

Village of Carol Stream
INTER-DEPARTMENTAL MEMO

TO: Mayor and Trustees

FROM: Joseph E. Breinig, Village Manager 

DATE: June 5, 2012

RE: Video Gaming

In 2009 the State of Illinois passed the Video Gaming Act (230 ILCS 40). A copy of the statute is attached for reference. Owing to concerns about rulemaking for the Act the Village adopted Ordinance 2009-09-40 on September 8, 2009. Ordinance 2009-09-40 made it clear that the registration and licensing of video gaming terminals was required in Carol Stream and that all provisions of the Act were in full force and effect at all licensed establishments in Carol Stream. This ordinance effectively halted the proliferation of video gaming pending action by the State. A copy of the Ordinance 2009-09-40 is attached for reference. In 2012 the courts upheld the legality of the Video Gaming Act. Rules have been promulgated for video gaming and can be found at the Illinois Gaming Board website, www.igb.state.il.us/VideoGaming. The rulemaking process is ongoing and rules may be changed from time to time. A copy of a Q/A piece prepared by the Gaming Board is also attached for reference.

In addition, several existing sections of the Code of Ordinances prohibit gambling within the Village and would require amendment for video gaming to occur. Chapter 11, Article 2, Section 27 of the Code of Ordinances prohibits gambling at premises licensed to sell alcoholic liquor. Chapter 14, Article 2, Sections 8 through 11 addresses gambling as a punishable offense. A copy of these sections of the Code is attached for reference. It may also be necessary to reconcile provisions of the Code addressing amusement devices with video gaming. This may include some provisions of the Zoning Code. Most of these provisions predate the Video Gaming Act. Should direction be given to permit video gaming the Village Attorney will need to undertake a thorough review of the Code and provide amendments as necessary or recommended. This may be as simple as limiting regulation of video gaming by the Village to the provisions of the Act.

By statute video gaming terminals can only be placed at four categories of locations: licensed establishments, licensed fraternal establishments,

licensed veterans establishments and licensed truck stop establishments. Licensed establishments are licensed retail establishments where alcoholic liquor is served for consumption on the premises. Licensed fraternal establishments are locations where a fraternal organization that derives its charter from its national parent organization regularly meets. Licensed veterans establishments are locations where a qualified veterans organization that holds a charter from its national parent organization regularly meets. Licensed truck stop establishments are facilities of at least three acres with a convenience store, separate diesel islands for fueling commercial motor vehicles, parking spaces for commercial vehicles, and sales of retail of more than 10,000 gallons of diesel or biodiesel fuel per month.

All video gaming terminals must be located in an area restricted to persons over 21 years of age. The entrance to that area must be within the view of at least one employee who is over 21 years of age. Video gaming terminals may only be operated at a licensed location during the hours when liquor is permitted to be sold at the establishment. The maximum wager for one play on a video gaming terminal is \$2.00. Video gaming terminals may not be operated within 100 feet of any school or place of worship.

A review of the current establishments holding liquor licenses reveals sixteen (16) potential licensed establishments and one (1) potential licensed veterans establishment. The potential licensed establishments include current A (8), B (1), and F (7) license holders. Attached is a list of current liquor licenses for reference. All establishments would continue to be required to have 50% of their non-gaming sales be food.

Establishments are licensed for video gaming by the Illinois Gaming Board. The Village can either permit or prohibit video gaming in the community. Currently staff has taken the position that video gaming is prohibited in the Village due to 11-2-27 in the Code of Ordinances and Ordinance 2009-09-40. To permit video gaming in the community the Code of Ordinances would need to be amended. Attached are samples of how video gaming was permitted in Berwyn and Peoria. In addition, Winfield, Urbana, Danville, Mattoon, and Champaign have also recently acted to permit video gaming. The attached survey undertaken by the DuPage Mayors and Managers Conference identifies the status of video gaming in DuPage county communities.

The Video Gaming Act provides for the deposit of 5% of net terminal income in a Local Government Video Gaming Distributive Fund. The statute further provides that "the amount of such funds allocable to each such municipality and county shall be in proportion to the tax revenue generated from video gaming with the eligible municipality or county compared to the tax revenue generated from video gaming statewide". The money received from the state may be used for any general corporate purpose authorized for that

municipality. No more than five (5) video gaming terminals will be permitted at any licensed establishment.

Not every establishment eligible for video gaming will opt to be licensed. Nevertheless, if all establishments believed to be eligible were licensed and had the five video gaming terminals allowed by statute, staff estimates the Village's additional revenue at \$191,250 annually. This is based upon seventeen (17) establishments with five terminals each generating \$2,250 in municipal taxes annually. Again, an occurrence that is highly unlikely. Any one establishment with five machines would generate \$11,250 in taxes per year. These estimates are rooted in a 2009 econometric analysis of video gaming in other states that characterized \$45,000 per machine as a "reasonable median projection for revenues per machine in Illinois".

Staff believes that enforcement of video gaming laws will be similar to enforcement of underage drinking and smoking laws. Specific incidents will be handled on a complaint basis and targeted enforcement will be periodically undertaken at licensed establishments utilizing underage agents attempting to place wagers.

The City of Berwyn, in addition to the taxes received from the state, has imposed a fee of \$1,000 per video gaming terminal placed at licensed premises. State statute permits non-home rule communities to impose a fee of \$25 or less upon video gaming terminals. The Video Gaming Act is silent with regard to fees imposed by home rule communities. The Village Attorney has indicated that home rule communities can impose a fee upon video gaming terminals. For purposes of comparison the state has annual fees of \$100 for licensed establishments and licensed veterans establishments and \$100 per video gaming terminal. Amusement devices, while not gaming devices, currently are subject to a license fee of \$75 per device per year and an amusement device tax of \$55 per year.

As noted previously, some level of oversight will be needed if video gaming is permitted in the community. Attached are the administrative rules concerning relations between the Illinois Gaming Board and police departments. Video gaming revenues should be adequate to fund police activities. In addition, fines resulting from court imposed sanctions should further offset those costs.

To clarify the distribution of net terminal income from video gaming a table has been included showing the operator's share (35%), retailer's share (35%), state share (25%) and local government share (5%). Net terminal income is the amount of money remaining after winnings are paid out.

JEB/td
Attachments

Information maintained by the Legislative Reference Bureau

Updating the database of the Illinois Compiled Statutes (ILCS) is an ongoing process. Recent laws may not yet be included in the ILCS database, but they are found on this site as Public Acts soon after they become law. For information concerning the relationship between statutes and Public Acts, refer to the Guide.

Because the statute database is maintained primarily for legislative drafting purposes, statutory changes are sometimes included in the statute database before they take effect. If the source note at the end of a Section of the statutes includes a Public Act that has not yet taken effect, the version of the law that is currently in effect may have already been removed from the database and you should refer to that Public Act to see the changes made to the current law.

GAMING
(230 ILCS 40/) Video Gaming Act.

(230 ILCS 40/Art. 5 heading)

ARTICLE 5.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/1)

Sec. 1. Short title. This Article may be cited as the Video Gaming Act. Any references in this Article to "this Act" mean this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming

terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises and includes any such establishment that has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Riverboat Gambling Act, except as provided in this paragraph.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month. (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. The Board may utilize the services of an independent outside testing laboratory for the examination of video gaming machines and associated equipment as required by this Section. Every video gaming terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a locked area of the terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video

gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may not hold any license issued by the Board under this Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/20)

Sec. 20. Direct dispensing of receipt tickets only. A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed fraternal

establishment, or licensed veterans establishment to receive the cash award. The cost of the credit shall be one cent, 5 cents, 10 cents, or 25 cents, and the maximum wager played per hand shall not exceed \$2. No cash award for the maximum wager on any individual hand shall exceed \$500.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed

fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 5 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee or an inter-track wagering licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if a facility operated by an organization licensee, an inter-track wagering licensee, or an

inter-track wagering location licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee, inter-track wagering licensee, inter-track wagering location licensee, or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

- (1) substantially impede or suppress competition among terminal operators;
- (2) adversely impact the economic stability of the video gaming industry in Illinois; or
- (3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

(230 ILCS 40/26)

Sec. 26. Residency requirement. Each licensed distributor,

terminal operator, and person with a substantial interest in a licensed distributor or terminal operator must be an Illinois resident. However, if an out-of-state distributor or terminal operator has performed its respective business within Illinois for at least 48 months prior to the effective date of this Act, the out-of-state person may be eligible for licensing under this Act, upon application to and approval of the Board. The Board shall adopt rules to implement this Section. (Source: P.A. 96-38, eff. 7-13-09.)

(230 ILCS 40/27)

Sec. 27. Prohibition of video gaming by political subdivision. A municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may, for the unincorporated area of the county, pass an ordinance prohibiting video gaming within the unincorporated area of the county. (Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal

is operated. Failure to do so is a petty offense with a fine not to exceed \$100. Any licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 1961. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 1961. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance. A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 1961. The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker shall not be subject to this Section until 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/40)

Sec. 40. Video gaming terminal use by minors prohibited. No licensee shall cause or permit any person under the age of 21 years to use or play a video gaming terminal. Any licensee who knowingly permits a person under the age of 21 years to use or play a video gaming terminal is guilty of a business offense and shall be fined an amount not to exceed \$5,000.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Riverboat Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. The background investigation shall include each beneficiary of a trust, each partner of a partnership, and each director and officer and all stockholders of 5% or more in a parent or subsidiary corporation of a video gaming terminal manufacturer, distributor, supplier, operator, or licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

- (1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer.....\$5,000
- (2) Distributor.....\$5,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,500
- (5) Technician.....\$100
- (6) Terminal Handler.....\$50

(g) The Board shall establish an annual fee for each license not to exceed the following:

- (1) Manufacturer.....\$10,000
- (2) Distributor.....\$10,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,000
- (5) Technician.....\$100
- (6) Licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100
- (7) Video gaming terminal.....\$100
- (8) Terminal Handler.....\$50

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10.)

(230 ILCS 40/50)

Sec. 50. Distribution of license fees.

(a) All fees collected under Section 45 shall be deposited into the State Gaming Fund.

(b) Fees collected under Section 45 shall be used as follows:

(1) Twenty-five percent shall be paid, subject to appropriation by the General Assembly, to the Department of Human Services for administration of programs for the treatment of compulsive gambling.

(2) Seventy-five percent shall be used for the administration of this Act.

(c) All licenses issued by the Board under this Act are renewable annually unless sooner cancelled or terminated. No license issued under this Act is transferable or assignable.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location. In all cases of application for a licensed location, to operate a video gaming terminal, each licensed establishment, licensed fraternal establishment, or licensed veterans establishment shall possess a valid liquor license issued by the Illinois Liquor Control Commission in effect at the time of application

and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10; 97-594, eff. 8-26-11.)

(230 ILCS 40/57)

Sec. 57. Insurance. Each terminal operator shall maintain liability insurance on any gaming device that it places in a licensed video gaming location in an amount set by the Board. (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals must be located in an area restricted to persons over 21 years of age the entrance to which is within the view of at least one employee, who is over 21 years of age, of the establishment in which they are located. The placement of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act. (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

(b) Of the tax collected under this Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop

establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/65)

Sec. 65. Fees. A non-home rule unit of government may not impose any fee for the operation of a video gaming terminal in excess of \$25 per year.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/70)

Sec. 70. Referendum. Upon the filing in the office of the clerk, at least 90 days before an election in any municipality or county, as the case may be, of a petition directed to such clerk, containing the signatures of not less than 25% of the legal voters of that municipality or county, the clerk shall certify such proposition to the proper election officials, who shall submit the proposition at such election to the voters of such municipality or county. The proposition shall be in the following form:

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-----
Shall video gaming                               YES
be prohibited in                               -----
.....?                                         NO
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If a majority of the voters voting upon such last mentioned proposition in any municipality or county vote "YES", such video gaming shall be prohibited in such municipality or county. The petition mentioned in this Section shall be a public document and shall be subject to inspection by the public.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/75)

Sec. 75. Revenue sharing; Local Government Video Gaming Distributive Fund.

(a) As soon as may be after the first day of each month, the Department of Revenue shall allocate among those municipalities and counties of this State that have not prohibited video gaming pursuant to Section 27 or Section 70 the amount available in the Local Government Video Gaming Distributive Fund, a special fund in the State Treasury, as provided in Section 60. The Department shall then certify such allocations to the State Comptroller, who shall pay over to those eligible municipalities and counties the respective amounts allocated to them. The amount of such funds allocable to each such municipality and county shall be in proportion to

the tax revenue generated from video gaming within the eligible municipality or county compared to the tax revenue generated from video gaming Statewide.

(b) The amounts allocated and paid to a municipality or county of this State pursuant to the provisions of this Section may be used for any general corporate purpose authorized for that municipality or county.

(c) Upon determination by the Department that an amount has been paid pursuant to this Section in excess of the amount to which the county or municipality receiving such payment was entitled, the county or municipality shall, upon demand by the Department, repay such amount. If such repayment is not made within a reasonable time, the Department shall withhold from future payments an amount equal to such overpayment. The Department shall redistribute the amount of such payment to the county or municipality entitled thereto.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/78)

Sec. 78. Authority of the Illinois Gaming Board.

(a) The Board shall have jurisdiction over and shall supervise all gaming operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all video gaming operations in this State and all persons in establishments where video gaming operations are conducted.

(3) To adopt rules for the purpose of administering the provisions of this Act and to prescribe rules, regulations, and conditions under which all video gaming in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of video gaming, including rules and regulations regarding the inspection of such establishments and the review of any permits or licenses necessary to operate an establishment under any laws or regulations applicable to establishments and to impose penalties for violations of this Act and its rules.

(b) The Board shall adopt emergency rules to administer this Act in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Act is deemed an emergency and necessary to the public interest, safety, and welfare.

(Source: P.A. 96-38, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/80)

Sec. 80. Applicability of Illinois Riverboat Gambling Act. The provisions of the Illinois Riverboat Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. All provisions of the Uniform Penalty and Interest Act shall

apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 96-37, eff. 7-13-09.)

(230 ILCS 40/85)

Sec. 85. Severability. The provisions of the Video Gaming Act are severable pursuant to Section 1.31 of the Statute on Statutes.

(Source: P.A. 96-37, eff. 7-13-09; P.A. 96-38, eff. 7-13-09.)

(230 ILCS 40/Art. 800 heading)

ARTICLE 800.

(The Capital Spending Accountability Law
is compiled at 20 ILCS 3020/)

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/Art. 900 heading)

ARTICLE 900.

(Amendatory provisions; text omitted)

(Source: P.A. 96-34, eff. 7-13-09; text omitted.)

(230 ILCS 40/Art. 9999 heading)

ARTICLE 9999.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/9999)

Sec. 9999. Effective date. This Act takes effect July 1, 2009, except that the changes to Sections 15-102, 15-107, 15-111, 15-112, 15-113, 15-306, 15-307, and 16-105 of the Illinois Vehicle Code take effect January 1, 2010; but this Act does not take effect at all unless House Bill 312 of the 96th General Assembly, as amended, becomes law.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

ORDINANCE NO. 2009-09-40

ORDINANCE CONCERNING THE ILLINOIS VIDEO GAMING ACT

WHEREAS, the Village of Carol Stream is a Home Rule Unit by virtue of the Illinois Constitution of 1970; and

WHEREAS, Public Act 96-34 (House Bill 255) created the Illinois Video Gaming Act, as further amended by Public Act 96-37 (House Bill 2424) and Public Act 96-38 (Senate Bill 349), (collectively "Acts") all of which were approved on July 13, 2009; and

WHEREAS, the Acts do not preempt Home Rule powers; and

WHEREAS, the Acts, although effective immediately upon approval, are subject to a rulemaking process to be undertaken by the Illinois Gaming Board ("Board"); and

WHEREAS, the Acts mandate for the Board to develop and adopt emergency rulemaking within 60 days of July 13, 2009 for the purpose of implementing the provisions of the Acts; and

WHEREAS, despite the rulemaking mandate, the Chairman of the Board has publicly indicated that it may take anywhere from 12-18 months, if not longer, to implement a rulemaking process; and

WHEREAS, in the interim, and in the absence of rulemaking adopted by the Board, the Village of Carol Stream desires that no licensed establishment, as that term is defined in the Acts, shall install any video gaming terminal, as that term is also defined in the Acts, without prior approval.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF CAROL STREAM, DUPAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

SECTION 1. The foregoing Whereas clauses are hereby made a part hereof as is fully restated herein.

SECTION 2. Absent the establishment of final rulemaking promulgated and adopted by the Board, the registration and licensing of video gaming terminals, as authorized by the Acts, is required in the Village of Carol Stream.

SECTION 3. That no video gaming terminals shall be installed within any licensed establishment without the prior approval of the Village of Carol Stream. The Village's review of any request to install video gaming terminals, absent adopted rulemaking of the Board, will be based upon the legislative intent and language of the Acts.

SECTION 4. Until the Board completes and adopts its final rulemaking process, all provisions of the Acts shall govern the installation, management and operation of video gaming terminals, at licensed establishments, in the Village of Carol Stream.

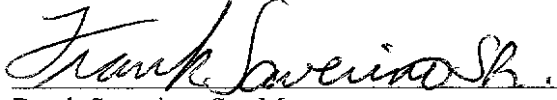
SECTION 5. The intent of this Ordinance, in the absence of a final rulemaking process, is to permit the Village to regulate any and all requests for the installation of video gaming terminals. To the extent permissive by the Acts, the Village reserves the right to prohibit video

gaming within the corporate limits of the Village of Carol Stream, by ordinance, as set forth in Section 27-Prohibition of Video Gaming by Political Subdivision, of Public Act 96-34 (House Bill 255).

SECTION 6. This Ordinance shall be in full force and effect on and after its passage and approval. This Ordinance shall not be codified.


PASSED AND APPROVED THIS 8TH DAY OF SEPTEMBER 2009.

AYES:	6	Trustees Manzzullo, Weiss, Schwarze, McCarthy, Gieser and Fenner
NAYS:	0	
ABSENT:	0	



Frank Saverino, Sr., Mayor

ATTEST:



Beth Melody, Village Clerk

Video Gaming

On July 13, 2009 Governor Pat Quinn signed the Video Gaming Act (Public Acts 096-0034, 096-0037 and 096-0038) (the "Act") making Licensed Video Gaming Terminals legal in Illinois. The Act allows for Licensed Video Gaming Terminals to be placed in certain liquor establishments, truck stops and fraternal/veterans clubs throughout the State. The Illinois Gaming Board (the "IGB" or "Board") has the responsibility of implementing and regulating video gaming in Illinois.

Frequently Asked Questions regarding the Video Gaming Act and Video Gaming License Applications Updated April 2012

Answers to some common and frequently asked questions related to the Video Gaming Act and Video Gaming License Applications are provided below. The following list is non-exhaustive and may be supplemented or updated in the future.

Q1: What is a Video Gaming Terminal?

A1: A "Video Gaming Terminal" ("VGT") is an electronic video gaming machine that plays or simulates the play of a video game authorized by the Board upon the insertion of cash. Authorized video games include, but are not limited to, video poker, line up, and blackjack. The VGT must utilize a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. VGT does *not* include a Terminal that directly dispenses coins, cash, or tokens or is for amusement purposes only.

Q2: Does the IGB have jurisdiction over "amusement only" devices in Illinois?

A2: The IGB does not license "amusement only" devices in Illinois. Questions about the licensure of such devices should be directed to the Illinois Department of Revenue at (312) 814-5232 (Chicago) or (217) 782-3336 (Springfield).

Questions or complaints about amusement only devices that illegally pay out should be directed to the police in the municipality where the Terminals are located.

Q3: When will the IGB adopt Rules for video gaming?

A3: The IGB has adopted Administrative Rules which will dictate how video gaming will operate and be regulated in Illinois. (11 Ill. Admin. Code 1800 *et seq.*) The Rules can be found on the IGB website, at www.igb.state.il.us/VideoGaming. The IGB continues to promulgate additional rules and the text of any pending rule along with information on how to submit comments on the rule is also posted on the IGB website.

Q4: Can local jurisdictions restrict the use of VGTs?

A4: Yes. A municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may pass an ordinance prohibiting video gaming within the unincorporated areas of the county. Video gaming is not allowed in these communities. The IGB is in

the process of developing a list of such communities and will post the list on its website in the near future.

In addition, a local government may hold a referendum proposing to prohibit video gaming in the municipality. This is otherwise known as an "opt-out" provision. A petition for referendum must be filed in the office of the clerk (municipal or county) at least 90 days before the date of an election. If a majority of the voters vote "YES," video gaming shall be prohibited within the municipality or county. Petitions to prohibit video gaming shall be public documents. A list of the communities that have opted out of video gaming is posted on the IGB website.

If you have any questions about the status of your community, please contact your local municipal authority.

Q5: What types of licenses will the IGB issue, and when will applications for those licenses be made available?

A5: Applications for Manufacturer, Distributor, Supplier, Terminal Operator and Location licenses are currently available on the IGB website. Applications for Technician and Terminal Handler licenses will be available in the near future. Descriptions of the licenses are as follows:

"Manufacturer." A manufacturer is an individual, partnership corporation or limited liability company licensed to manufacture or assemble video gaming terminals.

"Distributor." A distributor is an individual, partnership corporation, or limited liability company licensed to buy, sell, lease, or distribute video gaming terminals, or major components or parts thereof, to or from terminal operators.

"Supplier." A supplier is an individual, partnership corporation or limited liability company licensed to supply major components or parts of video gaming terminals to terminal operators.

"Terminal operator." A terminal operator is an individual, partnership corporation or limited liability company licensed to own, service, and maintain video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed video gaming location." A licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, all defined in Question 6, below.

"Licensed Technician." A licensed technician is an individual licensed to repair, service, and maintain video gaming terminals. A licensed technician is not licensed under the Act to possess or control a video gaming terminal or have access to the inner workings of a video gaming terminal (i.e., the logic area maintained in a separately locked cabinet of the video gaming terminal which houses electronic components that have the potential to significantly influence the operation of the video gaming terminal). As such, licensed technicians can repair, service and maintain VGTs only outside of the innermost locked area of a VGT housing the electronic logic components that have the potential to significantly influence the operation of the VGT. Such repairs and maintenance would include refilling printer paper, repairing bill validators, resetting tilted Terminals, repairing video displays, etc.

“Licensed Terminal Handler.” A licensed terminal handler is a person licensed to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal (i.e., the logic area maintained in a separately locked cabinet of the video gaming terminal which houses electronic components that have the potential to significantly influence the operation of the video gaming terminal.) The category of “licensed terminal handler” may include, but is not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator.

Q6: What types of locations can be licensed to have VGTs?

A6: Video Gaming Terminals may only be placed in the following four categories of Licensed Locations:

“Licensed establishment.” A licensed establishment is any licensed retail establishment where alcoholic liquor is served for consumption on the premises.

“Licensed fraternal establishment.” A licensed fraternal establishment is a location where a fraternal organization that derives its charter from its national parent organization regularly meets.

“Licensed veterans establishment.” A licensed veterans establishment is a location where a qualified veterans organization that holds a charter from its national parent organization regularly meets.

“Licensed truck stop establishment.” A licensed truck stop establishment is a facility of at least three acres with a convenience store, separate diesel islands for fueling commercial motor vehicles, parking spaces for commercial vehicles, and that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month.

Q7: What type of documentation will be required to meet the definition of Licensed Truck Stop Establishment?

A7: An affidavit confirming that the facility is at least 3 acres and has average monthly sales of more than 10,000 gallons of diesel or biodiesel fuel per month (which may be met by showing estimated future sales or past sales). Supporting documentation for these factors must be attached to the affidavit.

Q8: What type of documentation will be required to meet the definition of Licensed Fraternal or Veterans Establishment?

A8: A copy of the most recent letter from the Internal Revenue Service stating that the Applicant organization is either a fraternal benefit society that is exempt from federal income tax under section 501(c)(8) of the Internal Revenue Code, a domestic fraternal society that is exempt from federal income tax under section 501(c)(10) of the Internal Revenue Code, or a veterans organization that is exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code.

Q9: Who needs to obtain a Technician license under the Video Gaming Act?

A9: If an individual is a Licensed Terminal Operator, or is employed by a Licensed Terminal Operator, Licensed Distributor or Licensed Manufacturer, that individual may service, maintain or repair a VGT *without* obtaining a Technician license. Any other individual who services, maintains or repairs a VGT *must* obtain a Technician license under the Act.

Q10: Who needs to obtain a Terminal Handler license under the Video Gaming Act?

A10: Any individual needing access to the inner workings of a VGT. "Inner workings" comprises the logic area inside of a VGT. The logic area has a separate locked compartment inside the VGT which houses electronic components that have the potential to significantly influence the operation of the VGT. The specific electronic components contained in the logic area include: (1) the game's central processing unit(s), (2) communication controller electronics and components housing the communication storage device, and (3) the memory back-up device.

Q11: Can an individual be licensed as a Licensed Technician and a Licensed Terminal Handler?

A11: Yes.

Q12: Does a company who provides ticket payout systems to Licensed Terminal Operators and Licensed Locations need to be licensed?

A12: Yes. Major Components or Parts is defined in the applications as "[c]omponents or parts that compromise the inner workings and peripherals of a Video Gaming Terminal, including but not limited to the device's hardware, software, human interface devices, interface ports, power supply, ticket payout system, bill validator, printer and any component which affects or could affect the result of a Game played on the device." Buying, selling, leasing, or distributing Major Components or Parts requires a license.

Q13: Does a Licensed Distributor who is distributing VGTs also need a Supplier's license to supply replacement parts for the VGTs it distributes?

A13: No. A Licensed Distributor is defined as "[a]n Individual, partnership corporation or limited liability company licensed under the Act to buy, sell, lease or distribute Video Gaming Terminals or major components or parts of Video Gaming Terminals to or from Terminal Operators."

Q14: Can an individual who owns a bar also be licensed as a Terminal Operator?

A14: Yes, as long as the bar in question is NOT a Licensed Video Gaming Location. In other words, the bar in question may not participate in video gaming, regardless of who would serve as its Terminal Operator.

Q15: What are the requirements for licensure under the Act?

A15: Many requirements for licensure are listed in Rule 420 of the Video Gaming Rules. In addition, the following are also requirements for licensure:

(a) Burden is upon applicant. The burden is upon each applicant to demonstrate suitability for licensure. The Board may issue or deny a license under this Act to any person under the same criteria set forth in Section 9 of the Riverboat Gambling Act (230 ILCS 10/9 (West 2008)). In addition, no person may receive a license under the Act if found by the Board to:

(1) Have been convicted of any violation of Article 28 of the Criminal Code of 1961; and/or

- (2) Have a background (including a criminal record, reputation, habits, social or business associations, or prior activities) that poses a threat to the public interests of the State or to the security and integrity of video gaming; and/or
- (3) Create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; and/or
- (4) Present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(b) Background investigations. Each person seeking and possessing a license shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. This investigation shall include an applicant's direct and indirect owners, an applicant's officers and directors, and the video gaming manager for a license application.

(c) Disclosure of financial interests. Each person seeking and possessing a license under the Act shall disclose the identity of every person or entity having a direct ownership interest in the video gaming operation, and shall disclose each person or entity having an indirect interest of more than 1% in the video gaming operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited; if a limited liability company, the names and addresses of all members.

(d) License application fees:

Manufacturer	\$5,000
Distributor	\$5,000
Terminal operator	\$5,000
Supplier	\$2,500
Technician	\$100
Terminal handler	\$50

(e) Term of License & Annual license fees. A license must be renewed every year, and the annual fees may not exceed these levels:

Manufacturer	\$10,000
Distributor	\$10,000
Terminal operator	\$5,000
Supplier	\$2,000
Technician	\$100
Licensed establishment (in any category)	\$100
Video Gaming Terminal	\$100
Terminal handler	\$50

Q16: How will the distance restrictions in Section 25(h) of the Act be measured?

A16: Video gaming is restricted from the following locations:

- 1) 1,000 feet of a facility operated by an organization licensee, inter-track wagering licensee, or inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 (230 ILCS 5/1 et seq. (West 2008)) (the Board may waive this restriction in certain circumstances);
- 2) 1,000 feet of the home dock of a riverboat licensed under the Riverboat Gambling Act (230 ILCS 10/1 et seq. (West 2008)) (the Board may waive this restriction in certain circumstances); or
- 3) 100 feet of either a school or a place of worship under the Religious Corporation Act (805 ILCS 110/0.01 et seq. (West 2008)).

These distances will be determined by measuring the distance from a proposed or existing Licensed Video Gaming Location to a preexisting facility, riverboat, school or place of worship by drawing a straight line between the closest part of any building used for the proposed or existing Licensed Video Gaming Location and the closest part of any building used for the facility, riverboat, school or place of worship. When located within a subsection of property by virtue of a lease, deed, or other arrangement (e.g., a tenant in a shopping center or commercial condominium), measurement shall be from the subsection of property (i.e., boundaries of the establishment's leased building premises).

For purposes of these restrictions, "home dock" is interpreted to mean the casino building or vessel (i.e., the building or vessel housing the casino floor).

Q17: Must Licensed Video Gaming Location applicants enter into a signed Use Agreement with a Terminal Operator before they can submit an application to the IGB?

A17: No, a signed Use Agreement is not required for a potential Licensed Video Gaming Location to submit an application. However, a Licensed Video Gaming Location must have a signed Use Agreement with a Licensed Terminal Operator prior to the placement of any VGTs in the Licensed Video Gaming Location's establishment.

Q18: Do the directors and officers of the parent company of a licensee need to file Personal Disclosure Forms?

A18: For license applications that require Personal Disclosure Forms (e.g., Manufacturer, Distributor, Supplier, and Terminal Operator), if the director or officer of the parent company owns more than 5% of the licensee, then that director or officer will need to file a Personal Disclosure Form.

Q19: If an entity that has been doing business in Illinois for 48 months prior to July 13, 2009 forms a subsidiary to conduct its video gaming business in Illinois (and would therefore be the Applicant for licensure), would that subsidiary meet the residency requirement (i.e., would the subsidiary meet the requirement that it has been doing business in Illinois for 48 months)?

A19: If an entity who meets the residency requirement forms a 100% wholly owned subsidiary to conduct its video gaming business in Illinois, that 100% wholly owned subsidiary meets the residency requirement. Please note that this answer is limited to a 100% wholly owned subsidiary.

Q20: Section 3(c) of the Manufacturer/Distributor/Supplier License Application requires 5% or greater shareholders of a publicly-traded parent company of an applicant to submit a Personal Disclosure Form or Business Entity Disclosure Form. How is this requirement being applied to institutional investors/investment advisors that hold the interest for investment purposes and certify in an SEC Schedule 13-G filing that the interest is not for the purpose of controlling the applicant?

A20: Pursuant to Rule 520(c), a business entity that qualifies as an institutional investor may submit a Video Gaming Institutional Investor Disclosure Form in lieu of a Video Gaming Business Entity Disclosure Form.

Q21: Section 5(A) of the Manufacturer/Distributor/Supplier License Application and Section 4(A) of the Business Entity Disclosure Form require financial statements for a period ending 1 month prior to the date of application. Will the most recently filed SEC reports for a publicly traded company satisfy this requirement?

A21: Yes. If reference is made to SEC reports, it will be sufficient if the applicant identifies where those reports can be found on the internet.

Q22: Convertible debt is included in the definition of ownership. Does each person who holds convertible debt have to file a Personal Disclosure Form?

A22: The Applicant/Licensee must identify each person who holds convertible debt and provide a copy of the applicable debt instrument(s) and associated agreement(s) with the application or upon issuance of the convertible debt. The Board will make a determination as to the debt holder's influence and/or control over the Applicant/Licensee consistent with section 430 of the Video Gaming Rules. The holder of convertible debt must submit a Video Gaming Personal Disclosure Form and any other required document and receive prior Board approval in order to convert the debt.

Q23: How long does it take a license to be investigated and approved?

A23: The investigation of any application under the Act is a thorough and time consuming process. The length of time it takes the IGB to complete an investigation depends on the type of license applied for, and the complexity of the applicant and any issues involved in the application.

Q24: How many VGTs will be allowed at each site?

A24: Up to five VGTs may be placed at each Licensed Video Gaming Location.

Q25: Are VGTs allowed anywhere inside a Licensed Video Gaming Location?

A25: VGTs must be located in an area restricted to persons 21 years of age and over, the entrance to which is within the view of at least one employee who is at least 21 years of age. The placement of VGTs in Licensed Video Gaming Locations shall be subject to section 810 of the Video Gaming Rules. For all Locations that restrict admittance to patrons 21 years of age or older, a separate restricted area is not required. For all Locations that admit individuals under the age of 21, a physical barrier to the gaming area, including but not limited to a short partition, gate or rope shall be required. No barrier shall visually obscure the entrance to the gaming area from an employee of the Location who is over the age of 21.

Q26: Are there limits on the hours of operation of a VGT?

A26: Yes. Pursuant to Sections 35(b)(2) and 55 of the Act, hours of operation of a VGT must coincide with the legal hours of operation for the consumption of alcoholic beverages on the premises. However, a Licensed Truck Stop Establishment that does not hold a liquor license may operate VGTs on a continuous basis.

Q27: Are multi-game VGTs permitted under the Video Gaming Act?

A27: Yes, provided that the games have been tested and approved.

Q28: Will Licensed Manufacturers need secondary approval for their VGTs?

A28: Yes. All VGTs will need to be (1) certified by Gaming Laboratories International pursuant to the IGB's current Technical Standards for Video Gaming Terminals in Illinois, and (2) approved in writing by the IGB for use in Illinois.

Q29: In what circumstances can VGTs be displayed in Illinois prior to the actual commencement of video gaming in Illinois?

A29: VGTs that are disabled for marketing purposes such that they do not accept money, do not dispense money or payout tickets, or only contain demonstration software that cannot be disabled may, until further notice, be displayed in the following circumstances:

- 1) Licensed Manufacturers, Licensed Distributors, Licensed Terminal Operators and Applicants for a Manufacturer's License under the Act may display VGTs at "trade shows" or similar events as long as the IGB is notified 10 days in advance of the following information, and prior approval by the IGB is obtained:
 - a. the date and location of the event;
 - b. the model and serial number of each VGT involved;
 - c. the manner of transport of each VGT involved;
 - d. a description of how the VGTs will at all times be possessed by and under the control of the applicant for a Manufacturer's License under the Video Gaming Act.

Q30: In what circumstances can VGTs be used in conjunction with focus groups in Illinois prior to the actual commencement of video gaming in Illinois?

A30: VGTs that are disabled for marketing purposes such that they do not accept money, do not dispense money or payout tickets, or only contain demonstration software that cannot be disabled may, until further notice, be used in conjunction with a focus group in the following circumstances:

- 1) Licensed Manufacturers, Licensed Distributors, Licensed Terminal Operators and Applicants for a Manufacturer's License under the Act may use VGTs at "focus groups" as long as the IGB is notified 10 days in advance of the following information, and prior approval by the IGB is obtained:
 - a. the date, time and location of the event;
 - b. the model and serial number of each VGT involved;
 - c. the manner of transport of each VGT involved;
 - d. a description of the purpose of the focus group;
 - e. a description of how the applicant for a Manufacturer's License will be inviting participants;
 - f. a description of the method and amount of compensation of participants, if applicable; and
 - g. any other relevant details regarding the focus group (including but not limited to whether food and beverage will be provided).
- 2) Alcohol must not be provided to participants of focus groups.

Q31: Is compensating or paying a third party a percentage of revenue from a VGT(s) permitted?

A31: Compensating any third party based on a percentage of revenue from a VGT is permitted, however, any third party compensated in such a manner will be required to complete a Video Gaming Personal Disclosure Form or a Business Entity Disclosure Form.

Financing the purchase of VGTs based on a percentage of revenue will not be permitted.

Q32: Has the IGB developed standards to identify an illegal inducement by a Licensed Terminal Operator?

A32: Yes. The IGB's Inducement Policy is posted on its website.

Q33: Are licensees allowed to use player tracking systems or establish "Players' Clubs" or similar programs that provide rewards to customers for repeated play?

A33: Tracking systems and Players Clubs may be authorized by the IGB in the future but are prohibited at this time.

Q34: What types of payout systems will be allowed by the IGB?

A34: A vault-type or kiosk system provided by a Licensed Supplier or Licensed Distributor, that interfaces with the Central Communications System through a site controller, and that dispenses cash. Specifications for payout systems will be posted on the IGB website in the near future.

Pursuant to Section 20 of the Act, a patron must hand a ticket to an appropriate person at a Licensed Location. A patron will not be able to insert a ticket into a payout system by himself or herself. The cash, however, may be dispensed directly to a patron.

Q35: Will a Licensed Manufacturer, Licensed Terminal Operator or Licensed Location be permitted to attach an online monitoring system to the second port of a VGT?

A35: Yes.

Q36: Are Licensed Terminal Operators required to maintain a separate bank account for each Licensed Location, as provided in Rule 250(i)?

A36: The IGB is taking steps to eliminate the Rule that requires Licensed Terminal Operators to maintain separate bank accounts for each Licensed Location it contracts with. However, it is still a requirement that revenues generated from the play of VGTs shall be deposited by the Licensed Terminal Operator in one specially created, separate bank account maintained by the Licensed Terminal Operator to allow for electronic fund transfers of moneys for tax payment.

**§ 11-2-25 BOOKS AND RECORDS
AVAILABLE ON REQUEST.**

It shall be the duty of every retail licensee to make books and records available upon request at all times for the purpose of investigation and control by the state Liquor Control Commission and the Liquor Control Commissioner.

**§ 11-2-26 SALES TO MINORS, HABITUAL
DRUNKARDS, SPENDTHRIFTS AND
MENTAL INCOMPETENTS.**

(A) No licensee nor any officer, associate, member, representative, agent or employee of such licensee shall sell, give or deliver alcoholic liquor to any person under the age of 21 years, or to any intoxicated person, or to any person known by him or her to be an habitual drunkard, spendthrift, insane, mentally ill, mentally deficient or in need of mental treatment. No person, after purchasing or otherwise obtaining alcoholic liquor, shall sell, give or deliver such alcoholic liquor to any person under the age of 21 years except in the performance of a religious ceremony or service.

(B) For the purpose of preventing the violation of this section, any licensee, or his or her agent or employee, may refuse to sell or serve alcoholic beverages to any person who is unable to produce adequate written evidence of identity and of the fact that he or she is over the age of 21 years.

(C) No express company, common carrier, or contract carrier that carries or transports alcoholic liquor for delivery within the village shall knowingly give or knowingly deliver to a residential address any shipping container clearly labeled as containing alcoholic liquor and labeled as requiring signature of an adult of at least 21 years of age to any person in the village under the age of 21 years. An express company, common carrier, or contract carrier that carries or transports such alcoholic liquor for delivery within the village shall obtain a signature acknowledging receipt of the alcoholic liquor by an adult who is at least 21 years of age. Any person who violates the provisions of this division shall be subject

to a fine of not less than \$500, in addition to any other penalty provided by this code.

(Am. Ord. 2000-11-96, passed 11-6-00)

§ 11-2-27 GAMBLING.

It shall be unlawful to permit any gambling on any premises licensed to sell alcoholic liquor.

§ 11-2-28 REFILLING ORIGINAL PACKAGES.

No person licensed under this article shall fill or refill, in whole or in part, any original package of alcoholic liquor with the same or any other kind or quality of alcoholic liquor or any other potable liquid; and it shall be unlawful for any person to have in his or her possession for sale at retail any bottles, casks, or other containers containing alcoholic liquor, except in original packages.

**§ 11-2-29 CIVIL RIGHTS IN LICENSED
PREMISES.**

No licensee licensed under the provisions of this article shall deny or permit his or her agents and employees to deny any person the full and equal enjoyment of the accommodations, advantages, facilities and privileges of any premises in which alcoholic liquors are authorized to be sold subject only to the conditions and limitations established by law and applicable alike to all citizens.

§ 11-2-30 SALES ON CREDIT.

No person shall sell or furnish alcoholic liquor at retail to any person on credit or on a pass book, or order on a store, or in exchange for any goods, wares or merchandise, or in payment for any services rendered; and if any person shall extend credit for such purpose the debt thereby attempted to be created shall not be recoverable at law; provided that nothing herein contained shall be construed to prevent any club from permitting checks or statements for alcoholic liquor to be signed by members or bona fide guests of

14-2-8 GAMBLING; DEFINITIONS.

For the purposes of this chapter the following words and phrases shall have the following meanings ascribed to them respectively.

ACCESS. The same meaning as ascribed in ILCS Ch. 720, Act 5, §16D-2.

COMPUTER. The same meaning as ascribed in ILCS Ch. 720, Act 5, §16D-2.

GAMBLING DEVICE. Any clock, tape machine, slot machine, or other machines or device for the reception of money or other thing of value on chance or skill, or upon the action of which money or other thing of value is staked, hazarded, bet, won, or lost; or any mechanism, furniture, fixture, equipment, or other device designed primarily for use in a gambling place. A **GAMBLING DEVICE** does not include the following, as more specifically defined in ILCS Ch. 720, Act 5, § 28-2 (a)(1) through (a)(4):

- (1) Coin-in-the-slot operated mechanical devices.
- (2) Vending machines.
- (3) Crane games.
- (4) Redemption machines.

INTERNET. An interactive, computer service or system or an information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, and includes, but is not limited to, an information service, system, or access software provider that provides access to a network system commonly known as the Internet, or any comparable system or service and also includes, but is not limited to, a World Wide Web page, newsgroup, message board, mailing list, or chat area on any interactive computer service or system or other online service.

LOTTERY. Any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale, or some other name.

POLICY GAME. Any scheme or procedure whereby a person promises or guarantees by any instrument, bill, certificate, writing, token, or other device that any particular number, character, ticket, or certificate shall in the event of any contingency in the nature of a lottery entitle the purchaser or holder to receive money, property, or evidence of debt.

(ILCS Ch. 720, Act 5, § 28-2)

§ 14-2-9 GAMBLING OFFENSES.

(A) A person commits gambling when, within the corporate limits of the village, he:

- (1) Plays a game of chance or skill for money or other thing of value, unless excepted in division (B);
- (2) Makes a wager upon the result of any game, contest, or any political nomination,

appointment, or election;

(3) Operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures, or distributes any gambling device;

(4) Contracts to have or give himself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, as described in ILCS Ch. 720, Act 5, § 28-1 (a)(4);

(5) Knowingly owns or possesses any book, instrument, or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the courses of a bet or wager;

(6) Sells pools upon the result of any game or contest of skill or chance, political nomination, appointment, or election;

(7) Sets up or promotes any lottery or sells, offers to sell, or transfers any ticket or share for any lottery;

(8) Sets up or promotes any policy game or sells, offers to sell, or knowingly possesses or transfers any policy ticket, slip, record, document, or other similar device;

(9) Knowingly drafts, prints, or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games, and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) Knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games, and raffles authorized by and conducted in accordance with the laws of Illinois or any other state; or

(11) Knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore, or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this division prohibits transmission or receipt of such information for use in news reporting of sporting events or contests.

(12) Knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This division (12) does not apply to activities referenced in division (B)(6) and (B)(7) of this section.

(B) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, awards, or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength, or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this state.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this state when such transportation is not prohibited by any applicable federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo," when conducted in accordance with ILCS Ch. 230, Act 25, §§ 1 et seq.

(6) Lotteries when conducted by the state in accordance with ILCS Ch. 20, Act 1605, §§ 1 et seq. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of ILCS Ch. 20, Act 1605, §§ 1 et seq. and its rules.

(7) The purchase of lottery tickets through the Internet for a lottery conducted by the state under the program established in ILCS Ch. 230, Act 25, § 7.12.

(8) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this division, an **ANTIQUÉ SLOT MACHINE** is one manufactured 25 years ago or earlier.

(9) Raffles when conducted in accordance with ILCS Ch. 230, Act 15, §§ 1 et seq.

(10) Charitable games when conducted in accordance with ILCS Ch. 230, Act 30, §§ 1 et seq.

(11) Pull tabs and jar games when conducted under ILCS Ch. 230, Act 20, §§ 1 et seq.

(12) Gambling games conducted on riverboats when authorized under ILCS Ch. 230, Act 10, §§ 1 et seq.

(13) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(C) *Sentence.* Gambling under subsections (A)(1) and (A)(2) of this section is a Class A misdemeanor. Gambling under subsections (A)(3) through (A)(11) of this section is a Class A misdemeanor. A second or subsequent conviction under any of subsections (A)(3) through (A)(11) is a Class 4 felony. Gambling under subsection (A)(12) of this section is a Class A misdemeanor. A second or subsequent conviction under subsection (A)(12) is a Class 4 felony.

(D) *Circumstantial evidence.* In prosecutions under division (A) of this section, circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(ILCS Ch. 720, Act 5, § 28-1)

§ 14-2-10 KEEPING A GAMBLING PLACE.

(A) For purposes of this section, a **GAMBLING PLACE** is any real estate, vehicle, boat, or any other property whatsoever used for the purposes of gambling other than gambling conducted in the

manner authorized by the Riverboat Gambling Act or the Video Gaming Act. Any person who knowingly permit any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony.

(B) When any premises is determined by the circuit court to be a gambling place:

(1) The premises is hereby declared to be a public nuisance and may be proceeded against as such; and

(2) All licenses, permits or certificates issued by the state or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so canceled shall be reissued for the premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license; and

(3) The premises of any person who knowingly permits thereon a violation of any section of this chapter shall be held liable for and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any section of this chapter.

(ILCS Ch. 720, Act 5, §28-3)

§ 14-2-11 SEIZURE OF GAMBLING DEVICES AND GAMBLING FUNDS.

(A) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a gambling device and shall be subject to seizure, confiscation, and destruction by village authorities. As used in this section, a **GAMBLING DEVICE** includes any slot machine and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return or cause someone to return on chance to the player thereof money, property, or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in the device knows of the unlawful use thereof.

(B) Every gambling device shall be seized and forfeited as contraband to the county wherein the seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited as contraband to the county wherein the seizure occurs.

(ILCS Ch. 720, Act 5, § 28-5(a),(b))

THE CITY OF BERWYN
THE CITY OF BERWYN, ILLINOIS

ORDINANCE
NUMBER _____

**AN ORDINANCE OF THE CITY OF BERWYN, COOK COUNTY, ILLINOIS,
AMENDING THE CODE OF ORDINANCES TO AUTHORIZE VIDEO GAMING
AND IMPOSE A FEE FOR VIDEO GAMING TERMINALS**

ROBERT J. LOVERO, Mayor
THOMAS J. PAVLIK, City Clerk

NONA N. CHAPMAN
JEFFREY G. BOYAJIAN
MARGARET PAUL
MICHELE D. SKRYD
CESAR A. SANTOY
THEODORE J. POLASHEK
RAFAEL AVILA
NORA LAURETO
Aldermen

Ordinance No. _____

**AN ORDINANCE OF THE CITY OF BERWYN, COOK COUNTY, ILLINOIS, AMENDING
THE CODE OF ORDINANCES TO AUTHORIZE VIDEO GAMING AND IMPOSE A FEE
FOR VIDEO GAMING TERMINALS**

WHEREAS, the City of Berwyn (the “*City*”) is a duly organized and validly existing home-rule municipality pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970 and the laws of the State; and,

WHEREAS, the Illinois Video Gaming Act (230 ILCS 40/1, *et seq.*) (the “*Act*”) legalizes the use of video gaming terminals in specific licensed locations in Illinois; and,

WHEREAS, pursuant to the Act, a municipality may impose a fee for the operation of a video gaming terminal; and,

WHEREAS, the Mayor and City Council of the City (the “*Corporate Authorities*”) of the City believe it is in the best interests of the health, safety, and welfare of its residents to license video gaming and impose a fee for the operation of a video gaming terminal under certain conditions, all as hereinafter set forth.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Berwyn, Cook County, Illinois, as follows:

Section 1. Section 630.01 of Chapter 630 of the City of Berwyn Code of Ordinances is hereby deleted in its entirety and replaced with the following:

“630.01 Prohibited in Stores and Public Places.

No person shall conduct or permit any gaming, gambling or game of chance, in any store or public place in the city, or conduct or permit a person to play, for money or any other article of value, with cards, dice, checks, tickets or books which may be used for winning or losing money or any other article or thing of value, in any store or public place in the city other than video gaming from terminals licensed by the state and displaying a video gaming sticker from the City as provided in 804.19 of this Code.”

Section 2. Section 804.01 of Chapter 804 of the City of Berwyn Code of Ordinances is hereby amended by adding the following to the list of definitions as set forth therein:

“Video Gaming Sticker. Sticker or other kind of insignia or device required in order to operate a video gaming terminal on any premises licensed to sell alcoholic liquors.”

Section 3. Section 804.19 of Chapter 804 of the City of Berwyn Code of Ordinances is hereby amended by deleting said Section 804.19 in its entirety and replacing with the following:

“§804.19 Video Gambling Permitted Only on Premises where Alcoholic Liquor is Sold at Retail.

- (A) Any establishment within the City which is licensed to sell alcoholic liquor and has obtained a license to operate a video gaming terminal from the Illinois Gaming Board at such premises shall be required to apply for and obtain a video gaming sticker from the City for each video gaming terminal located at such establishment.
- (B) Any person licensed to sell alcoholic liquor may apply to the Liquor Control Commissioner for a City video gaming sticker on an application form provided and paid a fee of one thousand dollars (\$1,000.00) for each video gaming terminal at the premises.
- (C) All video gaming terminals at premises within the City shall display a City video gaming sticker at all times.
- (D) City video gaming stickers shall not be issued for any video gaming terminal on any premise that (i) is located within 1,000 feet of a horse racing or riverboat gambling facility or (ii) is located within a 100 feet of a school or a place of worship.
- (E) No more than five (5) video gaming terminals may be located on any premise where alcoholic liquor is sold.
- (F) Video gaming terminals must be located in an area that is restricted to persons over 21 years of age. The entrance to such area must be within the view of at least one employee.
- (G) No holder of a license to sell alcoholic liquor may cause or permit any person under the age of 21 years to use or play a video gaming device.\
- (H) Video gaming may be played only during the hours of operation for the consumption of alcohol at that establishment.
- (I) Any holder of a liquor license must comply with any provision of the Act and must also follow all rules, regulations and restrictions imposed by the Illinois Gaming Board.

(J) Annual fees to be paid shall be for a calendar year without proration should the video gaming terminal operate for any portion of any calendar year.

(K) Any violation of any provision of this Section 804.19 shall be deemed a violation of the provisions of this Chapter and subject to enforcement as provided in Section 804.21.”

Section 4. This Ordinance shall be in full force and effect upon its passage, approval, and publication as provided by law.

ADOPTED this 10th day of August 2010, pursuant to a roll call vote as follows:

	YES	NO	ABSENT	PRESENT
Chapman				
Boyajian				
Paul				
Skryd				
Santoy				
Polashek				
Avila				
Laureto				
(Mayor Lovero)				
TOTAL				

APPROVED by the Mayor on August 10, 2010.

Robert J. Lovero
MAYOR

ATTEST:

Thomas J. Pavlik
CITY CLERK

**AN ORDINANCE AMENDING DIVISION 2, CHAPTER 20 OF THE CODE OF THE CITY OF PEORIA
RELATING TO GAMBLING**

WHEREAS, the City of Peoria is a home rule unit of government pursuant to Article VII, Section 6 of the Constitution of the State of Illinois 1970, and may exercise any power and perform any function pertaining to its government and affairs;

WHEREAS, the State of Illinois passed the Video Gaming Act, 230 ILCS 40/1, et seq., P.A. 96-34, effective July 13, 2009, permitting limited use of video gaming machines at particular premises within the State; and

WHEREAS, the City Council of the City of Peoria finds that the City should amend the Code of the City of Peoria to clarify that activity allowed under the Video Gaming Act is legal in the City of Peoria.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, as follows:

Section 1: Division 2, Chapter 20 of the Code of the City of Peoria is hereby amended by deleting the following stricken words and by adding the following underlined words.

Sec. 141. - Generally.

- (a) A person commits gambling when he:
- (1) Plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this section; or
 - (2) Makes a wager upon the result of any game, contest, or any political nomination, appointment or election; or
 - (3) Operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device except for gambling devices that fully comply with the provisions of the Video Gaming Act, 230 ILCS 40/1, et seq.; or
 - (4) Contracts to have or to give himself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the secretary of state pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the secretary of state or which are exempt from such registration under Section 3 of the Illinois

Securities Law of 1953 is not gambling within the meaning of this paragraph (4); or

- (5) Knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager; or
 - (6) Sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election; or
 - (7) Sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery; or
 - (8) Sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device; or
 - (9) Knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government; or
 - (10) Knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state; or
 - (11) Knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests.
- (b) Participants in any of the following activities shall not be convicted of gambling therefor:
- (1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance;
 - (2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest;
 - (3) Parimutuel betting as authorized by the law of this state;
 - (4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this state when such transportation is not prohibited by any applicable federal law;
 - (5) The game commonly known as bingo, when conducted in accordance with the Bingo License and Tax Act;
 - (6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law;
 - (7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any lawful gambling activity

- or enterprise. For the purpose of this subsection, an antique slot machine is one manufactured 25 years ago or earlier;
- (8) Raffles when conducted in accordance with the Raffles Act;
 - (9) Charitable games when conducted in accordance with the Charitable Games Act;
 - (10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act; or
 - (11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act; and
 - (12) Activity that is lawfully conducted under the Video Gaming Act if such activity complies with all requirements of the Video Gaming Act, 230 ILCS 40/1, et seq.
- (c) The violation of this section shall be punished as provided in section 1-5 of this Code.

Sec. 144. – Keeping a gambling place.

A gambling place is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Riverboat Gambling Act or by the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place shall be punished as provided in section 1-5 of this Code.

Sec. 146. – Seizure of gambling devices and gambling funds.

- (g) Any gambling device that is permitted under the Video Gaming Act and displayed for sale to a licensee under the Video Gaming Act is exempt from seizure under this section.
- (h) Any gambling device that fully complies with the provisions of the Video Gaming Act is exempt from seizure under this section.

Section 2: This ordinance shall be in full force and effect immediately upon passage and publication in pamphlet form.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS this _____ day of _____, 2012.

APPROVED:

Mayor

ATTEST:

City Clerk

EXAMINED AND APPROVED:

Corporation Counsel

DMMC VIDEO GAMING SURVEY
 UPDATED: 5/29/12

Municipality	Passed Ordinance Banning	Date Passed	Comments
Addison	X	10/5/2009	<ul style="list-style-type: none"> ■ On Monday, October 5, the Addison Village Board approved the ordinance banning video poker machines until the State Gaming Board issues its regulations. (10/7/09) ■ To date we have taken no action but are waiting for the gaming board to develop the rules and procedures and then will give the public an opportunity to weigh in on the issue. In the meantime, our attorney is drafting an ordinance to place a temporary moratorium so establishments don't proceed to enter into contracts for purchasing the machines. (9/10/09) ■ Have indicated to inquiries that we have no interest in pursuing this at the current time. (5/29/12)
Bartlett			<ul style="list-style-type: none"> ■ On September 1st, staff presented information to the Village Board. No further action was taken by the Board. Staff was directed to continue monitoring the actions taken by other municipalities and any information regarding the regulations when they become available. (9/14/09) ■ Bartlett has not taken official action yet. (5/29/12)
Bloomingdale	x	10/26/2009	
Bolingbrook			<ul style="list-style-type: none"> ■ Bolingbrook has no interest in pursuing video poker. An "informal" survey of the Board shows absolutely no interest. We have not taken formal action and will not until the state publishes the proper procedures to prohibit such activity. (9/10/09)
Burr Ridge	X	6/14/2010	<ul style="list-style-type: none"> ■ Approved an ordinance prohibiting Video Gaming (6/14/10) ■ Last night our Trustees voted to direct staff to draft an ordinance banning VGTs in Burr Ridge. The ordinance will be before Board on October 26th. (10/13/09) ■ I have given our Village Board the DuPage County letter from Chairman Schillerstrom with the specimen ordinance banning video gaming. Our Board has not discussed it substantively yet and it is not on our foreseeable due to the significant vagaries, lawsuits, indications that the legislators will reconsider it in veto session in November and the probability of the IGB not having the resources or inclination to promulgate rules and regs in the near future. (9/8/09) ■ No change. (5/29/12)

DMMC VIDEO GAMING SURVEY

UPDATED: 5/29/12

Carol Stream	X	9/8/2009	<ul style="list-style-type: none"> ■ On Tuesday, September 8 we unanimously adopted the ordinance from Buffalo Grove. (9/10/09) ■ Carol Stream has not acted to ban video poker and is waiting to make a decision until administrative rules are promulgated by the state. (9/8/09) ■ No change. (5/29/12)
Clarendon Hills			<ul style="list-style-type: none"> ■ No action by Clarendon Hills (9/10/09) ■ No action has been taken by Clarendon Hills and at this point we will not be taking any future action. (5/29/12)
Downers Grove	X	12/2009	<ul style="list-style-type: none"> ■ In December Downers Grove adopted an ordinance banning video gaming. ■ Downers Grove is waiting for the Gaming Board to publish the administrative rules before we consider taking a position on this issue. (9/8/09)
Elmhurst	X		<ul style="list-style-type: none"> ■ We are in the process of banning this in Elmhurst. I would expect an ordinance approval on the 3rd Monday or Sept. We would hope other towns would sign on as well. (9/8/09) ■ Elmhurst did approve the ordinance prohibiting video gaming. Otherwise no change. (5/29/12)
Glen Ellyn	X	11/9/2009	<ul style="list-style-type: none"> ■ No action has been taken, we are in the process of gathering the opinions of our residents and businesses that hold a liquor license. (9/21/09)
Glendale Heights			<ul style="list-style-type: none"> ■ The Village of Glendale Heights has not taken any official action at this point, but the matter is under review and discussion with legal council. (9/14/09)
Hanover Park	X	11/5/2009	<ul style="list-style-type: none"> ■ The Village of Hanover Park by ordinance banned video gaming until the State issues specific regulations. Based on recent changes the Village Board has scheduled a public hearing on the matter for June 21st to determine the opinion of Village residents and businesses. (5/29/12)
Hinsdale	X	12/2009	<ul style="list-style-type: none"> ■ Hinsdale banned Video Gaming in December (1/6/10)
Itasca	X	11/3/2009	<ul style="list-style-type: none"> ■ We did pass an ordinance that stated that we prohibited them until such time as the rules were promulgated and those rules were reviewed. Itasca chose to wait for the rules. We are likely to pursue a ban. (5/29/12)

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Lisle	X	11/16/2009	<ul style="list-style-type: none"> ■ Lisle approved an ordinance on 11/16/09 banning video gaming. ■ No change. (5/29/12)
Lombard			<ul style="list-style-type: none"> ■ No action is being considered until we have an understanding of the rules that the Gaming Commission is going to utilize. (9/21/09) ■ No change. (5/29/12)
Naperville	X	10/6/2009	<ul style="list-style-type: none"> ■ The City Council voted 7-0 on Tuesday to prohibit the gambling machines. (10/8/09)
Oak Brook	X		<ul style="list-style-type: none"> ■ Oak Brook is not interested in video gaming. (5/29/12)
Oakbrook Terrace			<ul style="list-style-type: none"> ■ The City adopted an Ordinance No. 12/22 on 24 April 2012. This ordinance removes any ban on video gaming in the city and imposes a regulatory program similar to that of the Illinois Gaming Board for the city to regulate video gaming with Oakbrook Terrace. (5/29/12)
Roselle	X	12/14/2009	<ul style="list-style-type: none"> ■ We passed our ordinance banning video gambling on the Dec. 14 Village Board meeting. Once the rules are in place and we know what we are dealing with, we may reconsider. ■ We will be having a discussion on the video gaming issue during our September 28 Committee of the Whole meeting. In the interim, staff has utilized a methodology shared by St. Charles to determine potential revenue for Roselle. I will follow up with you after our meeting. (9/8/09) ■ No further action since 2009 (5/29/12)
St. Charles	X		<ul style="list-style-type: none"> ■ St. Charles is slated to discuss this at it's 1/19/10 meeting. ■ We are in a holding pattern. During the past few weeks, I have had conversations with colleagues in Elgin, South Elgin, Geneva, and Batavia. All have indicated that there are opinions on both sides of the issue, but that there is no pending action in those communities and that most plan to wait until the Kane County task force studying the issue completes its work. We are also waiting until the Illinois Gaming Board establishes the final rules regarding the deployment, regulation and enforcement of video gaming. (9/8/09) ■ St. Charles has a ban in place and have no plans to reconsider it. (5/29/12)
Villa Park	X	10/26/2009	<ul style="list-style-type: none"> ■ No change. (5/29/12)

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UPDATED: 5/29/12

Warrenville	X	11/2/2009	<ul style="list-style-type: none"> ■ The City Council adopted an ordinance banning video gaming on November 2, 2009. ■ The City of Warrenville Police Department is currently researching the Act, what other communities are doing, and what are the likely local impacts of video gaming should it be enacted. Staff intends to make a presentation at one or both of the Public Safety Committee of the Whole meetings in October and December 2009. (9/8/09) ■ There have been no changes to the City of Warrenville ban on video gaming. (5/29/12)
Wayne	X		<ul style="list-style-type: none"> ■ The President and Board of Trustees of the Village of Wayne approved Ordinance #09-13 Prohibiting Video Gaming in the Village of Wayne. (9/16/09) ■ No change. (5/29/12)
West Chicago	X	10/27/2009	
Westmont	X	10/19/2009	<ul style="list-style-type: none"> ■ We have just begun a re-evaluation process of our ban (at the staff level) right now. Plan to discuss further at a future Village Board Public Safety Committee meeting. (5/29/12)
Westmont (continued)			<ul style="list-style-type: none"> ■ I want to give you an update on our Village Board's discussion regarding video gaming. On Thursday, September 3, 2009 (Committee of the Whole meeting) the Village Board began to discuss the issue. Staff presented revenue information to the Village Board using the data model developed by the City of St. Charles. On Tuesday (because of Labor Day) the Board voted to postpone the discussion. In the meantime the Board asked staff to continue to monitor other area towns to see what other communities are doing. The Board also asked our Deputy Liquor Commissioner to survey current liquor license holders to find out what level of interest exists to acquire video gaming machines. Finally, the Board asked staff to use our web site and public access TV channels to solicit feedback from residents and business owners about they feel about the new law. At this point I am not sure when this will next appear on a Board agenda for further discussion. This depends, somewhat, on how quickly some of the requested information is gathered and analyzed. I will keep you posted. (9/10/09)
Westmont (continued)			<ul style="list-style-type: none"> ■ We have not done anything yet. We have, on our VB Committee of the Whole agenda, for tonight's meeting, an item to discuss the issue. Mayor Rahn specifically requested this to begin some public discussion about the new law. I do not anticipate any action at our regular VB meeting next Tuesday, September 8, 2009 other than postponement of the item to a future agenda. The Mayor is asking for this discussion now, to raise awareness in the community, as we have heard that certain liquor license holders may be placing orders for video gambling machines. We have also been told that there is at least one vendor who is actively marketing machines within our community. (9/8/09)

DMMC VIDEO GAMING SURVEY

UPDATED: 5/29/12

Wheaton	X		<ul style="list-style-type: none"> ■ Wheaton will be considering an ordinance prohibiting. 1st reading on September 21; vote on October 5. (9/8/09) ■ No change. (5/29/12)
Winfield			<ul style="list-style-type: none"> ■ On 10/1/09 staff was directed to draft an ordinance prohibiting video gaming. (10/13/09) ■ Our new Village Board repealed the ban early this year. A few local establishments in Winfield have already applied for state licensing so we should see some action once the state begins operations. (5/29/12)
Willowbrook			<ul style="list-style-type: none"> ■ Staff was asked to monitor the actions taken by other municipalities and any information regarding the IGB regulations when they become available (9-8-09). Willowbrook is waiting for the IGB to publish the administrative rules before we consider taking a position on this issue. (1/11/12/10) ■ The Village of Willowbrook staff has presented information to the Village Board. No further action taken. (9/8/09) ■ Current Village Ordinance (Ord. No. 98-O-10, March 9, 1998) prohibits gambling and specifically any amusement device used for the purpose of gambling. The Village Board is currently undecided on its position on video gaming. The Board's recommendation at this time has been to review the final rules published by the Illinois Gaming Board so that a final decision can be made. If video gaming is ultimately allowed, an amendment to the existing ordinance would be required. We have attempted to contact local establishments holding liquor licenses to ascertain their position on the state video gaming law, and whether they would intend to participate if it were allowed locally. (5/29/12)
Wood Dale	X	12/17/2009	
Woodridge	X	1/21/2010	<ul style="list-style-type: none"> ■ The Village Board held a public comment opportunity at the 11/19/09 Board Meeting on a proposed Ordinance prohibiting video gaming in Woodridge. Upon conclusion of the public comment, the Board directed staff to place the Ordinance on the January 21, 2010 agenda for Board action. ■ No change. (5/29/12)

Joint Committee on Administrative Rules
ADMINISTRATIVE CODE

TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE D: VIDEO GAMING
CHAPTER I: ILLINOIS GAMING BOARD
PART 1800 VIDEO GAMING (GENERAL)
SECTION 1800.1110 STATE-LOCAL RELATIONS

Section 1800.1110 State-Local Relations

- a) Whenever the Board takes any action authorizing or prohibiting the licensing, operation, or use of video gaming terminals, it shall notify the police department or sheriff's office whose jurisdiction includes the premises on which the video gaming terminals are authorized or prohibited.
- b) Any municipality, county or law enforcement agency that takes action relating to the operation or use of a video gaming terminal, whether licensed or unlicensed, shall notify the Board and specify the extent of the action taken and the reasons for the action. The Board shall thereupon take whatever action is necessary under the Act. Any law enforcement agency that confiscates video gaming terminals or terminal income shall, as soon as practicable under the circumstances, turn over the video gaming terminals and terminal income to the Board unless otherwise ordered by a court of competent jurisdiction.

(Source: Added at 35 Ill. Reg. 1369, effective January 5, 2011)

Net Terminal Income Distribution

The distribution of net terminal income is set by state law.

