

Video Gaming Implications on Law Enforcement and City Finances

By: Chief James Keegan and Chris Minick



Basic Overview

- * The Video Gaming Act (230 ILCS 40) was signed into law July of 2009.
- * Allowed in:
 - * Licensed retail liquor establishments (draw, pour & mix- Class B, C, & D only)
 - * Truck Stops
 - * Licensed Fraternal/Veteran Organizations
- * Sites and VGT machines must be monitored by adult supervision at all times (**over age 21**) and segregated away from other customers under the age of 21. Violations are investigated and cited by Illinois Gaming Board.
- * Hours of operation must coincide with legal hours of liquor consumption on the licensed premises.

Overview Continued

- * Each location is allowed up to 5 Video Gaming Terminals (VGTs).
- * Each connected by a central communications system (CCS) monitored by the Illinois Gaming Board (like an ATM machine).
- * Cannot be located within 1,000 ft. of a horse track betting facility or a licensed riverboat casino.
- * Cannot be located within 100 ft. of a school or house of worship.

Illinois State Gaming Board

- * Comprised of a 5-member board appointed by the Governor.
- * Administers a regulatory and tax collection system on VGTs.
- * Investigates misconduct.
- * Assures the integrity of VGTs by the licensing of manufacturers, distributors, suppliers, terminal operators, locations, and individuals that service VGTs.

Signage

- * Overseen by the Gaming Board. Joint responsibility between the terminal operator (amusement company) and the video gaming location.
- * Shall be placed in the video gaming area and be no less than 21" x 13".
- * One Sign (Age 21 and Over Sign)
- * Second Sign must list the phone numbers for the following:
 - * Terminal operator
 - * Illinois Gaming Board
 - * Gamblers Anonymous

Required Signage

Who Should I Call?

If you have a problem with a video gaming terminal at this location and you are unable to resolve it with the video gaming manager on site, please call the Terminal Operator for this location:

Terminal Operator: *{Insert terminal operator name here}*

Phone Number : *{Insert terminal operator phone number here}*

The Illinois Gaming Board is charged with maintaining the integrity of gaming in Illinois. If you have information about the integrity of gaming you wish to bring to its attention, please call the Illinois Gaming Board Hotline at 1-855-494-0237.

If you or someone you know has a gambling problem, crisis counseling and referral services can be accessed by calling 1-800-GAMBLER (1-800-426-2537).

Background Investigations

- * Conducted by the Illinois State Police-Gaming Board Agents.
- * Site Locations.
- * Business/Designated Video Gaming Manager
- * Applicant Screening/Backgrounds.
- * Enforcement/Oversight.
- * Local police jurisdiction has some exposure to background responsibilities (local records checks, etc.). Document and Report any other violations once licensed.

On-Site (Gaming Machines)

- * All currency goes into the gaming machines.
- * Payouts are handled via a voucher and paid out by the ATM-type machine.
- * Local businesses usually do not pay out or handle currency*. Unlike lottery system (quick picks/scratch off games).
- * All transactions monitored by CCS and are recorded.
- * Movement from machine-to-machine has limitations.

Information to Date

- * 7,000 licenses issued to date (includes amusement companies, installers, etc.).
- * 5,000 establishments.
- * 20,000 machines installed (approximately 4 per location/average).
- * About 400 applicants have been denied a license.
- * Average waiting time from application to installation? Less than 6 months.

Transparency

- * State Gaming Board website is up-to-date and posts monthly financial reports in real time.
- * Local Social Service Agencies have not reported an increase in service levels since 2012 and VG.
- * Law Enforcement experience to date:
 - * Local police jurisdictions have reported no issues or increases in service levels associated with either crime or calls for service since the arrival of VG.

Illinois Gaming Board Video Gaming Revenue Report



Illinois Gaming Board

Bruce Rauner • Governor Don Tracy • Chairman Mark Ostrowski • Administrator

Illinois Gaming Board

Riverboat Gambling

Video Gaming

Applicable Law & Standards

Monthly Reports

Applications & Forms

Lists of Video Gaming Applicants & Licensees

Disclosure Statements

Municipalities Prohibiting Video Gaming

Frequently Asked Questions (FAQ)

Contact Us

Video Gaming Revenue Reports

The Monthly Video Gaming Reports and the corresponding Comma Separated Values (CSV) File agree to Illinois Gaming Board data. The CSV file can be downloaded into other file types and managed for the ease of the user, however, the Illinois Gaming Board is not accountable for the reliability of disseminated information resulting from changes to the Illinois Gaming Board's data that are made by the user. Please note the CSV file may require additional formatting upon access.

Note: Earliest revenue data was reported for September 2012. Most recent revenue data was reported for June 2015.

Report Type: Statewide Municipality Establishment

Municipality:

Starting Month: Year:

Ending Month: Year:

Download: PDF CSV

Illinois Gaming Board Video Gaming Report

Report Type: Municipality (Aurora – June 2015)

ILLINOIS GAMING BOARD VIDEO GAMING REPORT

Aurora

June 2015

7/24/2015

10:49 am

Municipality	Establishment	License Number	VGT Count	VGT Wagering Activity			VGT Income			VGT Tax Distribution		
				Amount Played	Amount Won	Net Wagering Activity	Funds In	Funds Out	NTI	NTI Tax Rate (30%)	State Share	Municipality Share
Aurora	255 Group Ltd.	130705250	5	\$52,812.87	\$49,552.86	\$3,059.82	\$15,474.00	\$12,414.87	\$3,059.33	\$917.83	\$784.86	\$152.97
Aurora	Ach-N-Lou's Pizza Pub, Inc.	130708358	3	\$78,112.71	\$68,419.80	\$7,892.91	\$24,805.00	\$17,112.09	\$7,892.91	\$2,307.89	\$1,923.24	\$384.65
Aurora	American Luxemburger Independent Club	120713093	5	\$186,431.87	\$153,988.21	\$12,443.46	\$49,103.00	\$38,859.54	\$12,443.46	\$3,733.06	\$3,110.88	\$622.18
Aurora	AMVETS POST # 103	120809532	5	\$208,874.72	\$189,847.13	\$19,227.59	\$64,008.00	\$44,780.41	\$19,227.59	\$5,768.40	\$4,807.00	\$961.40
Aurora	ASPEN TREE, INC.	130701886	3	\$97,386.16	\$79,225.13	\$8,161.03	\$29,167.00	\$21,005.97	\$8,161.03	\$2,448.36	\$2,040.30	\$408.06
Aurora	Attitudes Restaurant & Bar, LTD.	120709096	5	\$274,587.57	\$250,579.88	\$24,007.89	\$77,372.00	\$53,384.11	\$24,007.89	\$7,202.41	\$6,002.01	\$1,200.40
Aurora	Aurora Athletic Club	130705022	3	\$29,908.67	\$26,364.81	\$3,543.86	\$11,848.00	\$8,104.21	\$3,543.79	\$1,063.14	\$885.96	\$177.18
Aurora	Aurora La Vallita, Inc.	120708740	5	\$118,418.25	\$108,287.95	\$10,128.30	\$37,738.00	\$27,809.25	\$10,128.75	\$3,038.64	\$2,532.21	\$506.43
Aurora	Aurora Lodge #400 Loyal Order of Moose	120809533	5	\$11,268.93	\$10,416.02	\$852.91	\$3,712.00	\$2,859.09	\$852.91	\$255.90	\$213.25	\$42.65
Aurora	Brody Holdings, Inc.	140702081	5	\$181,887.84	\$167,781.93	\$14,105.91	\$61,877.00	\$37,771.09	\$14,105.91	\$4,231.77	\$3,526.48	\$705.29
Aurora	Hooters of Aurora, Inc.	120701289	3	\$33,185.94	\$30,282.38	\$2,903.56	\$12,602.00	\$9,688.38	\$2,903.61	\$871.12	\$725.93	\$145.19
Aurora	J & M Chelios & Sons Inc.	120709590	3	\$178,292.20	\$162,155.24	\$16,136.96	\$55,033.00	\$38,898.04	\$16,136.96	\$4,841.15	\$4,034.29	\$806.86
Aurora	John's Beef 'N Beer, Inc.	120711282	5	\$230,005.95	\$208,826.80	\$21,179.15	\$80,843.00	\$59,483.85	\$21,179.15	\$6,353.76	\$5,294.80	\$1,058.96
Aurora	LA FLAMA DE ORO ENTERPRISES, INC.	120708582	5	\$237,370.01	\$213,335.33	\$24,034.68	\$72,970.00	\$48,935.62	\$24,034.38	\$7,210.35	\$6,008.83	\$1,201.72
Aurora	Miss Lee's Social Club Inc.	130702920	3	\$158,226.48	\$144,767.05	\$13,459.43	\$55,617.00	\$42,159.15	\$13,457.85	\$4,037.33	\$3,364.44	\$672.89
Aurora	MP3, Ltd.	120701282	4	\$54,800.04	\$50,809.80	\$3,990.44	\$15,950.00	\$11,859.81	\$3,980.18	\$1,187.05	\$987.55	\$199.50
Aurora	Mutley, Inc.	140702487	3	\$29,067.88	\$26,213.65	\$2,854.23	\$10,952.00	\$8,097.85	\$2,854.15	\$856.24	\$713.54	\$142.70
Aurora	MZBD Inc.	120710814	5	\$293,987.96	\$267,004.48	\$26,983.48	\$83,502.00	\$58,537.75	\$26,984.25	\$8,089.33	\$6,741.11	\$1,348.22
Aurora	Paulie's Pub & Grille, LLC	120711183	4	\$173,939.08	\$161,532.78	\$12,406.28	\$56,715.00	\$44,308.72	\$12,408.28	\$3,721.95	\$3,101.82	\$620.33
Aurora	Phoenix Club, Inc.	140708000	5	\$176,065.05	\$165,758.26	\$10,308.79	\$71,966.00	\$47,492.21	\$10,308.79	\$3,092.65	\$2,577.21	\$515.44
Aurora	RED FOX, INC.	130706507	5	\$136,079.51	\$126,899.56	\$9,179.95	\$47,389.00	\$38,189.08	\$9,179.92	\$2,754.00	\$2,285.00	\$469.00
Aurora	Rudy's Lounge & Grill Inc.	140702914	5	\$158,075.79	\$143,449.70	\$14,626.09	\$52,912.00	\$38,285.91	\$14,626.09	\$4,387.86	\$3,656.55	\$731.31
Aurora	Skotini, Inc.	130705878	5	\$122,899.88	\$112,958.58	\$9,941.08	\$39,214.00	\$29,272.90	\$9,941.10	\$2,982.35	\$2,485.29	\$497.06
Aurora	Stoney's Incorporated	120700489	5	\$258,547.21	\$233,371.31	\$23,175.90	\$78,261.00	\$55,085.10	\$23,175.90	\$6,952.81	\$5,794.01	\$1,158.80
Aurora	THE DONALD H. SALTZMAN CORP.	120711152	5	\$243,824.98	\$227,437.17	\$16,187.79	\$71,966.00	\$55,778.21	\$16,187.79	\$4,858.38	\$4,048.98	\$809.40
Aurora	The Foundry, LLC	120702995	5	\$389,938.87	\$355,208.75	\$34,730.12	\$118,938.00	\$84,205.88	\$34,730.14	\$10,419.06	\$8,882.55	\$1,736.51
Aurora	Third Ward Social Club	120711791	5	\$203,019.25	\$187,185.74	\$15,833.51	\$46,702.00	\$30,869.99	\$15,833.01	\$4,749.97	\$3,958.31	\$791.66
Aurora	Tigers Athletic Association of Aurora, Illinois	140700567	5	\$281,157.07	\$258,841.05	\$24,516.02	\$78,682.00	\$54,145.88	\$24,516.12	\$7,354.89	\$6,129.08	\$1,225.81
Aurora	WAIDLEY POST NO. 468, VETERANS OF FOREIGN WARS OF THE UNITED STATES, INC.	120911790	3	\$118,545.92	\$107,837.46	\$9,808.46	\$32,788.00	\$23,859.69	\$8,908.31	\$2,672.49	\$2,227.08	\$445.41
REPORT TOTAL:		29 Establishments	127	\$4,680,296.00	\$4,285,738.40	\$394,559.80	\$1,433,479.00	\$1,038,921.44	\$394,667.66	\$118,368.14	\$98,640.16	\$19,727.98

Illinois Gaming Board Video Gaming Report

Report Type: Establishment; The Foundry in Aurora (June 2015)

ILLINOIS GAMING BOARD
VIDEO GAMING REPORT

7/24/2015

11:00 am

The Foundry, LLC

120702995

June 2015

Establishment	Licence Number	Municipality	VGT Count	VGT Wagering Activity			VGT Income			VGT Tax Distribution		
				Amount Played	Amount Won	Net Wagering Activity	Funds In	Funds Out	NTI	NTI Tax Rate (30%)	State Share	Municipality Share
The Foundry, LLC	120702995	Aurora	5	\$389,938.87	\$355,208.75	\$34,730.12	\$118,936.00	\$84,205.86	\$34,730.14	\$10,419.06	\$8,682.55	\$1,736.51

Information included on these reports:

- * Establishment Name
- * License Number
- * Municipality
- * Number of VGTs at this location
- * VGT Wagering Activity, income and tax distribution

Illinois Gaming Board Video Gaming Report

Report Type: Establishment; The Foundry in Aurora (June 2015)

VGT Wagering Activity

Amount Played	Amount Won	Net Wagering Activity
\$389,938.87	\$355,208.75	\$34,730.12

VGT Income

Funds In	Funds Out	NTI
\$118,936.00	\$84,205.86	\$34,730.14

VGT Tax Distribution

NTI Tax Rate (30%)	State Share	Municipality Share
\$10,419.06	\$8,682.55	\$1,736.51

VGT Wagering Activity

- * Amount Played: \$389,938.87
- * Amount Won: \$355,208.75
- * Net Wagering Activity: \$34,730.12

VGT Income

- * Funds In: \$118,963.00
- * Funds Out: \$84,205.86
- * NTI: \$34,730.14

VGT Tax Distribution

- * NTI Tax Rate (30%): \$10,419.06
- * State Share: \$8,682.55
- * Municipality Share: \$1,736.51

Where is Video Gaming authorized in Kane and Surrounding Counties?

Kane County

- * Aurora
- * Carpentersville
- * Elburn
- * Elgin
- * East Dundee
- * Hampshire
- * Kane County*
- * Montgomery
- * South Elgin
- * Sugar Grove
- * West Dundee

DuPage County

- * Addison
- * Bloomingdale
- * Carol Stream
- * Darien
- * Glendale Heights
- * Itasca
- * Oakbrook Terrace
- * Roselle
- * Westmont
- * Woodridge

Cook County

- * Barrington Hills
- * Bartlett
- * Elgin
- * Elk Grove
- * Hoffman Estates
- * Inverness
- * Morton Grove
- * Streamwood
- * Westchester
- * Wheeling

Zoning Districts

- * Indoor Recreation and Amusement Use. Permitted in a number of districts: BC, BR, CBD-1, OR, M-2, PL or a Special Use-CBD-2
- * Used defined:
 - * **Primary/Principal Use** (Indoor Recreation and Amusement Use)-Gaming Café.
 - * **Accessory Use** (State issued liquor license location or a fraternal/veteran use).

Video Gaming Cafes

- * Usually located near big box retailers.
- * Main thoroughfares. County/State Routes.
- * Downtown locations? Bartlett has one such location pending an application. The other three Bartlett locations are on State/County Routes.
- * Stella's, Dotty's, Penny's.
- * Hours of Operations 11:00am-Midnight?
- * Food and Beverage Menu. Atmosphere is restaurant/deli in nature. Not a bar or tavern.
- * Owned and operated by corporate hospitality groups.

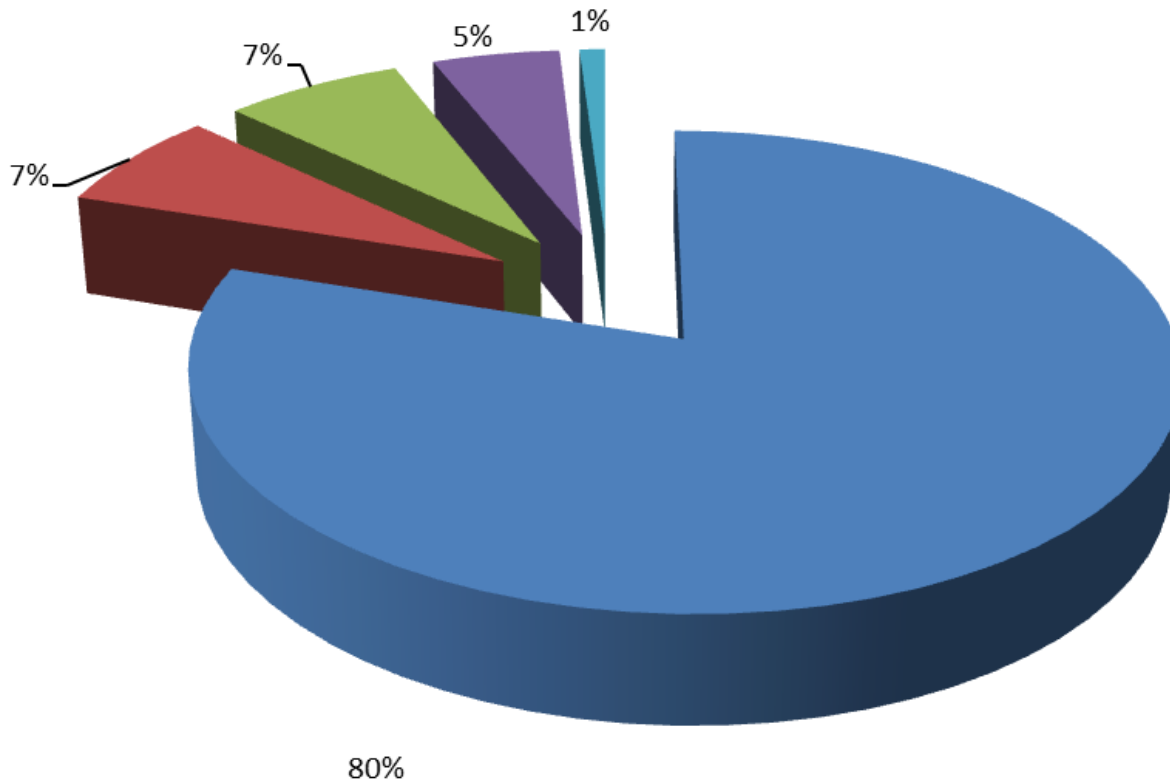
Revenue Impacts to the City

Revenues are based on amounts wagered per VGT. State levies taxes on “Net Terminal Income”: which “means money put into a VGT minus credits paid out to players.”

- * Mandated payout percentage of at least 80% over expected lifetime of VGT (per 230 ILCS 40/15 Section 15 (2)).
- * Tax Rate is 30% of Net Terminal Income
 - * $\frac{5}{6}$ ^{ths} of tax income retained by the State
 - * $\frac{1}{6}$ th distributed to City

VGT Gross Revenue Distribution

VGT Gross Revenue Distribution



■ Payout Ratio ■ VGT Operator ■ VGT Establishment ■ State Share of Tax ■ Municipal Share

Revenue Impacts to the City

Statewide, municipal share of tax income averages \$1,880 per VGT annually.

Based on state average, City income from video gaming would likely range between \$173,900 and \$695,600 per year.

* Dependent upon number of terminals placed.

Revenue Impacts to the City

Class B Licenses				56
Class C Licenses				6
Class D Licenses				<u>12</u>
Total Potential Establishments				74
Number per Establishment				<u>5</u>
Total Potential Machines				<u>370</u>
Revenue Estimate per Machine				<u>\$ 1,880</u>
Machines Placed	25%	50%	75%	100%
Number of Machines	<u>92.5</u>	<u>185</u>	<u>277.5</u>	<u>370</u>
Total Estimated City Revenue	<u>\$ 173,900</u>	<u>\$ 347,800</u>	<u>\$ 521,700</u>	<u>\$ 695,600</u>

Revenue Impacts to the City

Per 230 ILCS 40/75 Section 75 (b):

Proceeds “... may be used for any general corporate purpose authorized...”

- * Proceeds Designated for Capital /Economic Development Projects.

Additional Information

- * Over 80 excellent Q & A are addressed on the Illinois Gaming Board website.
- * Categories pertaining specifically to video gaming include:
 - * Laws and Standards
 - * Monthly Reports
 - * Lists of Applicants/Licenses
- * Illinois Gaming Board Website: www.igb.illinois.gov