

Video Gaming Act Basics



Video Gaming In Illinois

- ▶ **What is the Video Gaming Act?** Passed as a major funding source for the \$31 Billion 2009 Capital Improvements Bill, the Video Gaming Act legalized the use of up to 5 State-regulated, Video Gaming Terminals (VGT's) in liquor-pouring establishments such as bars, restaurants, truck stops, and certain fraternal and veterans organizations. Revenue is split: 35% Operator, 35% Location, 25% State, 5% Local.
 - The Video Gaming Act also ELIMINATES un-regulated, "gray games" that operated in many of these locations across the state.
- ▶ **Who is Regulating this new Gaming industry?** The Illinois Gaming Board (IGB) has complete jurisdiction over and must supervise all gaming operations governed by the Act. Accordingly, the Board has all powers necessary to set and enforce the rules by which Illinois' VGT's will be manufactured, placed, and played.
 - The Rules so-far adopted by the IGB for Video Gaming can be found on their website at <http://www.igb.illinois.gov/VideoGaming/default.aspx>
- ▶ **Who will be able to have these Video Gaming Terminals?** VGT's are Restricted To Bars, Restaurants, Truck Stops and Fraternal / Veterans' Organizations That Have A Liquor License.
 - All Locations & Operators of VGTs must be licensed by the IGB following a thorough background check.
 - Not allowed within 1,000 Feet Of Any Casino, Riverboat Casino, Racetrack or OTB.
 - Not allowed within 100 Feet Of Any School Or Place Of Worship.
 - Local Communities Would Remain In Total Control Over Liquor License Approval.

Where The State Is In The Process

- ▶ **Currently, The IGB Is In The Process Of Licensing the Participants.**
 - As of the Mar'13 meeting, there have been 1,500 locations, 11 Manufacturers, 73 Terminal Operators, 16 Distributors, 8 Suppliers, and hundreds of employees licensed.
 - About 4,000 Locations have submitted applications to be licensed. They are being reviewed generally, on a first-in/first-reviewed basis. Applications submitted even today are not likely to be licensed for 8–12 months.
 - Location Applications are NOT reviewed by the IGB until they are sure that video gaming is legal under their town's existing local ordinances.
- ▶ **The State Has Selected And Contracted With Scientific Games To Provide The Central Communication System (CCS) Which Will Link All of The Terminals in the State to the regulators.**
 - This system provides the IGB not only the ability to monitor the revenues and settings of each machine, but it also provides an important deterrence against non-compliance by allowing the IGB to disable the machines remotely... promoting a culture of accountability throughout the Illinois VGT market.
- ▶ **When will I see the first VGT's in my local business?** As of mid-February, there were over 4,000 terminals operational in 928 locations throughout the state. Locally, machines are generating revenue in neighboring towns such as *Bartlett, Carol Stream, South Elgin, & Hoffman Estates.*

About the Illinois Gaming Board

- ▶ **Who will protect the Players & Towns from unscrupulous Operators?** The Video Gaming Act creates a highly controlled & regulated industry within the state that is completely controlled by only one group: *the Illinois Gaming Board*
 - The Illinois Gaming Board has a national reputation as a strict regulator. The IGB is proud of this reputation and wishes to keep it through tight scrutiny of Video Gaming participants.
 - The IGB has spent almost 2 years investigating the present, approved participants.
 - The IGB held-up the Rosemont Casino license for over a decade because of alleged ties the owners had.
 - Through the Central Communication System, the IGB will be able to monitor and record all aspects of video gaming. Receipt of all taxes owed to the government is assured by the IGB's ability to turn-off & revoke the licenses of bad-actors.
 - All participants in the VGT program must be licensed by the IGB following in-depth financial & criminal background checks (in conjunction with the FBI, State, and Local law enforcement) on all owners and 'key figures' of the business.
 - The IGB has already denied or revoked licenses from almost 100 applicants trying to participate in Illinois' Video Gaming.