28	Chemicals and allied products	X	X	X	X	X	X	X	X	X	X	P
	29	Petroleum refining and related industries	X	X	X	X	X	X	X	X	X	X	P
	30	Rubber and miscellaneous plastics products	X	X	X	X	X	X	X	X	X	X	P
	31	Leather and leather products	X	X	X	X	X	X	X	X	X	X	P
	32	Stone, clay, glass and concrete products	X	X	X	X	X	X	X	X	X	X	P
	33	Primary metal industries	X	X	X	X	X	X	X	X	X	X	P
	34	Fabricated metal products, except machinery and transportation equipment	X	X	X	X	X	X	X	X	X	X	P
	35	Industrial and commercial machinery and computer equipment	X	X	X	X	X	X	X	X	X	X	P
	36	Electronic and other electrical equipment and components, except computer equipment	X	X	X	X	X	X	X	X	X	X	P
	37	Transportation equipment	X	X	X	X	X	X	X	X	X	X	P
	38	Measuring, analyzing, and controlling instruments; photographic, medical and optical goods; watches and clocks	X	X	X	X	X	X	X	X	X	X	X
	39	Miscellaneous manufacturing industries	X	X	X	X	X	X	X	X	X	X	P
	40	Railroad transportation	X	X	X	X	X	SE	SE	SE	SE	SE	P
	41	Local and Suburban transit and interurban highway passenger transportation	X	X	X	X	SE	SE	SE	SE	SE	P	P
	42	Motor freight transportation and warehousing	X	X	X	X	X	SE	SE	SE	SE	SE	P
	4225	Miniwarehouse warehousing	X	X	X	X	P (no larger than 3000 s.f.)	P	SE	SE	SE	SE	P
	43	United States Postal Service	SE	SE	SE	SE	P	P	SE	SE	P	P	P
	44	Water transportation	X	X	X	X	X	P	X	P	SE	SE	P
	45	Air transportation	X	X	X	X	SE	SE	SE	P	SE	P	SE
	45	Airports, flying fields and aircraft terminal services	X	X	X	X	X	X	X	X	X	X	SE
	46	Pipelines, except natural gas	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE
	47	Transportation services	X	X	X	X	SE	P	P	P	P	P	P

LAND USES		MAJOR GROUP	R-1	R-2	R-3	R-4	C-1	C-2	C-S	C-S Cove	OTC	IDC	I
	472	Arrangement of Passenger Transportation	X	X	X	P	P	P	P	P	P	P	X
	474	Rental of Railroad Cars	X	X	X	P	SE	SE	SE	SE	SE	SE	P
	478	Miscellaneous Services Incidental to Transportation	X	X	X	P	SE	SE	SE	SE	SE	SE	P
	48	Communications	X	X	X	X	X	SE	SE	P	SE	P	P
	49	Electric, gas and sanitary services	X	X	X	P	SE	SE	SE	SE	SE	SE	P
Wholesale Trade	50	Wholesale trade—Durable goods	X	X	X	P	SE	SE	SE	SE	SE	SE	P
	50	Scrap metal collection, salvage or storage	X	X	X	X	X	SE	X	X	X	X	P
	51	Wholesale trade—Nondurable goods	X	X	X	X	X	SE	SE	SE	SE	SE	P
	5182	Wine-wholesale	X	X	X	X	X	X	X	X	X	P	P
Retail Trade	52	Building materials, hardware, garden supply	X	X	X	X	X	P	P	P	SE	P	P
	52	Manufactured Home Dealers	X	X	X	X	X	SE	X	X	P	P	SE
	53	General merchandise stores	X	X	X	X	P	P	P	P	P	P	X
	54	Foods stores	X	X	X	X	P	P	P	P	P	P	X
	55	Automotive dealers	X	X	X	X	X	P	P	P	X	P	X
	55	Gasoline service stations	X	X	X	X	P	P	P	P	P	P	X
	56	Apparel and accessory stores	X	X	X	X	SE	P	P	P	P	P	X
	57	Home furniture, furnishings and equipment stores	X	X	X	X	SE	P	P	P	P	P	X
	58	Eating and drinking Places (50% of income must be from food sales)	X	X	X	X	P	P	P	P	P	P	X
		Bars/lounges	X	X	X	X	X	P	X	X	X	X	X
	5813	Wine, on-premise consumption if wine is produced on site (does not require that 50% of income must come from food sales)	X	X	X	X	X	P	X	X	X	P	P
	59	Miscellaneous retail	X	X	X	X	P	P	P	P	P	P	X
	5921	Liquor Stores	X	X	X	X	SE	P	P	P	P	P	X
	5983	Fuel Oil Dealers	X	X	X	X	SE	P	P	P	P	P	X
	5984	Liquified Petroleum Gas (Bottle Gas) Dealers	X	X	X	X	SE	P	P	P	P	P	X
	5989	Fuel Dealers, not elsewhere classified	X	X	X	X	SE	P	P	P	P	P	X
	5993	Tobacco Stores and Stands and stores predominately selling electronic smoking devices ("vape shops")	X	X	X	X	X	X	X	X	X	X	X
Finance, insurance and real estate	60	Depository institutions	X	X	X	X	P	P	P	P	P	P	X
	61	Nondepository institutions	X	X	X	X	P	P	P	P	P	P	X
	62	Security, and commodity brokers, dealers, exchanges and services	X	X	X	X	P	P	P	P	P	P	X
	63	Insurance carriers	X	X	X	X	P	P	P	P	P	P	X
	64	Insurance agents, brokers, and service	X	X	X	X	P	P	P	P	P	P	X
	65	Real estate	X	X	X	X	SE	P	P	P	P	P	X

LAND USES		MAJOR GROUP	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-3 Cove	OTC	IDC	I
	67	Holding and other investment offices	X	X	X	X	SE	P	P	P	P	P	X
Services	70	Hotels, motels	X	X	X	X	X	P	P	P	P	P	X
	70	B & Bs, rooming houses other than lodging places	SE	SE	SE	X	SE	SE	P	P	P	P	X
	70	Camps/campgrounds, recreational vehicle parks must be adjacent to Highway 62	X	X	X	X	X	P	SE	X	X	SE	X
	72	Personal services	X	X	X	X	P	P	P	P	P	P	X
	73	Business services	X	X	X	X	P	P	P	P	P	P	X
	75	Automotive repair, services, and parking	X	X	X	X	X	P	X	SE	X	P	X
	75	Automotive detail shop							SE				
	75	Automobile rental	X	X	X	X	P	P	P	P	SE	P	X
	76	Miscellaneous repair services	X	X	X	X	X	P	SE	P	X	SE	X
	78	Movie and video production	X	X	X	X	P	P	P	P	P	P	X
	79	Amusement and recreation services	X	X	X	X	P	P	P	P	P	P	X
	794	Commercial Sports	X	X	X	X	SE	SE	SE	SE	SE	SE	SE
	799	Miscellaneous Amusement and Recreation Services	X	X	X	X	SE	SE	SE	SE	SE	SE	SE
		Game Rooms and/or amusement redemption machines	X	X	X	X	X	X	X	X	X	X	X
	7999	Shooting Ranges (operations of)- temporary	SE	SE	SE	SE							
	80	Health services	X	X	SE	X	P	P	P	P	P	P	X
	81	Legal services	X	X	X	X	P	P	P	P	P	P	X
	82	Educational services	X	SE	SE	X	P	P	P	P	P	P	X
	82	Private Schools	SE	SE	SE	SE	P	P	P	P	P	P	X
	83	Social Services	SE	SE	SE	SE	P	X	X	SE	SE	SE	X
	8351	Day Care	SE	SE	SE	SE	P	P	SE	X	SE	SE	X
	8361	Homes for destitute men and women	X	X	SE	X	SE	P	P	P	P	P	X
	84	Museum, art, galleries, and botanical and zoological gardens	X	X	X	X	P	P	P	P	P	P	X
	86	Membership organizations	SE	SE	SE	SE	P	P	SE	P	P	P	X
	87	Engineering, accounting, research, management, and related services	X	X	X	S	P	P	P	P	P	P	X
	88	Private households	P	P	P	P	P	P	P	P	P	P	X
	89	Miscellaneous services	X	X	SE	X	P	P	P	P	P	P	X
Public Administration	91	Executive, legislative, and general government except finance	P	P	P	P	P	P	P	P	P	P	P
	92	Justice public order, and safety	P	P	P	P	P	P	P	P	P	P	P
	93	Public finance, taxation, and monetary policy	X	X	X	X	P	P	P	P	P	P	X
	94	Administration of human resource programs	X	X	X	X	P	P	P	P	P	P	X
	95	Administration of environmental quality and housing programs	X	X	X	X	P	P	P	P	P	P	X
	96	Administration of economic programs	X	X	X	X	P	P	P	P	P	P	X

LAND USES		MAJOR GROUP	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-S COVE	OTC	IDC	I
	97	National security and internal affairs	X	X	X	X	P	P	P	P	P	P	X
Single-Family detached homes	N/A	N/A	P	P	P	P	X	X	P	P	X	X	X
Apartments	N/A	N/A	X	X	P	X	P	P	P	P	SE	X	X
Duplex	N/A	N/A	X	X	P	P	X	X	P	P	X	X	X
Townhomes	N/A	N/A	X	X	P	P	X	X	P	P	SE	X	X
Condominiums	N/A	N/A	X	X	P	P	X	X	P	P	SE	X	X
UD - Code manufactured homes and parks	N/A	N/A	X	X	X	P	X	X	X	X	X	X	X
Mobile Homes	N/A	N/A	X	X	X	X	X	X	X	X	X	X	X
HUD - Code Temporary FEMA manufactured homes and parks	N/A	N/A	SE	SE	SE	SE							
Cellular Towers	N/A	N/A	X	X	X	X	X	SE	SE	P	SE	P	P

MEMORANDUM

To: Michael Kunst, City Manager
From: Kelvin Knauf, Director of Planning and Community Development
Subject: Consider and possible action on a recommendation to the City Council concerning a proposed ordinance amending the Orange Code of Ordinances, Chapter 12 "Planning and Zoning" by prohibiting amusement redemption machines and/or game rooms within the City of Orange
Date: October 16, 2025

Recently, the Second Court of Appeals in Fort Worth in *City of Fort Worth v. Rylie* found that electronic gaming machines such as "eight liners" were unconstitutional because they are illegal lotteries as they require consideration for a chance to win a prize. The Second Court of Appeals also ruled that city ordinances regulating such machines were not preempted by the Texas Occupation Code. The Texas Supreme Court declined to hear an appeal of the Second Court of Appeals decision so therefore the Second Court of Appeals decision stands.

Attached for your consideration is a proposed ordinance that amends the Code of Ordinances Chapter 12 "Planning and Zoning" to provide definitions for "amusement redemption machines" and "game rooms"; amends the Land Use Matrix to prohibit amusement redemption machines and/or game rooms in any zoning district; and amends the ordinances creating MUZD-Mixed Use Zoning Districts to prohibit amusement redemption machines and/or game rooms in those zoning districts.¹ The proposed ordinance, if adopted, would become effective upon publication as required by State law and the City Charter.

This ordinance was approved on first reading on October 14, 2025.

¹ The MUZD-Mixed Use Zoning Districts are not included in the Land Use Matrix since they are special zoning district with each having their own set of regulations.