

**PROPOSED SUBSTITUTE TO FILE 18-3799  
(Finance Public Hearing 6/5/2018 @ 2:45pm)**

**Sponsored by:** TIMOTHY O. SCHNEIDER, GREGG GOSLIN and JEFFREY R. TOBOLSKI, Cook County Board of Commissioners

**PROPOSED ORDINANCE AMENDMENT**

**AUTHORIZING VIDEO GAMING IN UNINCORPORATED COOK COUNTY**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 58 Offenses and Miscellaneous Provisions, Offenses Involving Public Morals, ARTICLE IV, SECTION 58-161 of the Cook County Code is hereby amended as Follows:

**Sec. 58-161. - Gaming devices.**

- (a) The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

*Gaming device* means any device, mechanism or implement which, upon operation of the device, mechanism or implement, is used in playing games which includes, but which is not limited to pinball or any game which is a form of poker, keno, bingo or any variation of a slot machine, and shall include those devices, mechanisms or implements having a video display which are intended to be played. The term "gaming device" specifically includes video gaming terminals, as that term is defined in Section 5 of the Illinois Video Gaming Act (230 ILCS 40/5).

*Place of public resort* means any premises wherein any service or merchandise is offered for sale to the public or where gaming devices are used, kept, owned, played or operated, or any premises used as a clubhouse or clubrooms, or any premises which are licensed by Cook County to engage in business, including businesses licensed to serve and/or sell alcoholic beverages. The term "place of public resort" specifically includes licensed establishments, licensed fraternal establishments, licensed veterans establishments and licensed truck stop establishments, as those terms are defined in Section 5 of the Illinois Video Gaming Act (230 ILCS 40/5).

- (b) *Owning, operating, etc., in place of public resort.*

- (1) Except as otherwise stated in this Article, it shall be unlawful for any person to keep, own, play, use or operate, or cause to be kept, owned, played, used or operated, in any place of public resort within the unincorporated area of the County, any gambling device, including a video gaming terminal, where the player, by playing the game, is entitled to accumulate points or replays for receipt of reward, money, or any other item of value. Such gaming devices shall not be prohibited where the player is rewarded only with additional opportunities to play. This section shall not be deemed to prohibit any games of chance or skill which were expressly authorized by State law on or before April 1, 1994.
- (2) Video gaming terminals, as defined in Section 5 of the Illinois Video Gaming Act (230 ILCS 40/5 and Section 54-425 of the Cook County Code of Ordinances (54-424 et seq.), may be operated in an establishment located in unincorporated Cook County that has been granted a video gaming license per the Video Gaming Ordinance (54-424 et seq.). All requirements of that Ordinance and the Illinois Video Gaming Act must be met to obtain and keep a Cook County video gaming license.

- (c) *Seizure.* It is hereby made the duty of every law enforcement officer to seize any gaming device kept or used in violation of this section and, such gaming device so seized may, upon court order, be destroyed. Any person obstructing or resisting any law enforcement officer in the performance of any act authorized by this subsection shall be fined not less than \$100.00 nor more than \$500.00 for each offense.
- (d) *Penalty for violation.* Except as otherwise provided in this section, any person who shall violate the provisions of this section shall be fined not less than \$100.00 nor more than \$500.00 for each offense. The playing or permitting play of each individual game in violation of this section shall constitute a distinct and separate offense. Any violation of this section by a liquor licensee may be cause for the revocation or suspension of a liquor license.

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**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 54, Video Gaming, ARTICLE XIV, SECTIONS 54-424 THROUGH 54-460 of the Cook County Code is hereby enacted as Follows:

#### ARTICLE XIV. – VIDEO GAMING

##### **Sec. 54-424. - Short title.**

This Article shall be known and may be cited as the "Video Gaming Ordinance."

##### **Sec. 54-425. - Definitions.**

The following words, terms, and phrases, when used in this Article, shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning.

*Affiliate* means 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* means 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* means any person applying for a license under this Article.

*Associated video gaming equipment* means 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 (a) Illinois laws, regulations, and requirements as codified or otherwise set forth; and (b) Illinois Gaming Board approved video gaming industry standards.

*Attributed interest* means 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* means 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.

*Cook County or County* means the County of Cook, Illinois.

*Control* means 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* means one (\$0.01), five (\$0.05), ten (\$0.10), or twenty-five cents (\$0.25) either won or purchased by a player.

*Department* means the Department of Revenue in the Bureau of Finance of Cook County.

*Director* means the director of the Department of Revenue.

*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 section 501(c)(8) or (c)(10) of the internal revenue code (26 USC 501(c)(8) or (c)(10)).

*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* means the board created by the Illinois legislature to regulate video gaming by the state of Illinois.

*Illinois resident* means:

(a) With respect to an individual, an individual who is either (1) Domiciled in Illinois or maintains a bona fide place of abode in Illinois; or (2) Is required to file an Illinois tax return during the taxable year.

(b) 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.

(c) 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.

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

*Institutional investor* means (a) a retirement fund administered by a public agency for the exclusive benefit of federal, state or local public employees; (b) an investment company registered under section 8 of

the investment company act of 1940 (15 USC 80a-8); (c) a collective investment trust organized by a bank under part 9 of the rules of the comptroller of the currency (12 CFR 9.18); (d) a closed-end investment trust registered with the United States securities and exchange commission; (e) a chartered or licensed life insurance company or property and casualty insurance company; (f) a federal or state bank; (g) an investment advisor registered under the investment advisors act of 1940 (15 USC 80b-1 through 80b-21); or (h) such other person as the Illinois Gaming Board may determine for reasons consistent with the Video Gaming Act and this Article.

*Licensed establishment* means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises and includes any such establishment that has a contractual relationship with an intertrack 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 intertrack wagering location licensee may not, itself, be: a) an intertrack wagering location licensee, b) the corporate parent or subsidiary of any licensee licensed under the Illinois horse racing act of 1975, or c) 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 intertrack wagering licensee, or an intertrack 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* means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

*Licensed technician* means an individual who is licensed under the Video Gaming Act to repair, service, and maintain video gaming terminals.

*Licensed terminal handler* means a person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under 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 section 5 of the Video Gaming Act.

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

*Licensed video gaming location* means a "licensed establishment", "licensed fraternal establishment" or "licensed veterans' establishment", all as defined in section 5 of the Video Gaming Act and this Article, that holds a valid authorization granted by the County permitting the licensee to operate one or more, but not more than five (5) video gaming terminals at the establishment.

*Licensee* means the person, firm or entity to whom an authorization is granted by the Department permitting it to engage in the defined activities of video gaming.

*Liquor Control Commissioner* means the Liquor Control Commissioner of the County.

*Liquor license* means 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* means authorization granted by the Department permitting a licensee to locate a video gaming terminal in the County.

*Major components or parts* means 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* means an individual, partnership, corporation, or limited liability company that is licensed under the Video Gaming 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* means any individual, corporation, limited liability corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity.

*Person with significant interest or control* means (1) each person in whose name the license is maintained for each licensed video gaming location; (2) each person who, in the opinion of the Liquor Control 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; and (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.

*Riverboat Gambling Act* means the Illinois Riverboat Gambling Act.

*Security* means an ownership right or creditor relationship.

*Security interest* means an interest in property that secures the payment or performance of an obligation or judgment.

*Sole proprietor* means an individual who in his or her own name owns one hundred percent (100%) of the assets and who is solely liable for the debts of a business.

*State* means the state of Illinois.

*State license* means authorization granted by the Illinois Gaming Board permitting a licensee to engage in the defined activities of video gaming.

*Substantial interest (With Respect To 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 five percent (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 five percent (5%) or more of the membership interest of the limited liability company; or

(e) When, with respect to any other organization not covered in subsection (a), (b), (c) or (d) of this definition, 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, ten percent (10%) or more of the assets of the organization; or

(f) When an individual or his or her spouse furnishes five percent (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.

For purposes of this definition, "individual" means 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* means 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* means any individual, corporation, limited liability corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity that owns, services and maintains video gaming terminals for placement in licensed video gaming locations in the County.

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

*Veterans' organization* means 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 section 501(c)(19) of the internal revenue code (26 USC 501(c)(19)).

*Video Gaming Act* means the Illinois Video Gaming Act.

*Video gaming equipment* means video gaming terminals, associated video gaming equipment and major components or parts.

*Video gaming operation*, as the context requires, means the conducting of video gaming and all related activities.

*Video gaming terminal* means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including, but not limited to, video poker, line up, and blackjack, utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash and as further defined under the Video Gaming Act, 230 ILCS 40/5. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

#### **Sec. 54-426. - Authority of the Liquor Control Commissioner.**

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

- (a) To investigate applicants, determine the eligibility of applicants for licenses, and approve or deny licenses based on the eligibility requirements and other factors set out in this Article.
- (b) To have jurisdiction and supervision, subject to the jurisdiction and supervision of the Illinois Gaming Board, over all video gaming operations in the unincorporated areas of the County and all persons in establishments where video gaming operations are conducted.
- (c) To adopt rules for the purpose of administering the provisions of this Article and to prescribe rules, regulations, and conditions under which all video gaming in the unincorporated areas of the County 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 (1) 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 (2) to impose penalties for violations of this Article.

**Sec. 54-427. License required; restrictions.**

- (a) *Terminal operator.* A person may not own, maintain, or place a video gaming terminal in the unincorporated areas of the County unless he or she has a valid terminal operator's state license issued under the Video Gaming Act. A terminal operator may only place video gaming terminals for use in the unincorporated areas of Cook County 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, fifty percent (50%) shall be paid to the terminal operator and fifty percent (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 unincorporated Cook County unless the owner or agent of the owner of the video gaming location has a valid state location license issued under the Video Gaming Act and a valid County 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 County and available for inspection by individuals authorized by the County. A licensed video gaming location located in the County may operate up to five (5) video gaming terminals on its premises at any time.
- (c) *Financial interest restrictions.*
  - (1) As used in the Video Gaming Act and in this Article, "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 five percent (5%) or more of any class of stock of the corporation; or
  - (D) When, with respect to an organization not covered in subsection (c)(1)(A), (c)(1)(B) or (c)(1)(C) of this section, 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 ten percent (10%) or more of the assets of the organization; or
  - (E) When an individual or his or her spouse furnishes five percent (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 five percent (5%) or more of the membership interest of the limited liability company.
- (2) For purposes of this subsection (c) individual includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (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.

(c) *Location restrictions.*

- (1) A licensed video gaming location that is: a) located within one thousand feet (1,000') of a facility operated by an organization licensee or an intertrack 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 b) located within one hundred feet (100') of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (d) do not apply if a facility operated by an organization licensee, an intertrack wagering 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 purposes of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the state board of education.
- (2) Notwithstanding the provisions of this subsection (d), the Liquor Control Commissioner may waive the requirement that a licensed video gaming location not be located within one thousand feet (1,000') from a facility operated by an organization licensee or an intertrack wagering 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 Control 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, intertrack wagering licensee, or owners licensee of a riverboat. The Liquor Control Commissioner may adopt rules to implement the provisions of this subsection, or, in the absence of the Liquor Control Commissioner's adopting rules to implement the provisions of this



subsection, the rules of the Illinois Gaming Board shall apply to implement the provisions of this subsection.

(d) *Undue economic concentration.*

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

(A) Substantially impede or suppress competition among terminal operators;

(B) Adversely impact the economic stability of the video gaming industry in the County; or

(C) Negatively impact the purposes of the Video Gaming Act or this Article.

(2) The Liquor Control Commissioner may adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in the unincorporated areas of the County or in the absence of the County's adopting rules concerning undue economic concentration with respect to the operation of video gaming terminals in the unincorporated areas of the County, the rules of the Illinois Gaming Board shall apply to undue economic concentration with respect to the operation of video gaming terminals in the unincorporated areas of the County. The rules, if adopted by the Liquor Control Commissioner, shall include, but not be limited to: a) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and b) guidelines on the discontinuation of operation of any such video gaming terminals the Liquor Control Commissioner determines will cause undue economic concentration.

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

**Sec. 54-428. – Display of license; hours of operation.**

(a) A video gaming location shall be licensed by the Illinois Gaming Board and by the County before placement or operation of a video gaming terminal on the premises of a video gaming location in the unincorporated areas of the County. The state license and the County 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 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 County 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 Article. Such video gaming terminals so seized shall be subject to confiscation and forfeiture. In the event the County seizes video gaming terminals in accordance with this section, the County shall notify the terminal operator of such seizure and of the terminal operator's right to a hearing under section 54-437 of this Article.

- (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.
- (c) No video gaming terminal in a licensed video gaming location 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 subsection is subject to termination of its license by the Liquor Control Commissioner.

**Sec. 54-429. – Residency Requirement.**

Each applicant on behalf of a video gaming location and person with a substantial interest in a video gaming location must be an Illinois resident. However, if an out of state applicant has performed its business within Illinois for at least forty-eight (48) months prior to the effective date of the Video Gaming Act, the out-of-state person may be eligible for licensing under this Article, upon application to and approval of the Liquor Control Commissioner. The Liquor Control Commissioner may adopt rules to implement this section.

**Sec. 54-430. – Multiple types of licenses prohibited.**

A video gaming terminal operator may not be licensed by the state 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 locations. An owner or manager of a licensed video gaming location may not be licensed by the state as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.

**Sec. 54-431. – Video gaming terminal use by minors prohibited.**

No licensee shall cause or permit any person under the age of twenty-one (21) years to use or play a video gaming terminal.

**Sec. 54-432. – Licensing qualifications.**

- (a) *Issuance of license.*
  - (1) The burden is upon each applicant to demonstrate his or her suitability for licensure. Each operator of a licensed video gaming location located in the unincorporated areas of the County where a video gaming terminal is maintained or placed shall obtain a license from the Liquor Control Commissioner. The Liquor Control Commissioner may issue or deny a license under this Article to any person pursuant to the same criteria set forth in Section 9 of the Riverboat Gambling Act.

- (2) The Liquor Control 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 subsection, "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 chapter 28 of the criminal code of 2012, 720 Illinois Compiled Statutes 5/28-1 et seq. If there is pending legal action against a person for any such violation, then the Liquor Control Commissioner shall delay the licensure of that person until the legal action is resolved.
  - (3) Each person seeking and possessing a license as 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 five percent (5%) or more in a parent or subsidiary corporation of a licensed video gaming location.
  - (4) Each person seeking and possessing a license as a licensed video gaming location shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than one percent (1%) direct or indirect pecuniary interest in the video gaming location 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 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;
    - (C) Present questionable business practices and financial arrangements incidental to the conduct of video gaming activities: or
    - (D) Have any debt or unpaid tax due to the County.
  - (6) Any applicant under this Article has the burden of proving his or her qualifications to the satisfaction of the Liquor Control Commissioner. The County may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in the County.
- (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 retail liquor license issued by the Liquor Control 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

unincorporated areas of the County shall be operated only during the same hours of operation generally permitted to holders of a license under the provisions of Chapter 6: Alcoholic Beverages of the Cook County Code of Ordinances 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 for play in the unincorporated areas of the County shall first be tested and approved pursuant to the rules of the Illinois Gaming Board, and each video gaming terminal offered for play in the unincorporated areas of the County shall conform to an approved model. Every video gaming terminal offered for play in the unincorporated areas of the County 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 eighty percent (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 ninety nine percent (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 (10) games prior thereto.
  - (9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

- (10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.
  - (11) It must have nonresettable meters housed in a locked area of the 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 subsection (d)(11) of this section must be preserved for a minimum of one-hundred eighty (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 payback 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 Article, the Liquor Control Commissioner may not grant any video gaming license until the Liquor Control 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 County;

- (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 County;
  - (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 County 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) Applicant qualifications for a video gaming license. In addition to all other qualifications required in the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this Article, the Liquor Control Commissioner may not grant a video gaming license until the Liquor Control Commissioner is satisfied that the applicant:
- (A) Is a person who demonstrates adequate financing for the business proposed. The Liquor Control Commissioner shall consider whether any financing is from a source that meets the qualifications in subsections (e)(1)(A) through (e)(1)(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 Article; 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 Control 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 the effective date of this Article or who is under the significant influence or control of such a person.
  - (B) The Liquor Control Commissioner has discretion not to grant a license to a person who, before the effective date of this Article, 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 Control 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 Control 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 Control Commissioner;
    - (B) Comply with the Video Gaming Act, the regulations promulgated under the Video Gaming Act or this Article; and
    - (C) Submit initial and annual disclosure information on forms provided by the Illinois Gaming Board and the County.
  - (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 Control 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.

**Sec. 54-433. – Licensing procedures.**

- (a) Applications.
  - (1) Application Forms. Applications for licensure or renewal shall be submitted on applications and forms provided by the County.
  - (2) Additional Materials. An applicant or its affiliate may be required to submit forms or materials in addition to an application as required by subsection (a)(1) of this section.
  - (3) Number of video gaming terminals sought. Applicants must include on their application the number of video gaming terminals it will have in the licensed video gaming location. A separate license fee is applicable to each video gaming terminal. This fee is not applicable to a specific video gaming terminal but allows for placement of that number of terminals in the licensed video

gaming location. It shall be a violation of this Article for any licensee to have more video gaming terminals than the number included on the application and for which a license is issued.

(4) 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:

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

(ii) 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

(iii) 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 subsection (a)(3)(A)(iii) of this section 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 thirty (30) days' notice of the intent and shall file with the Illinois Gaming Board and the County 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 County from requiring an institutional investor to submit a video gaming business entity disclosure form if the County determines that the submission is proper and in furtherance of the Act and this Article.

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

(5) 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) Individuals required to submit video gaming personal disclosure forms shall be photographed and fingerprinted by the Illinois Gaming Board.
  - (D) An application shall be deemed filed when the completed application form, including all required documents and materials, and the application fee have been submitted.
- (6) Amendments and incorporation by reference.
- (A) An application may be amended with approval by the Liquor Control Commissioner.
  - (B) The Liquor Control 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 Control Commissioner in any method designated by the liquor commission, including electronically.
- (c) Fees. All applicants for a license issued by the Liquor Control Commissioner shall pay application and license fees as specified in Section 32-1 of this code, as applicable, at the time of filing their application.
- (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 Article;
  - (2) All information required or requested by the County; and
  - (3) Payment of the application and license fees.
- (e) Withdrawal Of applications.
- (1) An application for licensure under this Article may be withdrawn unless the intended withdrawal is objected to by the Liquor Control 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 Control Commissioner.
- (f) Issuance of license.
- (1) The Liquor Control 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 fees.

- (2) If an applicant is denied a license, the applicant may not reapply for a license within one year from the date on which the final order of denial was made.
- (g) Renewal of license.
- (1) All licenses issued by the County under this Article shall expire at the end of the 12-month period as designated by the Liquor Control Commissioner and are renewable annually unless sooner canceled or terminated. No license issued under this Article is transferable or assignable.
  - (2) The Liquor Control Commissioner may only renew a license upon receipt of a copy of the current state license, the applicable renewal fees and any renewal forms provided by the Liquor Control Commissioner.
  - (3) The Liquor Control 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 Article.
- (h) Renewal fees. A licensee shall pay application and license fees annually, as specified in Section 32-1 of this code.

**Sec. 54-434. – Process of denial of license.**

- (a) Where the Liquor Control Commissioner denies a new license application or application for renewal, the applicant shall be provided with notice setting out the reasons for the denial. The applicant may protest the decision by completing a protest form provided by the Liquor Control Commissioner, and filing the completed form with the Liquor Control Commissioner within 14 days after the date of issuance of the notice of denial. Where the applicant timely files a protest, the applicant shall be provided with a hearing pursuant to the procedures set out in Chapter 2, Article 9 of the Cook County Code of Ordinances. At all times relevant hereto, the applicant shall carry the burden of proof, as to their eligibility for licensure.
- (b) The Liquor Control Commissioner may personally conduct the hearing or refer the matter to be heard by administrative hearing pursuant to Chapter 2, Article 9 of the Cook County Code of Ordinances. The procedure of the hearing shall be governed by the rules promulgated by the Liquor Control Commissioner.
  - (1) If the matter is heard by the Liquor Control Commissioner, within 30 days after the conclusion of the hearing, if the Liquor Control Commissioner finds by preponderance of the evidence that the applicant did meet the licensure requirements, the decision denying licensure will be reversed; otherwise the decision denying licensure will be affirmed.
  - (2) In the event that the matter is heard by administrative hearing pursuant to Chapter 2, Article 9 of the Cook County Code of Ordinances, within seven days after the conclusion of the hearing, the hearing officer shall submit to the Liquor Control Commissioner proposed conclusions of law, proposed findings of fact, and a recommended decision. Within 21 days of receiving the recommendation from the hearing officer, the Liquor Control Commissioner may agree, disagree, or modify the recommended decision and must issue a decision as to whether the denial will be upheld or reversed. The Liquor Control Commissioner's decision shall be the final administrative decision of the Office of the Liquor Control Commissioner.

**Sec. 54-435. – Location and placement of video gaming terminals.**

Video gaming terminals must be located in an area restricted to persons over twenty-one (21) years of age. The entrance to such restricted area must be within the view of at least one employee, who is over twenty-one (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 Article.

- (a) All licensed 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 Article.
- (b) All video gaming terminals must be located in an area restricted to persons over twenty-one (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) When two (2) or more adjacent businesses appear to the Liquor Control Commissioner to be a single business, or are operated by the same or commingled ownership, then the Liquor Control 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 Control Commissioner determines that the limitation would further the intent of the Video Gaming Act and the integrity of video gaming in the County.
  - (1) In the event the Liquor Control Commissioner decides that two (2) 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 Control Commissioner shall provide the affected businesses with written notice of this decision in accordance with the notice requirements of subsection 54-434 of this Article.
  - (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 Control Commissioner. The hearing procedures shall be those set forth in section 54-434 of this Article.
- (d) The owner, manager or employee of the licensed video gaming location who is over twenty-one (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.

**Sec. 54-436. – Complaints initiated by a private party.**

Any person shall have the right to file a complaint with the Liquor Control Commissioner stating that a licensee has been or is violating the provisions of this Article or the Video Gaming Act. The complaint shall be in writing, in the form prescribed by the Liquor Control Commissioner, and shall be signed by the person or persons making the complaint. The complaint shall state the provisions believed to have been violated and the facts in detail upon which belief is based. If the Liquor Control Commissioner is satisfied

that the complaint substantially charges a violation and concludes from the facts alleged therein, together with any other information made available that there is reasonable cause for belief that the allegations are true, he or she shall set the matter for hearing pursuant to the procedure set out in Section 54-437.

**Sec. 54-437. – Procedures for assessment of a fine, revocation or suspension of license.**

- (a) The Liquor Control Commissioner may revoke, suspend or assess a fine against any license issued by him or her if he or she determines the licensee has violated any of the provisions of this Article, or any applicable rules and regulations established by the Video Gaming Act or this Article.
- (b) The licensee who continues to hold a debt or unpaid tax to the County after being licensed under this Article may have his or her license suspended or revoked.
- (c) Fines for violating any provision of this Article shall be imposed as follows:
  - (1) A fine of \$2,000.00 will be imposed for the first violation.
  - (2) A fine of \$5,000.00 will be imposed for any second and subsequent violation.
  - (3) If a licensee's first alleged violation is accompanied by multiple violations, provided it is the first time the licensee is alleged to have violated the provisions of this Article, each charge heard at that time is subject to a \$2,000.00 fine.
- (c) Before the Liquor Control Commissioner can revoke or suspend a license or assess a fine against a licensee, a hearing must be held. The Liquor Control Commissioner must send written notice to the licensee at least 14 days prior to any hearing. The notice must inform the licensee of the action being sought, the allegations leading to such action along with the date, time and location of the hearing. All such hearings under this Section shall be conducted pursuant to the procedures set out in Chapter 2, Article 9 of the Cook County Code of Ordinances.
- (d) The Liquor Control Commissioner may personally conduct the hearing or refer the matter to be heard by administrative hearing pursuant to Chapter 2, Article 9 of the Cook County Ordinances. The procedure of the hearing shall be governed by the rules promulgated by the Liquor Control Commissioner.
  - (1) If the matter is heard by the Liquor Control Commissioner, within 30 days after the conclusion of the hearing, if the Liquor Control Commissioner finds by preponderance of the evidence that the applicant committed one or more of the charges set out in the notice, the Liquor Control Commissioner may suspend the license for a set period of time, revoke the license, and/or impose a fine.
  - (2) In the event that the matter is heard by administrative hearing pursuant to Chapter 2, Article 9 of the Cook County Code of Ordinances, within seven days after the conclusion of the hearing, the hearing officer shall submit to the Liquor Control Commissioner proposed conclusions of law, proposed findings of fact, and a recommended decision. Within 21 days of receiving the recommendation from the hearing officer, the Liquor Control Commissioner may agree, disagree, or modify the recommended decision and must issue a decision as to whether the licensee committed one or more of the charges set out in the notice and whether the license will be suspended for a set period of time or revoked and/or whether a fine will be imposed. The Liquor Control Commissioner's decision shall be the final administrative decision of the Office of the Liquor Control Commissioner.
- (e) If prior to rendering a decision, the Liquor Control Commissioner has reason to believe that the continued operation of a particular licensed premises will immediately threaten the welfare of the

community, he or she may upon issuance of a written order stating the reason for such conclusion without notice or hearing, order the licensed premises be closed for a period not to exceed 14 days. The licensee shall have the opportunity to be heard during that period. If the licensee is conducting another business or businesses on the licensed premises, such order shall not be applicable to such other business or businesses contingent upon the other business neither serving, making for sale, or giving away any form of alcoholic beverage.

- (f) A licensee or an agent of the licensee may not tamper, deface, or alter such order. A licensee shall be held strictly liable for any tampering defacement or alteration of such order.
- (g) Any licensee whose license is the subject of such hearings and found by the Liquor Control Commissioner to be in violation of one or more of the charges set out in the notice, shall pay to the County, within 30 days after the Liquor Control Commissioner adjourns the last hearing, all fines and costs. Any licensee who fails to pay all fines and costs required by this Section shall be ineligible to have their license renewed at the next applicable renewal and shall be ineligible for issuance of a new license under this Article. The fact that the licensee may seek administrative review of the Liquor Control Commissioner's suspension or revocation order shall not affect the licensee's duty to pay all such fees and costs required by this Article. For each day after the thirtieth day payment is due a licensee fails or refuses to pay the fees and costs required by this Article, the licensee shall be fined \$200.00 per day, such fines which will accrue on the balance due, up to a total of \$15,000.00. Where the decision of the Liquor Control Commissioner is reviewed through an administrative or judicial process and ultimately that decision is fully reversed, licensee's payment of such fees and costs will be refunded by the County.

#### **Sec. 54-438. - Inspection.**

The Liquor Control Commissioner and the County'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 Article may be found.

#### **Sec. 54-439. - 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 Article, each video gaming licensee and applicant for licensure under this Article 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 Control Commissioner and the County;
- (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 Article;
- (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 County;

- (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 County;
- (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 County and to other licensees with whom video gaming business is conducted;
- (h) Identify to the Illinois Gaming Board and to the County any individual or entity acting on behalf of the licensee, for compensation, with regard to County action;
- (i) Notify the Illinois Gaming Board and the County 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 Article on forms supplied or approved by the Illinois Gaming Board and the County and containing such information and documents as specified, and at such time as required, by the Illinois Gaming Board or the Liquor Control Commissioner;
- (j) Provide a secure premises for the placement, operation and play of video gaming terminals;
- (k) Permit no one to tamper with or interfere with the approved operation of any video gaming terminal;
- (l) 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;
- (m) Accept nothing of value from any terminal operator or any agent or representative of any terminal operator as an incentive or inducement to locate, keep or maintain video gaming terminals at the 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 Article 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 County;
- (o) Immediately remove all video gaming terminals from the restricted area of play (1) upon order of the Illinois Gaming Board, the County, an agent of the Illinois Gaming Board or an agent of the County or (2) that have been out of service or otherwise inoperable for more than seventy two (72) hours;
- (p) Enter into written use agreements with terminal operators that comply with the Video Gaming Act, the regulations promulgated under the Video Gaming Act and this Article;
- (q) Ensure that video gaming terminals are placed and remain in a designated, approved location;

- (r) Prevent access to or play of video gaming terminals by persons who are under the age of twenty-one (21) years or who are visibly intoxicated;
- (s) Commit no violations of the laws of this state or the ordinances of the County concerning the sale, dispensing or consumption on premises of alcoholic beverages that result in suspension or revocation of any liquor license held by or associated with a licensed video gaming location;
- (t) Maintain at all times an approved method of payout for valid receipt tickets and pay all valid receipt tickets;
- (u) 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;
- (v) Promptly report all malfunctions of video gaming terminals and all out of service terminals to the 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 twenty-four (24) hours after notice to the terminal operator;
- (w) Install, post and display signs as required by the Illinois Gaming Board;
- (x) Promptly notify the Illinois Gaming Board and the Liquor Control Commissioner of any unauthorized or illegal video gaming terminals or any video gaming device that is in violation of section 35 of the Video Gaming Act;
- (y) Exercise control over the licensed video gaming location;
- (z) Promptly notify the Illinois Gaming Board and the Liquor Control Commissioner of any action taken on or related to any state liquor license held;
- (aa) 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; and
- (bb) Redeem for cash a ticket, dispensed by a video gaming terminal, that is within its redemption period.

**Sec. 54-440. - Continuing duty to report violations.**

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

- (a) A violation of the Video Gaming Act, the regulations promulgated under the Video Gaming Act, this Article 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 liquor license.

**Sec. 54-441. – 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 Article, a use agreement must satisfy the following:

- (a) Only be between a 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 County and their officers, employees and agents relative to any cause of action arising from a use agreement; and
- (d) 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.

**Sec. 54-442. - 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 twenty-four (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 one cent (\$0.01), five cents (\$0.05), ten cents (\$0.10), or twenty-five cents (\$0.25), and the maximum wager played per hand shall not exceed two dollars (\$2.00). No cash award for the maximum wager on any individual hand shall exceed five hundred dollars (\$500.00).

**Sec. 54-443. - Disposal of video gaming terminals.**

Video gaming terminals shall be disposed of only pursuant to the regulations of the Illinois Gaming Board as set forth in section 1800.1070 of the Illinois Administrative Code.

**Sec. 54-444. - State-local relations.**

- (a) Whenever the County takes any action authorizing or prohibiting the licensing operation, or use of video gaming terminals in the County it shall notify the Illinois Gaming Board of such action.



- (b) Whenever the County or the Liquor Control Commissioner takes action relating to the operation or use of a video gaming terminal in the County, 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. The County and the Liquor Control Commissioner shall thereupon take whatever action is necessary under the Video Gaming Act and this Article. If the County confiscated video gaming terminals or terminal income, the County shall, as soon as practicable under the circumstances, turn over the video gaming terminals and terminal income to the Illinois Gaming Board unless otherwise ordered by a court of competent jurisdiction.

**Sec. 54-445. – Privilege granted by license; transferability.**

A license granted under this Article shall be purely a personal privilege, good for not to exceed one year after issuance, unless sooner revoked as provided in this Article, 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.

**Sec. 54-446. – Licenses subject to amendments.**

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

**Sec. 54-447. – Applicability of Video Gaming Act and Riverboat Gambling Act.**

The provisions of this Article shall be subject to the Riverboat Gambling Act and all rules promulgated thereunder, and to the Video Gaming Act and all rules promulgated thereunder, except that in the event of a conflict between the two (2) acts, the provisions of the Video Gaming Act shall apply, and in the event of a conflict between the rules promulgated under the two (2) acts, the rules promulgated under the Video Gaming Act shall apply.

Secs. 54-448 - 54-460. – Reserved.

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**BE IT ORDAINED**, by the Cook County Board of Commissioners, CHAPTER 32 FEES, CHAPTER 54, LICENSES, PERMITS AND MISCELLANEOUS BUSINESS REGULATION, SECTION 32-1 of the Cook County Code is hereby amended as Follows:

Chapter 32 - FEES

**Sec. 32-1. - Fee schedule.**

The fees or charges provided for or required by the below-listed sections shall be as shown below:

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Code Section	Description	Fees, Rates, Charges (in dollars)
<b>CHAPTER 54, LICENSES, PERMITS AND MISCELLANEOUS BUSINESS REGULATIONS</b>		
54-63(b)	Roadhouse license fee	750.00
54-153(a)	Deadly weapons dealer license	1,000.00
54-153(a)	Gun show permit fee	250.00
54-185(a)	Background check for person possessing deadly weapons license or gun show permit	50.00
54-272(a)	Outdoor movie theater license fee	100.00
54-304(f)	Tobacco product retailer license fee, annually, per license	125.00
	More than one vending machine on premises, for first vending machine license	125.00
	Each additional vending machine license	25.00
54-364	Raffle license fees (for organizations conducting continuous raffles in a permanent facility)	10,000.00
54-385	Business license fee	40.00
<u>54-433(a)(3)</u>	(Licensing procedures) <u>Video gaming license fee (per video gaming terminal)</u>	<u>1,000.00</u>
<u>54-433(a)(5)(D)</u>	(Licensing procedures) <u>Video gaming application fee</u>	<u>500.00</u>

**Effective date:** This ordinance shall be in effect sixty days upon adoption.