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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** ORDINANCE: VIDEO GAMING TERMINAL FEES  
**AGENDA:** FEBRUARY 1, 2022  
**DATE:** JANUARY 28, 2022

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**ISSUE**

Shall the Village implement a Video Gaming Terminal Fee.

**DISCUSSION**

At the January 18, 2022 Board meeting, implementing a Video Gaming Terminal Fee was discussed. State Law recently changed in December 2021 to allow non-home rule communities to charge \$250 per video gaming terminal. Current law allows up to 6 terminals per establishment, with the exception of Truck Stops who are permitted up to 10 terminals.

Currently, there are 4 establishments operating video gaming terminals within the Village totaling 23 terminals. Establishing a \$250/terminal fee would generate \$5,750 in revenue to the Village. If approved, this would be established in conjunction with the renewal of the liquor licenses for FY2022-2023.

Establishments with Video Gaming currently:

- Grove Stop – 6 terminals
- Graham's C-Store – 6 terminals
- Open Range Grill – 5 terminals
- American Legion – 6 terminals

Per the Board's direction, Staff recommends that the Village establish the Video Gaming Terminal Fee at the allowed \$250 rate.

**COST**

Legal fees to create the ordinance for establishing a Video Gaming Terminal Fee, however, this will result in \$5,750 in annual revenue based on the current terminal number.

**RECOMMENDATION**

The Village Board approve Ordinance 20222001A Pertaining to the Regulation of Video Gaming, establishing a \$250/terminal fee effective in FY2022-2023.



**VILLAGE OF SUGAR GROVE**

**ORDINANCE NO. 20220201A**

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**AN ORDINANCE CREATING CHAPTER 13 OF TITLE 3 (BUSINESS AND LICENSE REGULATIONS)  
OF THE VILLAGE CODE OF ORDINANCES  
PERTAINING TO THE REGULATION OF VIDEO GAMING**

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PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS  
THIS 1<sup>ST</sup> DAY OF FEBRUARY, 2022.

PUBLISHED IN PAMPHLET FORM BY AUTHORITY  
OF THE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS  
THIS 1<sup>ST</sup> DAY OF FEBRUARY, 2022.

**ORDINANCE NO. 20220201A**

**AN ORDINANCE CREATING CHAPTER 13 OF TITLE 3 (BUSINESS AND LICENSE REGULATIONS)  
OF THE VILLAGE CODE OF ORDINANCES  
PERTAINING TO THE REGULATION OF VIDEO GAMING  
VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS**

**WHEREAS**, the Village of Sugar Grove is a non-home rule municipality within Article VII, Section 6A of the 1970 Constitution of the State of Illinois, and therefore, acts pursuant to those powers granted to it under the Illinois Municipal Code (65 ILCS 5-1-1 *et seq.*); and,

**WHEREAS**, the Village has the authority to adopt ordinances and promulgate rules and regulations that pertain to its government and affairs in order to protect the public health, safety, and welfare of its citizens; and,

**WHEREAS**, the Illinois Video Gaming Act (230 ILCS 40/1 *et seq.*) (“Act”) regulates the operation, licensing, and administration of video gaming; and,

**WHEREAS**, Section 27 of the Act authorizes the Village to prohibit video gaming within the corporate limits of the Village and implicit in such authority is the authority to limit, license, and regulate video gaming within the corporate limits of the Village; and,

**WHEREAS**, Section 4-1 of the Illinois Liquor Control Act of 1934 (235 ILCS 5/4-1) (“Liquor Control Act”) authorizes the Village to establish regulations and restrictions upon the issuance of and operations under local liquor licenses not inconstant with the Liquor Control Act; and,

**WHEREAS**, the corporate authorities of the Village have determined that it is in the best interest of the Village to regulate, consistent with the Act, the registration and licensing of video gaming terminals within the Village.

**NOW, THEREFORE, BE IT ORDAINED**, by the President and Board of Trustees of the Village of Sugar Grove, Kane County, as follows:

**SECTION 1: RECITALS**

The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

**SECTION 2: ADOPTING CHAPTER 13 (VIDEO GAMING)**

Title 3 of the Municipal Code of the Village of Sugar Grove shall be amended by the addition of Chapter 13 that will read as follows. The provisions of this Section shall apply to all video gaming as hereinafter defined, whether specifically licensed or regulated under other provisions of the Village Code.

**3.13.1 Definitions:**

**Board:** The Illinois Gaming Board

**Licensed Establishment:** Any business licensed by the State of Illinois to have or operate a video gaming

device in the Village of Sugar Grove, including any licensed fraternal establishments, licensed veterans' establishments, licensed truck stop establishment and licensed large truck establishment as those terms are defined in the Illinois Video Gaming Act (230 ILCS 40/5).

**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 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.

**Village:** The Village of Sugar Grove

### **3-13.2 Village License Required:**

No person, either as owner, lessee, manager, officer or agent, or in any other capacity, shall operate or permit to be operated any Video Gaming Terminal, as defined herein, at any premises within the Village without first having obtained a video gaming license from the Village. The license provided for in this Article shall permit a Licensed Establishment to operate Video Gaming Terminals at the specified establishment.

No applicant, including any person, either as owner, lessee, manager, officer or agent, shall be eligible for a video gaming license from Village, nor shall an existing license holder be entitled to maintain a video gaming license, unless each of the following requirements are met and continue to be met:

- 1) The applicant holds the appropriate certificate or license from the State of Illinois permitting video gaming and is in good standing with same
- 2) The applicant has completed and complies with all the application requirements as may be established by the Village Clerk and approved by the Village Attorney, as may be amended from time to time
- 3) The Licensed Establishment abides by all applicable requirements of the Act any additional requirements established by resolution of the Village Board, as may be amended from time to time. The Licensed Establishment's failure to abide by any law, ordinance, rule, or regulation of an entity with jurisdiction over the Licensed Establishment may result in the revocation of said license.

### **3-13.1 License Fees:**

The fee for operation of a video gaming terminal shall be \$250.00 per terminal annually at such time as liquor license renewals for the Licensed Establishment. The cost of this fee shall be shared equally between the terminal operator and the applicable licensed establishment, as required by the Act.

The application fee is not subject to reimbursement or refund upon denial of a license. Said fees are not subject to proration or refund and are due prior to the issuance of the license. All licenses shall be prominently displayed next to the video gaming terminal.

## **SECTION 3- MISCELLANEOUS PROVISIONS.**

**A. Severability.** If any provision of this Ordinance, or the application of any provision of this Ordinance, is held unconstitutional or otherwise invalid, such occurrence shall not affect the other provisions of this Ordinance, or their application, that can be given effect without the unconstitutional or invalid provision of its application. Each unconstitutional or invalid provision, or application of such provision, is severable, unless otherwise provided by this Ordinance.

**B. Effective Date.** This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 1<sup>st</sup> day of February, 2022.

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Jennifer Konen, President of the Board of Trustees  
of the Village of Sugar Grove, Kane  
County, Illinois

ATTEST: \_\_\_\_\_  
Alison Murphy, Village Clerk

	Aye	Nay	Absent	Abstain
Trustee Matthew Bonnie	___	___	___	___
Trustee Sean Herron	___	___	___	___
Trustee Heidi Lendi	___	___	___	___
Trustee Michael Schomas	___	___	___	___
Trustee Ryan Walters	___	___	___	___
Trustee James White	___	___	___	___
Village President Konen	___	___	___	___