

**Mayor**

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**Trustees**

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Jose (Joe) Chavez

Brian A. Clancy Sr.

Dave Richards

Sue A. Micklevitz

Ken Griffin

**Village Manager**

Steve Gulden

## APPLICATION FOR VIDEO GAMING ENDORSEMENT

**Business Name:** (Where machines are to be housed)

\_\_\_\_\_

**Address:** \_\_\_\_\_

**Company/Contact Person info. for machine:**

\_\_\_\_\_

**Phone/Email:** \_\_\_\_\_

**Use the attached information packet as a reference for answering the following questions.**

Required Items for Video Gaming Endorsement	Mark if Complete
Land use approval is required. Ordinance or Resolution number approving the Permitted or Special Use: _____.	<input type="checkbox"/>
A current, valid Business License is required. Business License number: _____.	<input type="checkbox"/>
A current, valid Liquor License is required. Liquor License number: _____.	<input type="checkbox"/>
A copy of all documentation issued by the State of Illinois and the Illinois Gaming Board evidencing the valid and current licensure of all video gaming terminals <b>must be attached.</b>	<input type="checkbox"/>
Establishments with video gaming must serve both alcohol and food. <b>Attach a copy of the establishment menu.</b>	<input type="checkbox"/>

Required Items for Video Gaming Endorsement	Mark if Complete
<p>Areas where video gaming is to take place must be physically separated from the rest of the establishment. <b>Attach a copy of the proposed floor plan showing the location of the gaming terminals.</b> A Village walk through will be scheduled to verify the terminal locations. <b>Please note that any alterations to the building will require a building permit and additional inspections.</b></p>	
<p>No endorsements will be issued to any person, corporation, or group that owes outstanding bills, taxes, fees, or payments to the Village or has code violations. Please verify you are current on all payments and have addressed all code violations.</p>	

**Annual Fee per Gaming Machine - \$125.00**

Number of Machines \_\_\_\_\_ x \$125 = \_\_\_\_\_ Total Due

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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**FOR OFFICE USE ONLY**

Inspection Date: \_\_\_\_\_ Issue Date: \_\_\_\_\_

Fee Paid: \_\_\_\_\_ Initials: \_\_\_\_\_

# Video Gaming Information Packet

## Selected Sections of Village Code:

*The sections below are provided for informational purposes to help guide the applicant in following the Village rules on Video Gaming. Applicants are required to follow all Villages codes at all times.*

112.01 "ENTERTAINMENT." The offering or permitting of any amusement feature, including but not limited to music, vaudeville, singing, acting, dancing, or contests, whether by personal performance, or instrumental or mechanical reproduction facilitated by persons present within a licensed premises for the express purpose of providing or assisting in the provision of any of the foregoing. The terms "entertainment" or "live entertainment" as used in this Chapter shall not be construed to include radio, television, the use of amusement devices or game machines operated or activated by payment, the provision or use of video gaming terminals licensed and operated in compliance with the provisions of the Video Gaming Act (230 ILCS 40/1 et. seq.), the provisions of applicable regulations promulgated from time to time by the Illinois Gaming Board, and the applicable provisions of the Village Code of Ordinances, including but not limited to the provisions of this Chapter and Chapters 113 and 159, or the provision of electronically reproduced music without facilitation or assistance by persons present within the licensed premises expressly for such purpose.

"VIDEO GAMING TERMINAL." The term "video gaming terminal" shall have the meaning set forth in Chapter 138.01(E) of this Code.

112.31(K) Applicants seeking the issuance of video gaming terminal endorsements under the applicable provisions of Chapter 112.33A in connection with the issuance of a class of license under this Chapter eligible to receive such endorsements shall additionally provide the Local Liquor Control Commissioner with copies of all documentation issued by the State of Illinois and the Illinois Gaming Board evidencing the valid and current licensure of all video gaming terminals for which endorsements are sought by the applicant, together with a copy of a valid and current special use permit adopted by the Village Board of Trustees permitting the operation and use of video gaming terminals within the proposed licensed premises. The provision of documentation conforming to the requirements of the preceding sentence shall be a condition to the issuance of any video gaming terminal endorsements under Chapter 112.33A.

112.33A(D) Video gaming terminal location endorsements. A video gaming terminal location endorsement may be issued to the holder of a Class A, Class B, Class C, Class D, or Class P license that holds (i) a current and valid license from the State of Illinois and/or the Illinois Gaming Board pursuant to the provisions of the Video Gaming Act (230 ILCS 40/1 et. seq.) and the provisions of applicable regulations promulgated from time to time by the Illinois Gaming Board permitting the holder to operate one or more video gaming terminals within the licensed premises and (ii) a current and valid special use permit approved by the Village Board of

Trustees pursuant to the provisions of Chapter 159 of this Code authorizing the operation of video gaming terminals at the location of the licensed premises. All applicants for a video gaming terminal location endorsement must at all times offer or have available a selection of food and nonalcoholic beverages prepared to customer order on the licensed premises, and for immediate consumption by the customer on such premises. A separate video gaming terminal endorsement shall be required to be issued for each video gaming terminal sought to be operated from within the licensed premises. For purposes of the enforcement of the provisions of this Chapter (including but not limited to the taking of any action by the Local Liquor Control Commissioner pursuant to Chapter 112.51), any violation by a licensee holding one or more video gaming terminal location endorsements of any provision of the Video Gaming Act, the regulations promulgated thereunder by the Illinois Gaming Board, or any provision of any Village ordinances applicable to the licensee's conduct of business (including but not limited to the provisions of Chapters 113 and 159, and the provisions of any special use permit issued to the licensee or with respect to the licensed premises) shall be deemed to be a violation of this Chapter. No licensee under this Chapter may apply for, receive or hold more than five (5) video gaming terminal endorsements at any time, and no licensee may apply for, receive or hold video gaming terminal endorsements for more than one licensed premises at any given time. The annual fee for each video gaming terminal location endorsement shall be \$100.00.

159.72(C)(18) Video gaming terminal locations, accessory to the conduct of a permitted use or approved special use authorizing the sale of alcoholic beverages for on-premises consumption, subject to the following conditions:

- (a) The term "video gaming terminal" shall have the meaning set forth in Chapter 138.01(E) of the Village Code of Ordinances.
- (b) All applicants for a video gaming terminal location special use permit must possess all licenses required under the Video Gaming Act and Illinois Gaming Board regulations for the operation of video gaming terminals at the location of the proposed special use permit.
- (c) No more than five (5) video gaming terminals may be operated at a given location.
- (d) All applicants for a video gaming terminal location special use permit must possess a current and valid liquor license issued by the Village of Romeoville Local Liquor Control Commissioner.
- (e) Access to that portion of the premises subject to the proposed special use permit in which video gaming terminals are proposed to be located shall be restricted to persons aged 21 years or older. If minors under age 21 are allowed access to any portion of the premises subject to the proposed special use permit in which video gaming terminals are proposed to be located, the portion of the premises where the video gaming terminals are located shall be physically separated from the remainder of the premises by a solid and opaque architectural barrier that prevents

the video gaming terminals from being viewed from outside of the premises subject to the proposed special use permit, or from areas of the premises accessible to minors under age 21. The entrance to that portion of the premises subject to the proposed special use permit in which video gaming terminals are proposed to be located, the portion of the premises where the video gaming terminals are located shall at all times be within the view and monitored by at least one owner, manager or employee of the holder of the video gaming terminal licenses required under the Video Gaming Act and Illinois Gaming Board regulations.

- (f) All proposed video gaming terminal special use permit locations shall be at least 100 feet from any school, church or house of worship. Distances shall be measured consistently with the then-current regulations or customary practices of the Illinois Gaming Board.

## **Frequently Asked Questions regarding Video Gaming** **Updated July 2012**

**Please note that some FAQs have been renumbered and reorganized since the last version of this document was posted in April 2012.**

**Q1: Does the IGB have jurisdiction over “amusement only” devices in Illinois?**

A1: The IGB does not license “amusement only” devices in Illinois. Questions about the licensure of such devices should be directed to the Illinois Department of Revenue at (312) 814-5232 (Chicago) or (217) 782-3336 (Springfield).

Beginning August 18, 2012, it will be a felony to possess simulated video gaming devices equipped with a credit reset mechanism or meter. Licensed Video Gaming Locations may continue to possess crane games, vending machines, coin-in-the-slot games and redemption machines as defined in Section 28 of the Illinois Criminal Code.

**Q2: Can local jurisdictions restrict the use of VGTs?**

A2: Yes. Pursuant to Section 27 of the Video Gaming Act (the “Act”), a municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may pass an ordinance prohibiting video gaming within the unincorporated areas of the county. In addition, pursuant to Section 70 of the Act, a local government may hold a referendum proposing to prohibit video gaming in the municipality.

A list of all Illinois municipalities and an indication of whether or not video gaming is allowed in each municipality is posted on the IGB website and is updated on a daily basis. If you have any questions about the status of your community, please contact your local municipal authority.

**Q3: What type of documentation is required to meet the definition of a Licensed Truck Stop Establishment?**

A3: An affidavit confirming that the facility is at least 3 acres (owned or leased land) and has average monthly sales of more than 10,000 gallons of diesel or biodiesel fuel per month (which may be met by showing estimated future sales or past sales). Supporting documentation for these factors must be attached to the affidavit. The affidavit will be provided to you by the IGB Agent investigating your location application.

**Q4: What type of documentation is required to meet the definition of Licensed Fraternal or Veterans Establishment?**

A4: A copy of the most recent letter from the Internal Revenue Service stating that the Applicant organization is either a fraternal benefit society that is exempt from federal income tax under section 501(c)(8) of the Internal Revenue Code, a domestic fraternal society that is exempt from federal income tax under section 501(c)(10) of the Internal Revenue Code, or a veterans organization that is exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code.

**Q5: Does a Licensed Distributor who is distributing VGTs also need a Supplier's license to supply replacement parts for the VGTs it distributes?**

A5: No. A Licensed Distributor is defined as “[a]n Individual, partnership corporation or limited liability company licensed under the Act to buy, sell, lease or distribute Video Gaming Terminals or major components or parts of Video Gaming Terminals to or from Terminal Operators.”

**Q6: Can an individual who owns a bar also be licensed as a Terminal Operator?**

A6: Yes, as long as the bar in question is NOT a Licensed Video Gaming Location. In other words, the bar in question may not participate in video gaming, regardless of who would serve as its Terminal Operator.

An employee of a Terminal Operator who is NOT an owner, nor shares in the revenue of the Terminal Operator in any manner, may own a bar and that bar may participate in video gaming.

**Q7: How will the distance restrictions in Section 25(h) of the Act be measured?**

A7: Video gaming is restricted from the following locations:

- 1) 1,000 feet of a facility operated by an organization licensee, inter-track wagering licensee, or inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 (the Board may waive this restriction in certain circumstances);
- 2) 1,000 feet of the home dock of a riverboat licensed under the Riverboat Gambling Act (the Board may waive this restriction in certain circumstances); or
- 3) 100 feet of either a school or a place of worship under the Religious Corporation Act.

These distances will be determined by measuring the distance from a proposed or existing Licensed Video Gaming Location to a preexisting facility, riverboat, school or place of worship by drawing a straight line between the closest part of any building used for the proposed or existing Licensed Video Gaming Location and the closest part of any building used for the facility, riverboat, school or place of worship. When located within a subsection of property by virtue of a lease, deed, or other arrangement (e.g., a tenant in a shopping center or commercial condominium), measurement shall be from the subsection of property (i.e., boundaries of the establishment's leased building premises).

For purposes of these restrictions, “home dock” is interpreted to mean the casino building or vessel (i.e., the building or vessel housing the casino floor).

Waiver of Distance Restrictions: If your proposed Licensed Video Gaming Location is located within 1,000 feet of a facility operated by an organization licensee, inter-track wagering licensee, inter-track wagering location licensee, or the home dock of a riverboat and you would like to request a waiver of the distance restrictions in the Act, please request a waiver in writing, addressed to the Administrator of the Illinois Gaming Board. The factors that will be considered by the Board in determining whether to grant a waiver include the number and character of other Licensed Locations in the municipality or the subdivision of the municipality; whether the proposed Licensed Location has obtained all other necessary governmental licenses and permits; the history of liquor law violations and reported criminal activity at the proposed Licensed Location; and any other factor that would be relevant to deciding whether public interest, convenience and advantage would be served by approving the waiver.

**Q8: Must Licensed Video Gaming Location applicants enter into a signed Use Agreement with a Terminal Operator before they can submit an application to the IGB?**

A8: No, a signed Use Agreement is not required for a potential Licensed Video Gaming Location to submit an application. However, a Licensed Video Gaming Location must have a signed Use Agreement with a Licensed Terminal Operator prior to the placement of any VGTs in the Licensed Video Gaming Location's establishment.

**Q9: If an entity that has been doing business in Illinois for 48 months prior to July 13, 2009 forms a subsidiary to conduct its video gaming business in Illinois (and would therefore be the Applicant for licensure), would that subsidiary meet the residency requirement (i.e., would the subsidiary meet the requirement that it has been doing business in Illinois for 48 months)?**

A9: If an entity who meets the residency requirement forms a 100% wholly owned subsidiary to conduct its video gaming business in Illinois, that 100% wholly owned subsidiary meets the residency requirement. Please note that this answer is limited to a 100% wholly owned subsidiary.

**Q10: Section 3(c) of the Manufacturer/Distributor/Supplier License Application requires 5% or greater shareholders of a publicly-traded parent company of an applicant to submit a Personal Disclosure Form or Business Entity Disclosure Form. How is this requirement being applied to institutional investors/investment advisors that hold the interest for investment purposes and certify in an SEC Schedule 13-G filing that the interest is not for the purpose of controlling the applicant?**

A10: A form for Institutional Investors is currently available on the IGB website.

**Q11: Section 5(A) of the Manufacturer/Distributor/Supplier License Application and Section 4(A) of the Business Entity Disclosure Form require financial statements for a period ending 1 month prior to the date of application. Will the most recently filed SEC reports for a publicly traded company satisfy this requirement?**

A11: Yes. If reference is made to SEC reports, it is sufficient if the applicant identifies where those reports can be found on the internet.

**Q12: Convertible debt is included in the definition of ownership. Does each person who holds convertible debt have to file a Personal Disclosure Form?**

A12: The Applicant/Licensee must identify each person who holds convertible debt and provide a copy of the applicable debt instrument(s) and associated agreement(s) with the application or upon issuance of the convertible debt. The Board will make a determination as to the debt holder's influence and/or control over the Applicant/Licensee consistent with section 430 of the Video Gaming Rules. The holder of convertible debt must submit a Video Gaming Personal Disclosure Form and any other required document and receive prior Board approval in order to convert the debt.

**Q13: Are VGTs allowed anywhere inside a Licensed Video Gaming Location?**

A13: VGTs must be located in an area restricted to persons 21 years of age and over, the entrance to which is within the view of at least one employee who is over 21 years of age. The placement of VGTs in Licensed Video Gaming Locations is subject to section 810 of the Video Gaming Rules. For all Locations that restrict admittance to patrons 21 years of age or older, a separate restricted area is not required. For all Locations that admit individuals under the age of 21, a physical barrier to the gaming

area, including but not limited to a short partition, gate or rope is required. No barrier shall visually obscure the entrance to the gaming area from an employee of the Location who is over the age of 21.

**Q14: May the entrance to the VGT area in a Licensed Video Gaming Location be monitored via closed circuit television?**

A14: The entrance to the VGT area of a Location must be within the view of at least one employee who is over 21 years of age. While a Location may utilize closed circuit television to monitor the entrance to the area *in addition to* an employee, it may not utilize closed circuit television *in lieu of* an employee.

**Q15: Are there limits on the hours of operation of a VGT?**

A15: Yes. Pursuant to Sections 35(b)(2) and 55 of the Act, hours of operation of a VGT must coincide with the legal hours of operation for the consumption of alcoholic beverages on the premises. However, a Licensed Truck Stop Establishment that does not hold a liquor license may operate VGTs on a continuous basis.

**Q16: Are multi-game VGTs permitted under the Video Gaming Act?**

A16: Yes, provided that the games have been tested and approved.

**Q17: Will Licensed Manufacturers need secondary approval for their VGTs?**

A17: Yes. All VGTs must be (1) certified by Gaming Laboratories International pursuant to the IGB's current Technical Standards for Video Gaming Terminals in Illinois, and (2) approved in writing by the IGB for use in Illinois.

**Q18: Is compensating or paying a third party a percentage of revenue from a VGT(s) permitted?**

A18: Compensating any third party based on a percentage of revenue from a VGT is permitted, however, any third party compensated in such a manner is required to complete a Video Gaming Personal Disclosure Form or a Business Entity Disclosure Form. Financing the purchase of VGTs based on a percentage of revenue is not permitted.

**Q19: Has the IGB developed standards to identify an illegal inducement by a Licensed Terminal Operator?**

A19: Yes. The IGB's Inducement Policy is posted on the IGB website.

**Q20: Are licensees allowed to use player tracking systems or establish "Players' Clubs" or similar programs that provide rewards to customers for repeated play?**

A20: Tracking systems and Players Clubs may be authorized by the IGB in the future but are prohibited at this time.

**Q21: Will a Licensed Manufacturer, Licensed Terminal Operator or Licensed Location be permitted to attach an online monitoring system to the second port of a VGT?**

A21: Yes; however, the system will require approval by Gaming Laboratories International and the IGB.

**Q22: Are Licensed Terminal Operators required to maintain a separate bank account for each Licensed Location, as provided in Rule 250(i)?**

A22: The IGB is taking steps to eliminate the Rule that requires Licensed Terminal Operators to maintain separate bank accounts for each Licensed Location it contracts with. However, the Video Gaming Act still requires that revenues generated from the play of VGTs be deposited by the Licensed Terminal Operator in one specially created, separate bank account maintained by the Licensed Terminal Operator to allow for electronic fund transfers of moneys for tax payment.

**Q23: May one Licensed Terminal Operator manage the Use Agreements (or other functions) of another Licensed Terminal Operator?**

A23: While a Licensed Terminal Operator may be allowed to delegate certain functions to another Licensed Terminal Operator, it may not delegate its obligations under the Act. Before the IGB will approve this type of arrangement, it will need to review any proposed management agreement.

### **Questions Regarding Licensed Technicians and Licensed Terminal Handlers:**

**Q24. Who needs to obtain a Technician license under the Video Gaming Act?**

A24. If an individual is a Licensed Terminal Operator, or is employed by a Licensed Terminal Operator, Licensed Distributor or Licensed Manufacturer, that individual may service, maintain or repair a VGT *without* obtaining a Technician license. Any other individual who services, maintains or repairs a VGT *must* obtain a Technician license under the Act. Licensed technicians can repair, service and maintain only *outside* the innermost locked area of a VGT which houses the electronic logic components that have the potential to significantly influence the operation of the VGT. Thus, a licensed Technician can handle repairs and maintenance such as refilling printer paper, repairing bill validators, resetting tilted Terminals, repairing video displays, etc.

Third party individuals under contract with a Licensed Terminal Operator, Licensed Manufacturer or Licensed Distributor will not be considered “employees” of the Licensee. Therefore, those individuals will need to apply for a Technician license in order to service, maintain or repair a VGT.

**Q25. Who needs to obtain a Terminal Handler license under the Video Gaming Act?**

A25. Any individual needing access to the inner workings of a VGT and/or needing to possess or control a VGT. “Inner workings” comprises the separately-locked logic area inside of a VGT which houses electronic components that have the potential to significantly influence the operation of the VGT, including: (1) the game’s central processing unit(s), (2) communication controller electronics and components housing the communication storage device, and (3) the memory back-up device.

**Q26: Can an individual be licensed as a Licensed Technician and a Licensed Terminal Handler?**

A26: Yes. An individual can obtain both licenses. Additionally, a Licensed Terminal Handler may perform all the duties of a Licensed Technician without having to separately obtain a Technician license. A Licensed Technician may not perform the duties of a Licensed Terminal Handler without obtaining a Terminal Handler license.

**Q27: Must employees of a Licensed Manufacturer be licensed as Terminal Handlers to access the inner workings of a VGT during the manufacturing process at the Licensed Manufacturer’s location?**

A27: No. Employees of a Licensed Manufacturer who manufacture VGTs at a Licensed Manufacturer's location are not required to obtain a Terminal Handler license. However, if the individual needs to go into the field (to a Licensed Location, for example) at any time to service the VGT, he or she will need to obtain a Terminal Handler license.

**Q28: Does an employee of a Licensed Manufacturer, Licensed Distributor or Licensed Terminal Operator need to obtain a Terminal Handler license in order to install machines at a Licensed Location?**

A28: Individuals who are employed by a Licensed Manufacturer, Licensed Distributor and/or Licensed Terminal Operator do not need to obtain a Terminal Handler license in order to have possession or control of a VGT for the purpose of installation (i.e., assist in moving the VGTs to the Licensed Location and installing the VGTs). However, the individual still needs a Terminal Handler license if that individual is accessing the inner workings of the VGT.

At any time other than installation at a Licensed Location, if an individual (regardless of whether they are employed by a Licensee) possesses or controls a VGT, and/or has access to the inner workings of a VGT, he or she must be a Licensed Terminal Handler.

**Q29: If a Licensed Terminal Operator hires third party collectors, must they obtain Terminal Handler licenses?**

A29: A third party collector would likely only need to obtain a Technician license. However, if a third party collector will access the inner workings of a VGT, he or she must obtain a Terminal Handler license.

### **Questions Regarding Payout Systems/Devices:**

**Q30: What types of payout systems will be allowed by the IGB?**

A30: Emergency Rule, Section 1410, addresses what types of payout devices will be allowed by the IGB, and was recently filed. The Rule is posted on the IGB website.

**Q31: May a payout device also be an ATM?**

A31: Yes. Rule 1410 contemplates a payout device having ATM capabilities.

**Q32: When will the IGB release specifications for how payout systems must connect to the Central Communications System?**

A32: The "Video Gaming Payout Device Requirements" are posted on the IGB website.

**Q33: Does a company who manufactures a payout system need to be licensed?**

A33: No.

**Q34: Does a company who distributes or supplies a payout system need to be licensed?**

A34: Yes. The company must be licensed as a Distributor or Supplier in order to sell, lease or distribute payout systems to Licensed Terminal Operators.

**Q35: Does a lender for the purchase of payout systems need to register with the IGB?**

A35: Pursuant to Rule 910, if a lender intends to enforce a security interest in a payout device, it must register with the IGB. However, pursuant to Rule 930, registration to provide financing, only, is not required.

**Q36: Must an individual be licensed in order to service a payout device?**

A36: Yes. The individual must obtain a Technician License to service a payout device.

**Questions Regarding Shipment and Storage of VGTs and Other Gaming Equipment:**

**Q37: What type of notice does the IGB require in order to ship VGTs?**

A37: A licensee may only ship approved VGTs to another licensee. A Licensed Manufacturer may ship unapproved VGTs to itself, as long as the licensee maintains control and possession of the unapproved VGTs until such time when they are approved.

The IGB requires 14 days notice of shipment of VGTs, software and payout devices. A form regarding shipment is posted on the IGB website and must be completed and sent to Angelica Aguilar at [angelica.aguilar@igb.illinois.gov](mailto:angelica.aguilar@igb.illinois.gov) and Robert Burke at [robert.burke@igb.illinois.gov](mailto:robert.burke@igb.illinois.gov).

**Q38: Do the VGT shipment rules apply to payout devices and software?**

A38: Yes. Please use the same VGT shipment form for payout devices and software.

**Q39: Can approved VGTs be shipped directly to a Licensed Location?**

A39: Approved VGTs may be shipped directly to a Licensed Location by a Distributor located in the State of Illinois.

**Q40: Do licensees need to have secure storage for payout devices?**

A40: No.

**Q41: Does every Licensed Terminal Operator need to have an approved storage facility?**

A41: If a Licensed Terminal Operator intends to take possession of VGTs at any time, it must have an approved storage facility.