



Office of the Mayor
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July 19, 2012

To: Urbana City Council

From: Laurel Prussing *L.P.*

Re: Suggested Revisions to Proposed Video Gambling Ordinance

After hearing from the public and the businesses which want video gambling, I would suggest the following revisions to the proposed Video Gambling Ordinance:

1. Increase number of licenses to 12 (up from 6). This reflects interest expressed by local businesses in response to letters we sent and from statements made by those who attended the July 9 Committee of the Whole. *(Please note: Each business must first get a license from the state and this could take a number of months. If any other Urbana business wants a license they could ask the council to approve an additional license and we could weigh the pros and cons. Also since this will take many months to get 12 in operation new applicants would have some perspective on how it has worked for other businesses.)*
2. Omit restriction of 21 and older to enter the business *(state law restricts age of bartender monitoring gambling area and age of customer gambling to 21).*
3. Lower license fee of each machine to \$200 (down from \$1,000). *(A regular game device currently has a license fee of \$95.)*

Please let me know if you have any other suggestions for changes.



ORDINANCE NO. 2012-07-073

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 3.7

(Video gambling)

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare and to tax; and

WHEREAS, the Video Gaming Act, 230 ILCS 40/1 et seq., which became law on July 13, 2009, authorizes the use of video gaming terminals at certain licensed establishments within the State of Illinois; and

WHEREAS, the City Council heretofore has enacted Urbana City Code Chapter 3.7 to regulate amusement devices and gamerooms in the City and Section 14-7 to establish a schedule of fees for the various licenses, permits, fines, and other fees required under the Urbana City Code; and

WHEREAS, the City Council finds that amending said provisions of the Urbana City Code to regulate video gambling in the City will protect the health, safety, and welfare of the public and assure compliance with the Video Gaming Act.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Urbana City Code Chapter 3.7, "Amusements," Article II, "Amusement Devices and Gamerooms," is hereby amended with the underlined text indicating new language and the strikethrough text indicating deletions as follows:

ARTICLE II. - AMUSEMENT DEVICES; VIDEO GAMBLING TERMINALS; ~~AND~~ GAMEROOMS

Sec. 3.7-11. - Definitions.

As used in this article, the following words and phrases shall have the following meanings ascribed to them:

Amusement device shall mean and include any device for which a fee is charged for the purpose of entertainment or amusement which returns to the player or operator thereof no money or property or right to receive money or property, or any other such device which, upon insertion of a coin, slug or token in any slot or receptacle in or attached to such device, operates or is operated for use as entertainment or amusement, including, but not limited to, jukeboxes, motion or still picture viewers, pinball games, video games, air hockey games, electronic games, ~~shuffleboard or shufflebowler games,~~ ~~foosball games~~ and any other such similar devices.

Gameroom shall mean and include any specific place or location owned or

leased by any person who displays twenty (20) or more amusement devices as herein defined upon such premises.

Video gambling terminal shall have the same meaning as "video gaming terminal," as set forth in the Video Gaming Act, 230 ILCS 40/1, et seq. as amended.

Sec. 3.7-12. - Imposition of tax and license.

(a) There is hereby imposed, on the privilege of operating every amusement device or gameroom in the city, an annual privilege tax and license for each such amusement device or gameroom.

(b) There is hereby imposed, on the privilege of operating every video gambling terminal in the city, an annual privilege tax and license for each such video gambling terminal.

Sec. 3.7-13. - License required.

Any person who displays any amusement device or video gambling terminal to be played or operated by the public at any place owned or leased by any such person shall, before such person displays such device or terminal, file with the comptroller of the city an application for ~~either~~ a license for each such device or terminal or for a gameroom. Any person who displays any video gambling terminal to be played or operated by the public shall as a prerequisite to receiving any license from the city have a valid license from the State of Illinois for each such terminal, and the loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder without refund of any license fee.

~~Sec. 3.7-14. - Exemption from license requirement.~~

~~— No license for an individual amusement device or a gameroom shall be required under the provisions of this article for any coin-operated or rented radios or television receivers located in hotel or motel rooms, hospital rooms or other such rooms rented for temporary living quarters. Reserved.~~

Sec. 3.7-15. - License application; —and—issuance; limitations on video gambling terminals.

(a) Any person desiring to display in the city any amusement device or video gambling terminal shall make application for the appropriate license to the comptroller. Each such application shall be accompanied by the required license tax and shall set forth such applicant's name and address, with a brief description of ~~the each~~ amusement device or video gambling terminal devices to be displayed on the premises where such device or ~~devices—terminal~~ will be located, together with such other relevant data or information as the comptroller may require. The Applicant shall include a copy of the license from the State of Illinois for each video gaming terminal on the premises. Upon receipt of the proper application and upon the payment of the tax and license

as herein provided, the comptroller shall issue the appropriate license for each such device, terminal, or ~~for a~~ gameroom, which such license shall be issued for a period of one year from July first to June thirtieth in the ensuing year.

(b) No more than five video gambling terminals may be located on any licensed premises. No more than six (6) licensed premises may display video gambling terminals to be played or operated by the public. In the event that any of the six (6) licensed premises shall no longer display video gambling terminals to be played or operated by the public for any reason, the number of licensed premises authorized by the corporate authorities to display video gambling terminals to be played or operated by the public shall automatically and immediately be reduced by one.

Sec. 3.7-16. - Display of license; transfer.

(a) Amusement devices and video gambling terminals. The license for each amusement device or video gambling terminal shall be in the form of a gummed sticker, which shall be serially numbered and shall be securely affixed in plain view to the device for which it is issued. ~~Such An amusement device~~ license may be transferred from one amusement device to another amusement device located on the same premises and owned by the same applicant, provided that any and all such amusement devices so displayed at any one time on such premises shall be licensed as provided herein. A video gambling terminal license is not transferable.

(b) Gamerooms. A gameroom license shall be in such form as shall be determined from time-to-time by the comptroller and every such gameroom license shall be framed and hung in plain view in a conspicuous place on the licensed premises.

Sec. 3.7-17. - License fee.

Each applicant for a license required by this ordinance shall pay such amount for such annual privilege tax and license as is set forth and established in section 14-7 of the Code of Ordinances, City of Urbana, Illinois.

Sec. 3.7-18. - Illegal amusement devices and video gambling terminals prohibited; inspections.

No license shall be issued for any amusement device, video gambling terminal, or ~~for any~~ gameroom which violates the laws of the state or the ordinances of the city. All amusement devices, video gambling terminals, and gamerooms shall be available for inspection by the proper city authorities for the purpose of ascertaining and declaring whether such laws and ordinances are complied with.

Sec. 3.7-19. - Allowing to frequent or remain in public areas of establishments with video gambling terminals.

Notwithstanding any provision of section 3-20 of the Code of Ordinances, no licensee of a video gambling terminal license shall permit or allow any person under twenty-one (21) years of age to frequent or remain in any area within the licensee's place of business which is open to the general public.

Section 2.

Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," subsection (B), "General," Part 4, "Miscellaneous," subpart (d), "Amusement devices," is hereby amended with the underlined text indicating new language as follows:

- 1. For each amusement device..... \$ 95.00
- 2. For game rooms \$1,400.00
(twenty (20) or more devices in the same location)
- 3. For each video gambling terminal..... \$ 1,000.00

Section 3.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 4.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 5.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor