

CHAPTER 124: VIDEO GAMING

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§ 124.01 DEFINITIONS.

For the purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

AFFILIATE. An **AFFILIATE OF**, or person **AFFILIATED WITH**, a specified person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person.

AFFILIATED ENTITY.: Any business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the person.

APPLICANT. A person applying for any license under this chapter.

APPLICATION. All material submitted, including the instructions, definitions, forms and other documents issued by the city, comprising the video gaming license application submitted to the city.

ASSOCIATED VIDEO GAMING EQUIPMENT. Ticket payout systems and validation procedures; wireless, promotional and bonusing systems; kiosks; gaming-related peripherals; hardware, software and systems; and other gaming devices and equipment for compliance with:

- (1) Illinois laws, regulations, and requirements as codified or otherwise set forth; and
- (2) Illinois Gaming Board-approved video gaming industry standards.

ATTRIBUTED INTEREST. A direct or indirect interest in an enterprise deemed to be held by an individual not through the individual's actual holdings but either through the holdings of the individual's relatives or through a third party or parties on behalf of the individual pursuant to a plan, arrangement, agreement or contract.

BUSINESS ENTITY or **BUSINESS.** A partnership, incorporated or unincorporated association or group, firm, corporation, limited liability company, partnership for shares, trust, sole proprietorship or other business enterprise.

CHI-SQUARE TEST. A statistical test used to determine if a relationship between variables exists by comparing expected and observed cell frequencies. Specifically, a **CHI-SQUARE TEST** examines the observed

frequencies in a category and compares them to what would be expected by chance or would be expected if there was no relationship between variables.

CITY. The City of Oakbrook Terrace, Illinois.

CODE. The Code of Oakbrook Terrace, Illinois.

CONTROL. The possession, direct or indirect, of power to direct or cause the direction of the management and policies of an applicant or licensee through the ownership of voting securities, by contract or otherwise.

CREDIT. One, five, ten, or 25 cents either won or purchased by a player.

DISTRIBUTOR. An individual, partnership, corporation, or limited liability company licensed under the Video Gaming Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

FRATERNAL ORGANIZATION. An organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation and that is exempt from federal income taxation under § 501(c)(8) or (c)(10) of the Internal Revenue Code.

GAME. A gambling activity that is played for money, property or anything of value, including without limitation those played with cards, chips, tokens, vouchers, dice, implements, or electronic, electrical or mechanical devices or machines.

GAMING. The dealing, operating, carrying on, conducting, maintaining or exposing for play of any game.

GAMING OPERATION. The conducting of gaming or the providing or servicing of gaming equipment.

ILLINOIS GAMING BOARD. The board created by the Illinois legislature to regulate video gaming by the State of Illinois.

ILLINOIS RESIDENT.

(1) With respect to an individual, an individual who is either:

- (a) Domiciled in Illinois or maintains a bona fide place of abode in Illinois; or
- (b) Is required to file an Illinois tax return during the taxable year.

(2) With respect to a corporation, any corporation organized under the laws of Illinois and any foreign corporation with a certificate of authority to transact business in Illinois. A foreign corporation not authorized to transact business in Illinois is a nonresident of Illinois.

(3) With respect to a partnership, a partnership in which any partner is an Illinois resident, or where the partnership has an office and is doing business in Illinois.

(4) With respect to an irrevocable trust, a trust where the grantor was an Illinois resident individual at the time the trust became irrevocable.

INSTITUTIONAL INVESTOR.

(1) A retirement fund administered by a public agency for the exclusive benefit of federal, state or local public employees;

(2) An investment company registered under § 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);

(3) A collective investment trust organized by a bank under Part 9 of the Rules of the Comptroller of the Currency (12 CFR 9.18);

(4) A closed-end investment trust registered with the United States Securities and Exchange Commission;

(5) A chartered or licensed life insurance company or property and casualty insurance company;

(6) A federal or state bank;

(7) An investment advisor registered under the Investment Advisors Act of 1940 (15 USC 80b-1 through 80b-21); or

(8) Such other person as the Illinois Gaming Board may determine for reasons consistent with the Act and this Part.

LICENSED ESTABLISHMENT. 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 the Video Gaming 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 definition.

LICENSED FRATERNAL ESTABLISHMENT. The location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

LICENSED TECHNICIAN. An individual who is licensed under the Video Gaming Act to repair, service, and maintain video gaming terminals.

LICENSED TERMINAL HANDLER. 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 the Video Gaming 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 the Video Gaming Act.

LICENSED VETERANS ESTABLISHMENT. The location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

LICENSED VIDEO GAMING LOCATION. A licensed establishment, licensed fraternal establishment or a licensed veterans establishment, all as defined in § 5 of the Video Gaming Act and this chapter that holds a valid authorization granted by the city permitting the licensee to locate one or more, but not more than five video gaming terminals at the establishment.

LICENSEE. The person, firm or entity to whom an authorization granted by the city permitting it to engage in the defined activities of video gaming.

LIQUOR COMMISSIONER. The liquor commissioner of the city.

LIQUOR LICENSE. A license issued by a governmental body authorizing the holder to sell and offer for sale at retail alcoholic liquor for use or consumption.

LOCATION LICENSE. Authorization granted by the city permitting a licensee to locate a video gaming terminal in the city.

MAJOR COMPONENTS OR PARTS. Components or parts that comprise 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 that affects or could affect the result of a game played on the device.

MANUFACTURER. An individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

OWNERSHIP INTEREST. Includes, but is not limited to, direct, indirect, beneficial or attributed interest, or holder of stock options, convertible debt, warrants or stock appreciation rights, or holder of any beneficial ownership or leasehold interest in a business entity.

PERSON. Includes both individuals and business entities.

PERSON WITH SIGNIFICANT INTEREST OR CONTROL. Any of the following:

- (1) Each person in whose name the liquor license is maintained for each licensed video gaming location;
- (2) Each person who, in the opinion of the Liquor Commissioner, has the ability to influence or control the activities of the applicant or licensee, or elect a majority of its board of directors, other than a bank or licensed lending institution that holds a mortgage or other lien, or any other source of funds, acquired in the ordinary course of business;
- (3) Persons having the power to exercise significant influence or control over decisions concerning any part of the applicant's or licensee's video gaming operation.

SECURITY. An ownership right or creditor relationship.

SECURITY INTEREST. An interest in property that secures the payment or performance of an obligation or judgment.

SOLE PROPRIETOR. An individual who in his or her own name owns 100% of the assets and who is solely liable for the debts of a business.

STATE. The State of Illinois.

STATE LICENSE. Authorization granted by the Illinois Gaming Board permitting a licensee to engage in the defined activities of video gaming.

SUBSTANTIAL INTEREST.

(1) With respect to a partnership, a corporation, an organization, an association, a business or a limited liability company:

(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 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; or

(e) When, with respect to any other organization not covered in the preceding four paragraphs, 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

(f) 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.

(2) For purposes of this definition, **INDIVIDUAL** includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this definition 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.

SUPPLIER. An individual, partnership, corporation, or limited liability company that is licensed under the Video Gaming Act to supply major components or parts of video gaming terminals to licensed terminal operators.

TERMINAL OPERATOR. An individual, partnership, corporation, or limited liability company that is licensed under the Video Gaming Act and that owns, services, and maintains video gaming terminals for placement in licensed video gaming locations in the city.

USE AGREEMENT. A contractual agreement between a licensed terminal operator and a licensed video gaming location establishing terms and conditions for placement and operation of video gaming terminals by the licensed terminal operator within the premises of the licensed video gaming location.

VETERANS ORGANIZATION. An organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation and that is exempt from federal income taxation under § 501(c)(19) of the Internal Revenue Code (26 USC 501(c)(19)).

VIDEO GAMING ACT. The Video Gaming Act [ILCS Ch. 230, Act 40].

VIDEO GAMING TERMINAL. 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 Illinois Gaming 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.

VIDEO GAMING TERMINAL LICENSE. Authorization granted by the city permitting a licensed terminal operator to operate a video gaming terminal in the city.

(Ord. 12-22, passed 4-24-12)

§ 124.02 AUTHORITY OF THE LIQUOR COMMISSIONER.

(A) The Liquor Commissioner shall have jurisdiction, subject to the jurisdiction of the Illinois Gaming Board, over and shall supervise all video gaming operations in the city governed by the Video Gaming Act, the regulations promulgated pursuant to the Video Gaming Act and this chapter. The Liquor Commissioner shall have all powers necessary and proper to fully and effectively execute the provisions of this chapter, including, but not limited to, the following:

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

(2) To have jurisdiction and supervision, subject to the jurisdiction and supervision of the Illinois Gaming Board, over all video gaming operations in the city and all persons in establishments where video gaming operations are conducted.

(3) To adopt rules for the purpose of administering the provisions of this chapter and to prescribe rules, regulations, and conditions under which all video gaming in the city 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 chapter.

(Ord. 12-22, passed 4-24-12)

§ 124.03 INSPECTION.

The Liquor Commissioner and the city's officers, employees and agents shall have unrestricted access to enter the premises or motor vehicles of any licensee or applicant where evidence of compliance or noncompliance with the provisions of the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter may be found.

(Ord. 12-22, passed 4-24-12)

§ 124.04 GENERAL DUTIES OF ALL VIDEO GAMING LICENSEES.

In addition to all other duties and obligations required by the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter, each video gaming licensee and applicant for licensure under this chapter has an ongoing duty to comply with the following:

- (A) Comply with all federal, state and local laws and regulations;
- (B) At all times, conduct himself or herself in a professional manner when communicating with the public, the Illinois Gaming Board, the Liquor Commissioner and the city;
- (C) Disclose all ownership interest to the Illinois Gaming Board in accordance with the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter;
- (D) Conduct the licensee's video gaming operation in a manner that does not pose a threat to the public health, safety, morals, good order or general welfare of the people of the state or the city;
- (E) Conduct the licensee's video gaming operation in a manner that does not discredit or tend to discredit the Illinois gaming industry, the state or the city;
- (F) Conduct the licensee's video gaming operation in a manner that does not reflect adversely on the security or integrity of the Illinois video gaming industry;
- (G) Keep current in all payments and obligations to the state, the city and to other licensees with whom video gaming business is conducted.
- (H) Identify to the Illinois Gaming Board and to the city any individual or entity acting on behalf of the licensee, for compensation, with regard to city action.
- (I) Notify the Illinois Gaming Board and the city of any proposed change in ownership or any transaction that requires approval of qualifications in accordance with the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter on forms supplied or approved by the Illinois Gaming Board and the city and containing such information and documents as specified, and at such time as required, by the Illinois Gaming Board or the Liquor Commissioner.

(Ord. 12-22, passed 4-24-12)

§ 124.05 CONTINUING DUTY TO REPORT VIOLATIONS.

Licensees and applicants for licensure under this chapter and persons with significant influence and control must promptly report all of the following to the Liquor Commissioner or his or her designee:

- (A) A violation of the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter or any illegal conduct including, but not limited to, the possession, maintenance, facilitation or use of any illegal gaming device;
- (B) Any fact, event, occurrence, matter or action that may affect the conduct of video gaming or the business and financial arrangements incidental to the conduct of video gaming, or the ability to conduct the activities for which the licensee is licensed including, but not limited to, any change in persons identified as having significant influence or control;

(C) Each arrest, summons, citation or charge for any criminal offense or violation, excluding minor traffic violations; and

(D) Any adverse action taken or nonrenewal relative to a state liquor license.

(E) Any adverse action taken or nonrenewal relative to a state license.

(Ord. 12-22, passed 12-22)

§ 124.06 DUTIES OF LICENSED VIDEO TERMINAL OPERATORS.

In addition to all other duties and obligations required by the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter, each licensed terminal operator has an ongoing duty to comply with the following:

(A) Assume the primary responsibility for the operation and maintenance of video gaming terminals and for payment of tax remittance to the State of Illinois as required by the Video Gaming Act and the payment of the fees imposed by this chapter on licensed terminal operators;

(B) Maintain and provide, either directly or through a licensed manufacturer, distributor, supplier or technician, an inventory of associated video gaming equipment to ensure the timely repair and continued, approved operation and play of the video gaming terminals it operates;

(C) Ensure the timely repair and continued, approved operation and play of the video gaming terminals it operates;

(D) Assume responsibility for the payment of valid receipt tickets issued by video gaming terminals it operates;

(E) Maintain at all times an approved method of payout for valid receipt tickets and pay all valid receipt tickets;

(F) Assume responsibility for the video gaming terminal and associated video gaming equipment malfunctions, including any claim for the payment of credits arising from malfunctions;

(G) Promptly notify the Illinois Gaming Board of electronic or mechanical malfunctions or problems experienced in a video gaming terminal that affect the integrity of video gaming terminal play;

(H) Extend no form of deferred payment for video gaming terminal play in which an individual receives something of value now and agrees to repay the lender in the future for the purpose of wagering at a video gaming terminal;

(I) Maintain a separate bank account for each licensed video gaming location for deposit of aggregate revenues generated from the play of video gaming terminals and allow for electronic fund transfers for tax payments;

(J) Enter into written use agreements with licensed video gaming locations that comply with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter;

(K) Obtain and install, at no cost to the state or the city and as required by the Illinois Gaming Board, all hardware, software and related accessories necessary to connect video gaming terminals to a central communications system;

(L) Offer or provide nothing of value to any licensed video gaming location or any agent or representative of any licensed video gaming location as an incentive or inducement to locate, keep or maintain video gaming terminals at the licensed video gaming location;

(M) Not own, manage or control a licensed video gaming location;

(N) Conduct advertising and promotional activities in accordance with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter and in a manner that does not reflect adversely on or that would discredit or tend to discredit the Illinois gaming industry, the state or the city;

(O) Respond to service calls within a reasonable time from the time of notification by the video gaming location;

(P) Immediately remove all video gaming terminals from the restricted area of play:

(1) Upon order of the Illinois Gaming Board, the city, an agent of the Illinois Gaming Board or an agent of the city, or

(2) That have been out of service or otherwise inoperable for more than 72 hours;

(Q) Provide the Illinois Gaming Board with a current list of video gaming terminals acquired for use in the state and the city with a current list of video gaming terminals acquired for use in city; and

(R) Not install, remove or relocate any video gaming terminal in the city without prior notification and approval of the Liquor Commissioner or his or her designee.

(Ord. 12-22, passed 4-24-12)

§ 124.07 DUTIES OF LICENSED VIDEO GAMING LOCATIONS.

In addition to all other duties and obligations required by the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter, each licensed video gaming location has an ongoing duty to comply with the following:

- (A) Provide a secure premise for the placement, operation and play of video gaming terminals;
- (B) Permit no one to tamper with or interfere with the approved operation of any video gaming terminal;
- (C) Ensure that all connections with the central communications system and associated video gaming equipment are at all times maintained and prevent any person from tampering or interfering with the approved, continuing operation of the central communications system;
- (D) Accept nothing of value from any video terminal operator or any agent or representative of any video terminal operator as an incentive or inducement to locate, keep or maintain video gaming terminals at the licensed video gaming location;
- (E) Conduct advertising and promotional activities in accordance with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter and in a manner that does not reflect adversely on or that would discredit or tend to discredit the Illinois gaming industry, the state or the city;
- (F) Immediately remove all video gaming terminals from the restricted area of play:
 - (1) Upon order of the Illinois Gaming Board, the city, an agent of the Illinois Gaming Board or an agent of the city, or
 - (2) That have been out of service or otherwise inoperable for more than 72 hours;
- (G) Enter written use agreements with licensed video terminal operators that comply with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter;
- (H) Ensure that video gaming terminals are placed and remain in a designated, approved location;
- (I) Prevent access to or play of video gaming terminals by persons who are under the age of 21 years or who are visibly intoxicated;
- (J) Commit no violations of the laws of this state or the ordinances of the city concerning the sale, dispensing or consumption on premises of alcoholic beverages that results in suspension or revocation of any liquor license held by or associated with a licensed video gaming location;
- (K) Maintain at all times an approved method of payout for valid receipt tickets and pay all valid receipt tickets;
- (L) Extend no form of deferred payment for video gaming terminal play in which an individual receives something of value now and agrees to repay the lender in the future for the purpose of wagering at a video gaming terminal;
- (M) Promptly report all malfunctions of video gaming terminals and all out-of-service terminals to the video terminal operator and promptly notify the Illinois Gaming Board of a terminal operator's failure to provide service and repair of video gaming terminals and associated equipment within 24 hours after notice to the terminal operator;
- (N) Install, post and display signs as required by the Illinois Gaming Board;
- (O) Promptly notify the Illinois Gaming Board and the Liquor Commissioner of any unauthorized or illegal video gaming terminals or any video gaming device that is in violation of § 35 of the Video Gaming Act;
- (P) Exercise control over the licensed video gaming location;
- (Q) Promptly notify the Illinois Gaming Board and the Liquor Commissioner of any action taken on or related to any state liquor license held;
- (R) Maintain insurance coverage on all gaming devices in an amount set by the Illinois Gaming Board; and
- (S) Allow maintenance and/or service of video gaming terminals and associated video gaming equipment only by licensed technicians and licensed terminal handlers possessing valid identification issued by the Illinois Gaming Board.

(Ord. 12-22, passed 4-24-12)

§ 124.08 MINIMUM STANDARDS FOR USE AGREEMENTS.

In addition to the requirements set forth in the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter, a use agreement must satisfy the following:

- (A) Only be between a licensed terminal operator and a licensed video gaming location;
- (B) Contain an affirmative statement that no inducement was offered or accepted regarding the placement or operation of video gaming terminals in a licensed video gaming location;

(C) Contain an indemnity and hold harmless provision on behalf of the state, the Illinois Gaming Board, the city and their officers, employees and agents relative to any cause of action arising from a use agreement;

(D) Prohibit any assignment other than from a licensed terminal operator to another licensed terminal operator.

(E) Contain a provision that releases the video gaming location from any continuing contractual obligation to the terminal operator in the event that the terminal operator has its license revoked or surrenders its license.

(Ord. 12-22, passed 4-24-12)

§ 124.09 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 video gaming 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 video gaming location to receive the cash award. The cost of the credit shall be \$0.01, \$0.05, \$0.10, or \$0.25, 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.

(Ord. 12-22, passed 4-24-12)

§ 124.10 RESTRICTION OF LICENSEES.

(A) Terminal operator. A person may not own, maintain, or place a video gaming terminal in the city unless he or she has a valid terminal operator's state license issued under the Video Gaming Act and a valid city video gaming terminal license for each video gaming terminal in the city. A terminal operator may only place video gaming terminals for use in the city in licensed video gaming locations. No terminal operator may give anything of value, including, but not limited to, a loan or financing arrangement, to a licensed video gaming location 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 video gaming location, notwithstanding any agreement to the contrary.

(B) Licensed establishment. No video gaming terminal may be placed in any licensed video gaming location in the city unless the owner or agent of the owner of the licensed video gaming location has a location license and 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 licensed video gaming location in the city and available for inspection by individuals authorized by the city. A licensed video gaming location located in the city may operate up to five video gaming terminals on its premises at any time.

(C) Financial interest restrictions.

(1) As used in the Video Gaming Act and in this chapter, ***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 (1), (2) or (3) 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.

(2) For purposes of this division (C), ***INDIVIDUAL*** includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this division (C) 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.

(D) Location restriction.

(1) A licensed video gaming location 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 division (D) 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 video gaming location becomes licensed under the Video Gaming Act. For the purpose of this division (D), **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,

(2) Notwithstanding the provisions of this division (D), the Liquor Commissioner may waive the requirement that a licensed video gaming location 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 Liquor Commissioner 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 Liquor Commissioner may adopt rules to implement the provisions of this division (D)(2) or in the absence of the Liquor Commissioner's adopting rules to implement the provisions of this division (D)(2), the rules of the Illinois Gaming Board shall apply to implement the provisions of this division (D)(2).

(E) Undue economic concentration.

(1) In addition to considering all other requirements under the Video Gaming Act and this chapter, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Liquor Commissioner shall consider the impact of any economic concentration of such operation of video gaming terminals. The Liquor Commissioner shall not allow a terminal operator to operate video gaming terminals if the Liquor Commissioner determines such operation will result in undue economic concentration. For purposes of this division (E), **UNDUE ECONOMIC CONCENTRATION** means that a terminal operator would have such actual or potential influence over video gaming terminals in the city as to:

- (a) Substantially impede or suppress competition among terminal operators;
- (b) Adversely impact the economic stability of the video gaming industry in the city; or
- (c) Negatively impact the purposes of the Video Gaming Act or this chapter.

(2) The Liquor Commissioner may adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in the city or in the absence of the city's adopting rules concerning undue economic concentration with respect to the operation of video gaming terminals in the city, the rules of the Illinois Gaming Board shall apply to undue economic concentration with respect to the operation of video gaming terminals in the city. The rules, if adopted by the Liquor Commissioner, 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 Liquor Commissioner determines will cause undue economic concentration.

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

(Ord. 12-22, passed 4-24-12)

§ 124.11 RESIDENCY REQUIREMENT.

Each licensed terminal operator and person with a substantial interest in a licensed terminal operator must be an Illinois resident. However, if an out-of-state terminal operator has performed its business within Illinois for at least 48 months prior to the effective date of the Video Gaming Act, the out-of-state person maybe eligible for licensing under this chapter, upon application to and approval of the Liquor Commissioner. The Liquor Commissioner may adopt rules to implement this section.

(Ord. 12-22, passed 4-24-12)

§ 124.12 MULTIPLE TYPES OF LICENSES PROHIBITED.

A video gaming terminal operator may not be licensed by the state or the city as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed video gaming location, and shall be licensed only to contract with licensed distributors and licensed video gaming location. An owner or manager of a licensed video gaming location may not be licensed by the state or the city as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment. (Ord. 12-22, passed 4-24-12)

§ 124.13 DISPLAY OF LICENSES; HOURS OF OPERATION.

(A) Each video gaming terminal shall be licensed by the Illinois Gaming Board and by the city before placement or operation on the premises of a licensed video gaming location in the city. The state license and the video gaming terminal license video gaming terminal and the location license shall be maintained at the location where the video gaming terminal is operated.

(B) Any terminal operator that possesses any video gaming terminal shall have a registration tag issued by the Illinois Gaming Board and a registration tag issued by the city securely affixed on each such video gaming terminal.

(C) Any video gaming terminal without a current registration tag shall be subject to seizure. Any agent of the city may demand and gain access to any property relating to a licensed video gaming location or any location where video gaming terminals are stored, sold, distributed, or transported, and seize any video gaming terminal which does not bear a current registration tag or is operating in a manner that violates any provision of the Illinois Gaming Act or this chapter. Such video gaming terminals so seized shall be subject to confiscation and forfeiture. In the event the city seizes video gaming terminals in accordance with this section, the city shall notify the terminal operator of such seizure and of the terminal operator's right to a hearing under § [124.18](#) of this chapter.

(D) 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 Illinois Gaming Board by rule.

(E) No video gaming terminal licensed under this chapter may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed video gaming location. A licensed video gaming location that violates this division is subject to termination of its license by the Liquor Commissioner.

(Ord. 12-22, passed 4-24-12)

§ 124.14 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.

(Ord. 12-22, passed 4-24-12)

§ 124.15 LICENSING QUALIFICATIONS.

The rules contained in this section and the divisions thereunder shall govern qualifications for all types of video gaming licenses issued by the city pursuant to this chapter.

(A) Issuance of license.

(1) (a) The burden is upon each applicant to demonstrate his or her suitability for licensure. Each video gaming terminal operator owning, maintaining, or placing a video gaming terminal in a licensed video gaming location located in the city shall obtain a video gaming terminal license from the Liquor Commissioner for each video gaming terminal in a licensed video gaming location located in the city. Each operator of a licensed video gaming location located in the city where a video gaming terminal is maintained or placed shall obtain a location license from the Liquor Commissioner.

(b) The Liquor Commissioner may issue or deny a license under this chapter to any person pursuant to the same criteria set forth in § 9 of the Riverboat Gambling Act.

(2) The Liquor Commissioner 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 or of Chapter 134 of this code. If there is pending legal action against a person for any such violation, then the Liquor Commissioner shall delay the licensure of that person until the legal action is resolved.

(3) Each person seeking and possessing a license as a video gaming terminal operator or a licensed video gaming location shall submit to a background investigation conducted by the Illinois Gaming 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 operator or a licensed video gaming location.

(4) Each person seeking and possessing a license as a video gaming terminal operator or a licensed video gaming location 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.

(5) No person may be licensed as a video gaming terminal operator or a licensed video gaming location if that person has been found by the Illinois Gaming Board to:

- (a) 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;
- (b) Create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or
- (c) Present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(6) Any applicant for any license under this chapter has the burden of proving his or her qualifications to the satisfaction of the Liquor Commissioner. The city may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in the city.

(B) Precondition for licensed location. In all cases of application for a licensed location, to operate a video gaming terminal, each licensed video gaming location shall possess a valid state license for a video gaming location, a valid liquor license issued by the Illinois Liquor Control Commission and a valid local liquor license issued by the city Liquor Commissioner 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 video gaming location within the city shall be operated only during the same hours of operation generally permitted to holders of a license under the provisions of this code adopted pursuant to the Liquor Control Act of 1934.

(C) Insurance. Each terminal operator shall maintain liability insurance on each video gaming terminal that it places in a licensed video gaming location in an amount set by the Illinois Gaming Board.

(D) Minimum requirements for licensing and registration. Every video gaming terminal offered in the city for play shall first be tested and approved pursuant to the rules of the Illinois Gaming Board, and each video gaming terminal offered in the city for play shall conform to an approved model. Every video gaming terminal offered in the city for play must meet minimum standards set by an independent outside testing laboratory approved by the Illinois Gaming 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 maximum payout percentage for approved models shall conform to the requirements established by the Illinois Gaming Board 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 ten 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 video gaming terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the video gaming 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 Illinois Gaming 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 Illinois Gaming 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 Illinois Gaming 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 Illinois Gaming 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) It shall display Amber Alert messages, should the Illinois Gaming Board, in its discretion, require video gaming terminals to display Amber Alert messages.
- (17) It shall comply with such rules which establish additional criteria to preserve the integrity and security of video gaming as the Illinois Gaming Board may adopt.

(E) Qualifications for licensure.

- (1) In addition to the qualifications required in the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter, the Liquor Commissioner may not grant any video gaming license until the Liquor Commissioner is satisfied that the applicant is:
 - (a) A person of good character, honesty and integrity;
 - (b) A person whose background, including criminal record, reputation and associations, is not injurious to the public health, safety, morals, good order and general welfare of the people of the state or the city;
 - (c) A person whose background, including criminal record, reputation and associations, does not discredit or tend to discredit the Illinois gaming industry, the state or the city;
 - (d) A person whose background, including criminal record, reputation, habits, social or business associations does not adversely affect public confidence and trust in gaming or pose a threat to the public interests of the state, the city or to the security and integrity of video gaming;
 - (e) A person who does not create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of video gaming;
 - (f) A person who does not present questionable business practices and financial arrangements incidental to the conduct of video gaming activities or otherwise;

(g) A person who, either individually or through employees, demonstrates business ability and experience to establish, operate and maintain a business for the type of license for which application is made;

(h) A person who does not associate with, either socially or in business affairs, or employ persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body; and

(i) A person who has not had a gaming license revoked in any other jurisdiction.

(2) In addition to all other qualifications required in the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter, the Liquor Commissioner may not grant a video gaming terminal license until the Liquor Commissioner is satisfied that the applicant:

(a) Is a person who demonstrates adequate financing for the business proposed. The Liquor Commissioner shall consider whether any financing is from a source that meets the qualifications in division (E)(1)(a) through (i) of this section and is in an amount sufficient to ensure the likelihood of success in the performance of the licensee's duties and responsibilities pursuant to the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter; and

(b) Has disclosed all persons with significant influence or control over the applicant or licensee.

(3) Past participation in video gaming.

(a) The Liquor Commissioner shall not grant a license to a person who has facilitated, enabled or participated in the use of coin-operated amusement devices for gambling purposes on or after December 16, 2009, or who is under the significant influence or control of such a person.

(b) The Liquor Commissioner has discretion not to grant a license to a person who, before December 16, 2009, has facilitated, enabled or participated in the use of coin-operated amusement devices for gambling purposes, or who is under the significant influence or control of such a person.

(F) Persons with significant influence or control.

(1) The Liquor Commissioner shall identify each person that holds a position or level of influence over or control in each applicant or licensee that is significant to the regulatory concerns and obligations of the Liquor Commissioner for the specified applicant or licensee.

(2) Each person identified as a person with significant influence or control shall comply with the following:

(a) Cooperate fully with any investigation conducted by or on behalf of the Liquor Commissioner;

(b) Comply with the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter; and

(c) Submit initial and annual disclosure information on forms provided by the Illinois Gaming Board and the city.

(3) Persons with significant influence or control include, but are not limited to, the following:

(a) Each person in whose name the liquor license is maintained for each licensed video gaming location;

(b) Each person who, in the opinion of the Liquor Commissioner, has the ability to influence or control the activities of the applicant or licensee or elect a majority of its board of directors, other than a bank or other licensed lending institution that holds a mortgage or other lien, or any other source of funds, acquired in the ordinary course of business;

(c) Persons having the power to exercise significant influence or control over decisions concerning any part of the applicant's or licensee's video gaming operation.

(Ord. 12-22, passed 4-24-12)

§ 124.16 LICENSING PROCEDURES.

The rules contained in this section and the divisions thereunder shall govern procedures for applying for, renewing and maintaining all types of video gaming licenses issued by the city pursuant to this chapter.

(A) Applications.

(1) Applications for licensure or renewal shall be submitted on applications and forms provided by the city.

(2) An applicant or its affiliate may be required to submit forms or materials in addition to an application as required by division (A) (1) above.

(3) Institutional investor.

(a) 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 as instructed in an application if the institutional investor:

1. Submits a video gaming institutional investor disclosure form to the Illinois Gaming Board and the city within 45 days after the institutional investor individually or jointly with others cumulatively acquires, directly or indirectly, 5% or more but less than 20% of any class of publicly traded securities issued by a corporate applicant, licensee, parent or subsidiary company of an applicant or licensee;

2. Holds or controls the publicly traded securities issued by a corporate applicant, licensee, parent or subsidiary company of an applicant or licensee in the ordinary course of business for investment purposes only; and

3. Does not exercise or intend to exercise influence or control over the affairs of the issuer of the publicly traded securities issued by a corporate applicant, licensee, parent or subsidiary company of an applicant or licensee or their affiliates.

(b) An institutional investor's exercise in voting privileges on matters put to the vote of the outstanding security holders shall not be deemed the exercise or intent to exercise influence or control over the affairs of the issuer of those securities.

(c) If an institutional investor exempt from filing a video gaming business entity disclosure form as allowed in this division (A)(3) subsequently determines to exercise influence or control over the affairs of the issuer of the publicly traded securities issued by a corporate applicant, licensee, parent or subsidiary company of an applicant or licensee or their affiliates, the institutional investor shall provide not less than 30 days' notice of the intent and shall file with the Illinois Gaming Board and the city a video gaming business entity disclosure form before taking any action that may influence or control the affairs of the issuer of those securities or their affiliates.

(d) The video gaming institutional investor disclosure form shall not be construed to preclude the city from requiring an institutional investor to submit a video gaming business entity disclosure form if the city determines that the submission is proper and in furtherance of the Act and this division (A).

(e) An institutional investor exempt from filing a video gaming business entity disclosure form as allowed in this division (A)(3) shall certify in writing to be bound by and comply with the Video Gaming Act and this division (A).

(4) Application procedures.

(a) An applicant is seeking a privilege and assumes and accepts any and all risk of adverse publicity, notoriety, embarrassment, criticism or other action, or financial loss that may occur in connection with the application process.

(b) Any misrepresentation or omission made with respect to an application may be grounds for denial of the application.

(c) Applications, forms, and requested materials shall be submitted in triplicate and as required by the applications and instructions.

(d) Individuals required to submit video gaming personal disclosure forms shall be photographed and fingerprinted by the Illinois Gaming Board.

(e) An application shall be deemed filed when the completed application form, including all required documents and materials, and the application fee have been submitted.

(5) Amendments and incorporation by reference.

(a) An application may be amended with approval by the Liquor Commissioner.

(b) The Liquor Commissioner may allow information, documents, or other materials submitted by an applicant to be incorporated by reference into a subsequent application.

(B) Submission of application. All applications shall be submitted to the Liquor Commissioner at the city's offices.

(C) Application fees.

(1) All applicants for a license issued by the Liquor Commissioner shall pay the following application fees, as applicable, at the time of filing their application:

(a) Terminal operator - \$1,000 per video gaming terminal.

(b) Licensed video gaming location - \$100.

(2) The application fee shall be reduced by one-twelfth for each month of the calendar year that has elapsed prior to, but not including, the month that the application is filed.

(D) Consideration of applications. Only complete applications will be considered for licensure. Applications are complete when the applicant has submitted:

- (1) All information required by this section;
 - (2) All information required or requested by the city; and
 - (3) Payment of the application fee.
- (E) Withdrawal of applications.

(1) An application for licensure under this chapter may be withdrawn unless the intended withdrawal is objected to by the Liquor Commissioner.

(2) If an application for licensure is withdrawn, the applicant may not reapply for a license within one year from the date withdrawal is granted, without leave of the Liquor Commissioner.

(F) Issuance of license. The Liquor Commissioner may only issue a license after the Illinois Gaming Board background investigation is complete, the Illinois Gaming Board determines the applicant is suitable for licensure and the applicant has filed a completed application and paid the required application fee.

(G) Renewal of license.

(1) All licenses issued by the city under this chapter shall expire on December 31 and are renewable annually unless sooner cancelled or terminated. No license issued under this chapter is transferable or assignable.

(2) The Liquor Commissioner may only renew a license upon receipt of a copy of the current state license, the applicable renewal fee and any renewal forms provided by the Liquor Commissioner.

(3) The Liquor Commissioner may only renew a license if the licensee continues to meet all qualifications for licensure set forth in the Video Gaming Act, the regulations promulgated pursuant to the Video Gaming Act and this chapter.

(H) Renewal fees and dates. A licensee shall pay the following license fees annually before January 1 of each calendar year, as applicable:

(1) Terminal operator - \$ 1,000 per video gaming terminal.

(2) Licensed video gaming location - \$100.

(Ord. 12-22, passed 4-24-12; Am. Ord. 13-37, passed 7-23-13)

§ 124.17 DENIALS OF APPLICATIONS FOR LICENSURE.

The rules contained in this section and the divisions thereunder shall govern all hearings requested upon issuance of a notice of denial of an application for licensure. Hearings under this section and the divisions thereunder are de novo proceedings for the creation of a record regarding an applicant's suitability for licensure. A hearing under this section and the divisions thereunder is not an appeal of the Liquor Commissioner's action.

(A) Requests for hearing.

(1) If the Liquor Commissioner finds that an applicant is not suitable for licensure, the Liquor Commissioner shall issue the applicant a notice of denial.

(2) The Liquor Commissioner shall serve notice on the applicant by personal service or U.S. certified mail and U.S. mail to the last known address of the applicant. Service is complete four days after mailing.

(3) Should an applicant wish to contest the action the Liquor Commissioner has taken regarding his or her application, the applicant must submit a request for hearing to the Liquor Commissioner.

(4) All requests for hearing shall be in writing and shall include an original and one copy. The request shall contain the following:

(a) The name, current address and current telephone number of the applicant;

(b) Detailed reasons why and the facts upon which the applicant will rely to show that the applicant is suitable for licensure, including specific responses to any facts enumerated in the Illinois Gaming Board's notice of denial;

(c) A signature of the applicant;

(d) A verification of the request for hearing in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."

(e) The request must be notarized.

(f) A deposit of \$500 to secure the attendance of a stenographer at the hearing to record the proceedings.

Following the conclusion of the hearing, the city shall either refund to the applicant any portion of the deposit that exceeds the cost of the stenographer to record the proceedings or shall invoice the applicant for the amount of the cost of the stenographer to record the proceedings that exceeds the deposit.

(5) A request for hearing must be made within ten days after receipt of notice of denial from the Liquor Commissioner. A request shall be deemed filed on the date on which it is postmarked.

(6) If a request for hearing is not filed within ten days after the receipt of notice from the Liquor Commissioner, then the notice of denial becomes the final order of the Liquor Commissioner denying the applicant's license application.

(7) A request for hearing shall be deemed granted unless denied. The Liquor Commissioner may deny a request for hearing if the statement of the reasons and facts that it contains does not establish a prima facie case or fails to comply with any of the other requirements of this section. The Liquor Commissioner's denial of a request for hearing is a final decision, and the denial of licensure becomes a final order on the date the Liquor Commissioner denies the request for hearing.

(8) A request for hearing may not be withdrawn or voluntarily dismissed if the Liquor Commissioner determines that withdrawal or voluntary dismissal is not in the best interests of the public and the video gaming industry in the city. If the Liquor Commissioner allows an applicant to withdraw a hearing request, the initial notice of denial becomes a final Liquor Commissioner order on the date leave to withdraw is granted. If the applicant does not prosecute his or her case after 21 days, the Liquor Commissioner may enter a default judgment against the applicant. Failure to prosecute shall result in entry of default judgment against the applicant.

(9) The applicant may submit a request for hearing by:

- (a) Personal delivery;
- (b) Certified mail, postage prepaid; or
- (c) Overnight express mail, postage prepaid.

(10) All requests for hearing must be submitted to the Liquor Commissioner at the city's offices.

(11) If a request is granted, the Liquor Commissioner shall conduct a hearing.

(B) Appearances.

(1) All applicants may be represented by an attorney who is licensed to practice in Illinois. All attorneys who appear in a representative capacity on behalf of an applicant must file a written appearance setting forth:

- (a) The name, address and telephone number of the attorney;
- (b) The name and address of the applicant the attorney represents; and
- (c) An affirmative statement that the attorney is licensed to practice in Illinois.

(2) Only individual attorneys may file appearances. Any applicant's attorney who has not filed an appearance may not address the Liquor Commissioner or sign pleadings.

(3) An attorney may only withdraw his or her appearance upon written notice to the Liquor Commissioner.

(4) An individual may appear on his or her own behalf.

(5) A partner may appear on behalf of a partnership.

(6) A corporation and a limited liability company must be represented by an attorney.

(7) The city will be represented by its corporation counsel.

(8) The Liquor Commissioner may, but shall not be required to, appoint an attorney admitted to the practice of law by, and in good standing with, the Illinois Supreme Court to advise the Liquor Commissioner on conducting the hearing in accordance with this section.

(C) Discovery.

(1) Upon written request served on the opposing party, a party shall be entitled to:

(a) The name and address of any witness who may be reasonably expected to testify on behalf of the opposing party;

(b) All documents or other materials in the possession or control of the opposing party that the opposing party reasonably expects will be necessary to introduce into evidence. The applicant's burden of production includes those documents the applicant reasonably expects to introduce into evidence either in his, her or its case-in-chief or in rebuttal. Rebuttal documents, to the extent that they are not immediately identifiable, shall be tendered to the city unless additional time is granted by the Liquor Commissioner.

(2) Discovery may be obtained only through written requests to produce witness lists, documents or other materials, as specified in division (C)(1) above. Witnesses and documents responsive to a proper request for production that were not produced shall be excluded from the hearing and additional sanctions or penalties may be imposed.

(D) Subpoenas.

(1) Subpoenas for the attendance of witnesses at hearing may be served by a party only upon application to the Liquor Commissioner.

(a) The applicant must show good cause, state the testimony to be elicited from a witness, state why the evidence to which the testimony relates cannot otherwise be obtained, and state the reasons why the testimony is necessary and relevant.

(b) An agent or employee of the city may not be required by the applicant to appear except under the procedures provided in this section.

(2) The Liquor Commissioner may issue subpoenas for the attendance of witnesses or subpoenas duces tecum for the production of relevant documents, records or other material at a proceeding conducted under this section.

(E) Proceedings.

(1) The burden of proof is at all times on the applicant. The applicant shall have the affirmative responsibility of establishing by clear and convincing evidence that the applicant is suitable for licensing or that enforcement of a security interest is warranted.

(2) All testimony shall be given under oath or affirmation.

(3) All testimony and oral proceedings shall be recorded stenographically or by such other means as to adequately ensure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. The stenographer or such other means as to adequately ensure the preservation of such testimony or oral proceedings shall be arranged by the city. The cost of the stenographer or such other means as to adequately ensure the preservation of such testimony or oral proceedings shall be paid by the applicant. The transcript shall be paid for by the requesting party.

(4) Both parties may present opening statements. The applicant shall proceed first, followed by the city.

(5) The applicant shall then present his, her or its case-in-chief.

(6) Upon the conclusion of the applicant's case-in-chief, the city may move for a directed finding. The Liquor Commissioner may hear arguments on the motion or may grant, deny or reserve decision, without argument.

(7) If no motion for directed finding is made, or if the motion is denied or decision reserved, the city may present its case.

(8) Upon the conclusion of the city's case, the applicant may present evidence in rebuttal.

(9) Each party may conduct cross-examination of adverse witnesses.

(10) Both parties may present closing arguments. The applicant shall proceed first, followed by the city, and thereafter the applicant may present rebuttal argument.

(F) Evidence.

(1) The hearing need not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted and shall be sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statute that might make improper the admission of evidence over objection in a civil action. Hearsay may support a finding of the Liquor Commissioner if it is the best evidence available, has sufficient indicia of trustworthiness and reliability and is of the type reasonably and customarily relied on in the video gaming industry.

(a) If relevant and not precluded from the hearing by § 6(d) of the Riverboat Gambling Act relating to all licensed applicants, official Illinois Gaming Board records or certified copies of the records shall be admissible into evidence;

(b) Official Illinois Gaming Board records are documents either prepared by or provided to the Illinois Gaming Board for the purpose of conducting its regular business;

(c) If relevant and not precluded from the hearing by a statute, regulation or ordinance, official city records or certified copies of the records shall be admissible into evidence;

(d) Official city records are documents either prepared by or provided to the city for the purpose of conducting its regular business;

(e) An applicant must afford the city an opportunity to investigate and verify information that the applicant intends to offer in support of his or her case. The applicant shall not be permitted to introduce into evidence any information that the city has not been afforded the opportunity to investigate and verify.

(2) The parties should, to the fullest extent possible, stipulate to all matters that are not or fairly should not be in dispute.

(3) The parties may make objections to evidentiary offers. When an objection is made, the Liquor Commissioner may receive the disputed evidence subject to a ruling at a later time.

(4) The Liquor Commissioner may take official notice of any generally accepted information or technical or scientific matter within the field of video gaming, and any other fact that may be judicially noticed by courts of this state. The parties shall be informed of any information, matter or facts so noticed, including any city staff memoranda or data, and shall be given reasonable opportunity to refute that information.

(G) Prohibition on ex parte communication. Once a hearing is commenced, no applicant or its representative shall communicate directly or indirectly with the Liquor Commissioner regarding any pending denial, except upon notice to and opportunity for all parties to participate.

(H) Sanctions and penalties.

(1) The Liquor Commissioner may impose sanctions and penalties if the Liquor Commissioner finds that a party has acted in bad faith, for the purpose of delay, or has otherwise abused the hearing process. Sanctions and penalties include, but are not limited to, default judgment or directed finding on one or more issues.

(2) If an applicant fails to testify on his or her own behalf with respect to any question propounded to him or her, the Liquor Commissioner may infer that such testimony or answer would have been adverse to the petitioner's case.

(3) Failure of an applicant to appear at a hearing or scheduled proceeding shall constitute an admission of all matters and facts contained in the notice of denial. In such cases the Liquor Commissioner may take action based upon that admission or upon any other evidence, including affidavits, without any further notice to the applicant.

(I) Hearing record and order.

(1) The record shall consist of the following:

- (a) The notice of denial, the request for hearing and all motions and rulings;
- (b) All evidence received;
- (c) A statement of matters officially noticed; and
- (d) Offers of proof, objections and rulings.

(2) Upon conclusion of the hearing the Liquor Commissioner shall review the entire record and shall render a written order including written findings of fact and conclusions of law on which the Liquor Commissioner's decision is based. The findings of fact shall be based exclusively on the evidence and on matters officially noticed.

(3) Copies of the Liquor Commissioner's final order shall be served on the Applicant by personal delivery, certified mail or overnight express mail to applicant's last known address.

(4) The Liquor Commissioner's final order shall become effective upon personal delivery to the applicant or upon posting by certified or overnight express mail to applicant's last known address.

(J) Status of applicant for licensure upon filing request for hearing. An applicant who has been denied a license and who has requested a hearing under this section shall be considered an applicant for purposes of compliance with applicable statutory provisions and this chapter until final resolution of the request for hearing.

(Ord. 12-22, passed 4-24-12)

§ 124.18 DISCIPLINARY ACTIONS AGAINST LICENSEES.

The rules contained in this section and the divisions thereunder shall govern all disciplinary actions against licensees including, but not limited to, suspension and revocation of a license.

(A) Grounds for disciplinary actions.

(1) Holders of any license issued under this chapter and identified persons with significant influence or control shall be subject to imposition of fines, suspension, revocation or restriction of license, or other disciplinary action for any act or failure to act by themselves or by their agents or employees that violates any provision of this chapter, is injurious to the public health, safety, morals, good order and general welfare of the people of the state or the city, or that would discredit or tend to discredit the Illinois video gaming industry, the state or the city. Without limiting the provisions of this division (A)(1), the following acts or omissions may be grounds for discipline:

(a) Failing to comply with or make provision for compliance with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this chapter, any federal, state or local law or regulation, or a control system or protocol mandated by the Illinois Gaming Board or the city;

(b) Failing to comply with any order or ruling of the Illinois Gaming Board or its agents pertaining to the regulation of video gaming in the state;

(c) Failing to comply with any order or ruling of the Liquor Commissioner or the city's officers, employees or agents pertaining to the regulation of video gaming in the city;

(d) Receiving goods or services from a licensee or other person in violation of the Video Gaming Act's or this chapter's licensing requirements, or in violation of any restriction, condition or prohibition of a license;

(e) Being suspended or ruled ineligible or having a license revoked or suspended by the Illinois Gaming Board, the city or in any state or gaming or video gaming jurisdiction;

(f) Employing, associating with, or participating in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

(g) Employing, associating with, or participating in any enterprise or business with persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body;

(h) Failing to establish and maintain standards and procedures designed to prevent ineligible or unsuitable persons from being employed by the licensee, including any person known to have been found guilty of cheating or using any improper device in connection with any game or gaming device regulated under the Video Gaming Act or under the law of any gaming jurisdiction;

(i) Misrepresenting any information to the Illinois Gaming Board, the Liquor Commissioner or the city;

(j) Intentionally making, causing to be made, or aiding, assisting, or procuring another to make any false statement in any report, disclosure, application, permit, form, or any other document, including improperly notarized documents, required by the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter;

(k) Submitting tardy, inaccurate, or incomplete material or information to the Liquor Commissioner;

(l) Obstructing or impeding the lawful activities of the Illinois Gaming Board or its agents, the Liquor Commissioner or the city's officers, employees or agents;

(m) Willfully or repeatedly failing to pay amounts due or to be remitted to the state or the city;

(n) Failing to timely pay amounts due or to be remitted to the state or the city;

(o) Failing to timely pay a fine imposed by the Illinois Gaming Board or the city;

(p) Failing to respond in a timely manner to communications from the Illinois Gaming Board or the city;

(q) Being unavailable to the Illinois Gaming Board, the city or their representatives or agents;

(r) Aiding and abetting a violation by a Illinois Gaming Board member, city official or employee, or other government official, of a requirement established by statute, resolution, ordinance, personnel code or code of conduct;

(s) Violation of the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this chapter by any person identified as a person with significant influence or control;

(t) Employing, associating with, or participating in any enterprise or business with a person determined unsuitable to be a person with significant influence or control over an applicant or licensee by the Illinois Gaming Board, the Liquor Commissioner or any other gaming jurisdiction;

(u) Facilitating, enabling or participating in the use of coin-operated amusement devices for gambling purposes on or after December 16, 2009; and

(v) The imposition of fines, suspension, revocation or restriction of a state license, or other disciplinary action by the Illinois Gaming Board for any act or failure to act by themselves or by their agents or employees that violates any provision of the Video Gaming Act or the regulations promulgated under the Video Gaming Act.

(2) A licensee whose employment has been terminated is subject to revocation of license for any act or failure to act that occurred while licensed.

(3) A person who has had his or her license revoked by the Liquor Commissioner may not reapply for a license without permission from the Liquor Commissioner.

(B) Notice of proposed disciplinary action against licensees.

(1) When notified of facts sufficient to support disciplinary action against a licensee or a person with significant influence or control, the Liquor Commissioner shall immediately notify the licensee of the proposed disciplinary action. The notice shall advise the licensee of the following:

(a) A statement of the facts supporting the proposed disciplinary action;

(b) A description of the rule or statutory section the licensee has violated;

(c) A statement or description of the matters asserted and the consequences of the failure to respond;

(d) The name and mailing address of the city.

(2) The Liquor Commissioner shall serve the notice of proposed disciplinary action on the licensee by personal service or U.S. certified mail or U.S. regular mail to the last known address of the licensee. Service is complete four days after mailing.

(C) Hearings in disciplinary actions.

(1) Should a licensee wish to contest the proposed disciplinary action, the licensee must submit a response to the notice of proposed disciplinary action described in division (B) above to the Liquor Commissioner.

(2) All responses shall be in writing and shall include an original and one copy. The response shall contain the following:

(a) The name, current address and current telephone number of the licensee;

(b) A clear and concise statement admitting or denying each of the factual allegations set forth in the notice of proposed disciplinary action, with each admission or denial being shown in separately numbered paragraphs corresponding to the separately numbered paragraphs in the notice of proposed disciplinary action;

(c) For all factual allegations that the licensee denies, a clear and concise statement of facts upon which the licensee relies or will rely on at a hearing;

(d) A signature of the licensee;

(e) A verification of the licensee in the following form:

“The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he or she verily believes the same to be true.”;

(f) The response must be notarized.

(g) A deposit of \$500 to secure the attendance of a stenographer at the hearing to record the proceedings. Following the conclusion of the hearing, the city shall either refund to the Licensee any portion of the deposit that exceeds the cost of the stenographer to record the proceedings or shall invoice the licensee for the amount of the cost of the stenographer to record the proceedings that exceeds the deposit.

(3) The response must be filed within 21 days after receipt of the notice of proposed disciplinary action. A response shall be deemed filed on the date on which it is postmarked.

(4) If a response is not filed within 21 days after receipt of the notice of proposed disciplinary action then the proposed disciplinary action becomes effective and final immediately.

(5) No response shall be deemed filed if it fails to comply with any of the requirements of this section.

(6) The Licensee may submit a response by:

(a) Personal delivery;

(b) Certified mail, postage prepaid; or

(c) Overnight express mail, postage prepaid.

(7) All responses must be submitted to the Liquor Commissioner at the city's offices.,

(8) If a response is properly filed, the Liquor Commissioner will conduct a hearing.

(D) Appearances.

(1) All licensees may be represented by an attorney who is licensed to practice in Illinois. All attorneys who appear in a representative capacity on behalf of a licensee must file a written appearance setting forth:

(a) The name, address and telephone number of the attorney;

(b) The name and address of the licensee the attorney represents; and

(c) An affirmative statement that the attorney is licensed to practice in Illinois.

(2) Only individual attorneys may file appearances. Any licensee's attorney who has not filed an appearance may not address the Liquor Commissioner or sign pleadings.

(3) An attorney may only withdraw his or her appearance upon written notice to the Liquor Commissioner.

(4) An individual may appear on his or her own behalf.

(5) A partner may appear on behalf of a partnership.

(6) A corporation and a limited liability company must be represented by an attorney.

(7) The city will be represented by its corporation counsel.

(8) The Liquor Commissioner may, but shall not be required to, appoint an attorney admitted to the practice of law by, and in good standing with, the Illinois Supreme Court to advise the Liquor Commissioner on conducting the hearing in accordance with this section.

(E) Discovery.

(1) Upon written request served on the opposing party, a party shall be entitled to:

(a) The name and address of any witness who may be reasonably expected to testify on behalf of the opposing party;

(b) All documents or other materials in the possession or control of the opposing party, that the opposing party reasonably expects will be necessary to introduce into evidence. The licensee's burden of production includes those documents the licensee reasonably expects to introduce into evidence either in his or her case-in-chief or in rebuttal. Rebuttal documents, to the extent that they are not immediately identifiable, shall be tendered to the Liquor Commissioner within 14 days after receipt of documents tendered to licensee by the Liquor Commissioner unless additional time is granted by the Liquor Commissioner.

(2) Discovery may be obtained only through written requests to produce witness lists, documents or other materials, as specified in subsection division (E)(1) above. Witnesses and documents responsive to a proper request for production that were not produced shall be excluded from the hearing and additional sanctions or penalties maybe imposed.

(F) Subpoenas.

(1) Subpoenas for the attendance of witnesses at hearing may be served by the licensee only upon application to the Liquor Commissioner.

(a) The licensee must show good cause, state the testimony to be elicited from a witness, state why the evidence to which the testimony relates cannot otherwise be obtained, and state the reasons why the testimony is necessary and relevant.

(b) An agent or employee of the Illinois Gaming Board or the city may not be required by the licensee to appear except under the procedures provided in this section.

(2) The Liquor Commissioner may issue subpoenas for the attendance of witnesses or subpoenas duces tecum for the production of relevant documents, records or other material at a disciplinary proceeding conducted under this chapter.

(G) Proceedings.

(1) The city shall establish the charges contained in the notice of proposed disciplinary action by a preponderance of the evidence.

(2) All testimony shall be given under oath or affirmation.

(3) All testimony and oral proceedings shall be recorded stenographically or by such other means as to adequately ensure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. The stenographer or such other means as to adequately ensure the preservation of such testimony or oral proceedings shall be arranged by the city. The cost of the stenographer or such other means as to adequately ensure the preservation of such testimony or oral proceedings shall be paid by the licensee. The transcript shall be paid for by the requesting party.

(4) Both parties may present opening statements. The city will proceed first, followed by the licensee.

(5) The city shall then present its case.

(6) Upon the conclusion of the city's case, the licensee may move for a directed finding. The Liquor Commissioner may hear arguments on the motion or may grant, deny or reserve decision on the motion, without argument.

(7) If no motion for directed finding is made, or if such motion is denied or decision reserved, the Licensee may present its case.

(8) Upon the conclusion of the licensee's case, the city may present evidence in rebuttal.

(9) Each party may conduct cross-examination of adverse witnesses.

(10) Both parties may present closing arguments. The city proceeds first, then the licensee, and thereafter the city may present rebuttal argument.

(H) Evidence.

(1) The hearing need not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted and shall be sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statute that might make improper the admission of evidence over objection in a civil action. Hearsay may support a finding of the Liquor Commissioner if it is the best evidence available, has sufficient

indicia of trustworthiness and reliability and is of the type reasonably and customarily relied on in the gaming industry.

(a) If relevant, and not precluded from the hearing by § 6(d) of the Riverboat Gambling Act relating to all licensed applicants, the official Illinois Gaming Board records or certified copies of the records shall be admissible into evidence if the records tend to prove or disprove an allegation contained in the complaint;

(b) Official Illinois Gaming Board records are documents either prepared by or provided to the Illinois Gaming Board for the purpose of conducting its regular business.

(c) If relevant and not precluded from the hearing by a statute, regulation or ordinance, official city records or certified copies of the records shall be admissible into evidence;

(d) Official city records are documents either prepared by or provided to the city for the purpose of conducting its regular business;

(2) The parties should, to the fullest extent possible, stipulate to all matters that are not or fairly should not be in dispute.

(3) The parties may make objections to evidentiary offers. When an objection is made, the Liquor Commissioner may receive the disputed evidence subject to a ruling at a later time.

(4) The Liquor Commissioner may take official notice of any generally accepted information or technical or scientific matter within the field of video gaming, and any other fact that may be judicially noticed by courts of this state. The parties shall be informed of any information, matter or facts so noticed, including any city staff memoranda or data, and shall be given reasonable opportunity to refute that information.

(I) Prohibition on ex parte communication. No licensee or its representative shall communicate directly or indirectly with the Liquor Commissioner regarding any pending disciplinary matter, except upon notice to and opportunity for all parties to participate.

(J) Sanctions and penalties.

(1) The Liquor Commissioner may impose sanctions and penalties if the Liquor Commissioner finds that a party has acted in bad faith, for the purpose of delay, or has otherwise abused the hearing process. Such sanctions and penalties include, but are not limited to, default judgment or directed finding on one or more issues.

(2) If a licensee fails to testify on his or her own behalf with respect to any question propounded to him or her, the Liquor Commissioner may infer that such testimony or answer would have been adverse to the licensee's case.

(3) Failure of a licensee to appear at a hearing or scheduled proceeding shall constitute an admission of all matters and facts contained in the complaint. In such cases the Liquor Commissioner may take action based upon that admission or upon any other evidence, including affidavits, without any further notice to the Licensee..

(K) Hearing record and order.

(1) The record shall consist of the following:

(a) The notice of denial, the request for hearing and all motions and rulings;

(b) All evidence received;

(c) A statement of matters officially noticed; and

(d) Offers of proof, objections and rulings.

(2) Upon conclusion of the hearing the Liquor Commissioner shall review the entire record and shall render a written order including written findings of fact and conclusions of law on which the Liquor Commissioner's decision is based. The findings of fact shall be based exclusively on the evidence and on matters officially noticed.

(3) Copies of the Liquor Commissioner's final order shall be served on the licensee by personal delivery, certified mail or overnight express mail to licensee's last known address.

(4) The Liquor Commissioner's final order shall become effective upon personal delivery to the licensee or upon posting by certified or overnight express mail to applicant's last known address.

(L) Penalties.

(1) The Liquor Commissioner may impose fines, suspend, revoke or restrict any license issued under this chapter or impose other disciplinary action for any act or failure to act by licensee or by the licensee's agents or employees that violates any provision of the Video Gaming Act or the regulations promulgated under the Video Gaming Act or this chapter.

(2) Failure to maintain the state license, the video gaming terminal license of each video gaming terminal or the location license at the location where the video gaming terminal is operated shall be subject to a fine not to exceed \$100.

(3) Any Licensee who knowingly permits a person under the age of 21 years to use or play a video gaming terminal shall be subject to a fine of not more than \$750.

(4) Any licensed video gaming location in the city used for the conduct of gambling games in violation of this chapter shall be subject to a fine of not more than \$750.

(5) Any person, firm, corporation, partnership, limited liability company, or other entity recognized in law who violates any provision of this chapter for which another penalty is not specifically provided shall be subject to a fine of not less than \$75 nor more than \$750. Each and every day that a violation occurs or exists shall constitute a separate and distinct offense for which a fine may be imposed. In addition to the penalties provided herein, the city shall have available to it all remedies in law or in equity or as may be otherwise provided for by the ordinances of the city.

(6) Every gambling device found in a licensed video gaming location in the city operating gambling games in violation of this chapter shall be subject to seizure, confiscation and shall be turned over to the Illinois Gaming Board as provided in § 1800.1110 of the Illinois Administrative Code.

(7) Any city liquor license issued by the Liquor Commissioner under the provisions of this code to any or operator of a licensed video gaming location that operates or permits the operation of a video gaming terminal within its establishment in violation of this chapter shall be immediately revoked.

(Ord. 12-22, passed 4-24-12)

§ 124.19 LOCATION AND PLACEMENT OF VIDEO GAMING 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 video gaming locations shall be subject to the rules promulgated by the Illinois Gaming Board and this chapter.

(A) All video gaming locations and terminal operators shall be responsible for the proper placement, installation, maintenance and oversight of video gaming terminals within a licensed video gaming location as prescribed by the Video Gaming Act, the regulations issued pursuant thereto and this chapter.

(B) All video gaming terminals must be located in an area restricted to persons over 21 years of age. Any licensed video gaming location that allows minors to enter where video gaming terminals are located shall separate any video gaming terminals from the area accessible by minors.

(C) All video gaming terminals must be located in those areas of a licensed video gaming location with restricted visibility from areas outside of the business.

(D) When two or more adjacent businesses appear to the Liquor Commissioner to be a single business, or are operated by the same or commingled ownership, then the Liquor Commissioner may limit those businesses to the maximum number of video gaming terminals. The maximum will be the number permitted under Illinois law for one business as the total number of video gaming terminals authorized for both or more such businesses, where the Liquor Commissioner determines that the limitation would further the intent of the Video Gaming Act and the integrity of video gaming in the city.

(1) In the event the Liquor Commissioner decides that two or more adjacent businesses shall be a single business for purposes of determining the maximum number of video gaming terminals to which they are entitled, the Liquor Commissioner shall provide the affected businesses with written notice of this decision in accordance with the notice requirements of § [124.17](#)(A) of this chapter.

(2) An applicant that has been deemed to constitute a single business with one or more adjacent businesses for purposes of determining the maximum number of video gaming terminals to which it is entitled may submit a request for hearing to the Liquor Commissioner. The hearing procedures shall be those set forth in § [124.17](#) of this chapter.

(E) The owner, manager or employee of the licensed video gaming location who is over 21 years of age shall be present during all hours of operation, and the video gaming terminals or the entrance to the video gaming terminal area must be within the view of at least one owner, manager or employee.

(Ord. 12-22, passed 4-24-12)

§ 124.20 DISPOSAL OF VIDEO GAMING TERMINALS.

Video gaming terminals shall be disposed of only pursuant to the regulations of the Illinois Gaming Board.
(Ord. 12-22, passed 4-24-12)

§ 124.21 STATE-LOCAL RELATIONS.

(A) Whenever the Illinois Gaming Board takes any action authorizing or prohibiting the licensing, operation, or use of video gaming terminals in the city and notifies the city's Police Department, the Chief of Police shall notify the Liquor Commissioner of the Illinois Gaming Board action .

(B) Whenever the city or the Liquor Commissioner takes action relating to the operation or use of a video gaming terminal in the city, whether licensed or unlicensed, the Illinois Gaming Board shall be notified and the notice shall specify the extent of the action taken and the reasons for the action. If the city or the Liquor Commissioner confiscates video gaming terminals or video gaming terminal income, as soon as practicable under the circumstances, the video gaming terminals and video gaming terminal income shall be turned over to the Illinois Gaming Board unless otherwise ordered by a court of competent jurisdiction.

(Ord. 12-22, passed 4-24-12)

§ 124.22 NUMBER OF LICENSES.

(A) The total number of video gaming location licenses for video gaming terminals issued under this chapter article shall not exceed 11.

(B) The total number of video gaming terminal licenses for video gaming terminals issued under this chapter article shall not exceed 55.

(C) The total number of location licenses for video gaming terminals maybe increased or decreased from time to time, by the adoption of an ordinance amending this code, in the discretion of the City Council as follows:

(1) If an application is submitted to the Liquor Commissioner for a location license for video gaming terminals for which no licenses are currently available, and the Liquor Commissioner has determined that the application complies in all respects with the requirements of this chapter, of other city codes and ordinances and of state law and the Liquor Commissioner recommends issuance of the license, the application shall be presented to the City Council for its consideration of an increase in the number of location licenses available.

(2) Whenever a location license previously issued under the provisions of this chapter is not renewed, revoked, surrendered, or terminated by dormancy, the maximum number of location licenses shall automatically and immediately be reduced by one. Thereafter, the reduced number of location licenses shall not thereafter be increased without approval by a majority vole of the City Council.

(D) The total number of video gaming terminal licenses for video gaming terminals for each licensed video gaining location maybe increased or decreased from time to time, by the adoption of an ordinance amending this code, in the discretion of the City Council as follows:

(1) If an application is submitted to the Liquor Commissioner for a video gaming terminal license for a video gaming terminal for a licensed video gaming location for which no licenses are currently available, and the Liquor Commissioner has determined that the application complies in all respects with the requirements of this chapter, of other city codes and ordinances and of state law and the Liquor Commissioner recommends issuance of the license, the application shall be presented to the City Council for its consideration of an increase in the number of video gaming terminal licenses available for a licensed video gaming location.

(2) Whenever a location license previously issued under the provisions of this chapter is not renewed, revoked, surrendered, or terminated by dormancy, the maximum number of video gaming terminal licenses for a licensed video gaming location shall automatically and immediately be reduced by one. Thereafter, the reduced number of video gaming terminal licenses for the licensed video gaming location shall not thereafter be increased without approval by a majority vote of the City Council.

(Ord. 12-22, passed 4-24-12; Am. Ord. 12-47, passed 10-23-12; Am. Ord. 13-34, passed 6-25-13; Am. Ord. 14-4, passed 1-28-14; Am. Ord. 14-5, passed 1-28-14; Am. Ord. 14-6, passed 1-28-14; Am. Ord. 14-7, passed 1-28-14; Am. Ord. 14-11, passed 2-25-14; Am. Ord. 14-18, passed 4-8-14; Am. Ord. 14-29, passed 5-27-14; Am. Ord. 15-9, passed 2-10-15; Am. Ord. 15-37, passed 4-28-15; Am. Ord. 15-47, passed 6-9-15; Am. Ord. 15-57, passed 9-22-15; Am. Ord. 16-34, passed 8-23-16; Am. Ord. 16-43, passed 10-11-16; Am. Ord. 16-49, passed 11-22-16; Am. Ord. 17-1, passed 1-10-17; Am. Ord. 17-5, passed 1-24-17)

§ 124.23 PRIVILEGE GRANTED BY LICENSE; TRANSFERABILITY.

A license granted under this chapter shall be purely a personal privilege, good for not to exceed one year after issuance, unless sooner revoked as provided in this chapter, and shall not constitute property, nor shall it be subject

to attachment, garnishment or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered or hypothecated. Such license shall not descend by the laws of testate or intestate devolution, but it shall cease upon the cessation of business or death of the licensee.

(Ord. 12-22, passed 4-24-12)

§ 124.24 LICENSES SUBJECT TO AMENDMENTS.

All licenses issued pursuant to this chapter shall be subject to any and all changes or amendments that may be hereafter made to the provisions of this chapter or to any rules or changes in rules adopted by the Liquor Commissioner. No licensee shall have any vested right to the continuation of any provision of this chapter.

(Ord. 12-22, passed 4-24-12)

§ 124.25 APPLICABILITY OF ILLINOIS RIVERBOAT GAMBLING ACT.

The provisions of this chapter shall be subject to Illinois Riverboat Gambling Act, and all rules promulgated thereunder, to the Video Gaming Act, and all rules promulgated thereunder, except where there is a conflict between the two acts, then the provisions of the Video Gaming Act shall apply or where there is a conflict between the rules promulgated under the two acts, the rules promulgated under the Video Gaming Act shall apply.

(Ord. 12-22, passed 4-24-12)

§ 124.26 JUDICIAL REVIEW.

Judicial review of final determinations of the Liquor Commissioner issued after hearings regarding licensure or discipline made under this chapter shall be subject to judicial review pursuant to the provisions of the Administrative Review Act, ILCS Ch. 735, Act 5, §§ 3-101 et seq.

(Ord. 12-22, passed 4-24-12)

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