



Legislation Text

File #: 23-0800, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Deb Lang, Assistant Corporation Counsel
Jennifer Stallings, City Clerk
Alex Voigt, Deputy Chief of Staff

DATE: October 4, 2023

SUBJECT:

Requesting approval of Amendments to Chapter 8 - Division 8-IV-1 pertaining to Amusement Devices Generally.

PURPOSE:

The purpose of amendments proposed in Legistar items 23-0800, 23-0801, 23-0803 and 23-0806 all seek to address a loophole in our local ordinances pertaining to illegal gaming/gambling machines.

BACKGROUND:

The State of Illinois and the City of Aurora have established regulations for video gaming and amusement machines. The city's regulations largely mirror the State's, but as it pertains to allowable locations, the number of machines and the standards of establishments, Aurora's regulations are more stringent. However, there is currently a loophole in the State Law and our local ordinances that allows a certain type of amusement machine to be licensed that is, in most respects, a video gaming machine. This proposed legislation seeks to close the loophole and prohibit all "amusement" gaming machines that directly pay out money or vouchers redeemable on-site (or elsewhere) for money or other forms of taxable income, from being operated in non-regulated businesses. This change does not apply to establishments licensed under Chapter 8; the only impact will be to businesses with unregulated terminals licensed under "Amusements".

DISCUSSION:

The city's current gaming regulations were updated in 2020 to clarify provisions specific to the locations of video gaming terminals, which are currently limited to "full-service restaurants", locations like gas stations and convenience stores are prohibited from having terminals.

The four items before the committee today are all related to the prohibition of "amusement" video gaming machines that directly pay out money or redeemable vouchers. This amendment will protect businesses in Aurora that operate legal and licensed video gaming machines. This measure will protect the community from unregulated machines that do not have associated taxes, monitored payouts or any meaningful allowable oversight at the State or local level. Currently, there are many of these gaming machines located throughout the city. These terminals are in locations that would not fulfill the requirements outlined at the State level or in Chapter 8. The proliferation of these machines in our community create significant public safety concerns and are impacting the businesses that are

in compliance with all State and local regulations, including their gaming tax revenue. This specific amendment updates the general amusement section of Chapter 8, specifically adding "video gaming terminals" to the definitions and adding a provision prohibiting them from being licensed under this section.

IMPACT STATEMENT:

Amending Chapter 8 - Division 8-IV-1 will prohibit the operation of unregulated video gaming machines. This prohibition will redirect patrons wishing to participate in video gaming to locations with properly licensed and regulated video gaming machines and, in effect, contribute additional tax revenue to the city. Further, this prohibition will protect residents, specifically minors, as these unregulated machines are apparently accessible to minors at gas stations and at least one laundromat in town. Given the lack of state or city oversight of these unregulated machines, it is unknown how easy it is for minors to play these games.

RECOMMENDATIONS:

Staff recommends that the Council approve this amendment in conjunction with related proposed amendments to Chapter 8, Division 8-IV-5 relating to Video Gaming and Chapter 29 relating to Gambling.

cc: Rules, Administration and Procedure Committee



CITY OF AURORA, ILLINOIS

ORDINANCE NO. _____
DATE OF PASSAGE _____

An Ordinance Amending Chapter 8 - Division 8-IV-1 Pertaining to Amusement Devices Generally. WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, there are reports of numerous unlicensed and unregulated video gaming machines in operation within the City of Aurora; and

WHEREAS, while there exists legislation at the State and local levels regulating video gaming machines, business owners have found a loophole in this legislation wherein they feel they can operate video gaming machines in their businesses under the guise of amusement devices; and

WHEREAS, it is in the best interest of public health, safety and welfare of the City of Aurora residents to prohibit the use of unregulated video gambling devices; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:

Section One: That Chapter 8, Division 8-IV-1 of the Code of Ordinance shall be and hereby are amended as set forth in Exhibit A.

Section Two: That this Ordinance shall be in full force and effect, and shall be controlling, upon passage and approval.

Section Three: That all Ordinances or parts of Ordinances in conflict herewith are hereby repealed insofar any conflict exists.

Section Four: That any section, phrase or paragraph of this Ordinance that is construed to be invalid, void or unconstitutional shall not affect the remaining sections, phrases or paragraphs of this Ordinance which shall remain in full force and effect.

Section Five: That the City Clerk shall cause this Ordinance to be published in pamphlet form upon its passage.