



The Video Gaming Act Fact Sheet

The 2009 Illinois Video Gaming Act was one of the most thoroughly reviewed solutions for capital funding introduced in the Illinois Legislature and will generate 30 percent of the funds needed for the \$31 billion capital construction fund. The Video Gaming Act received overwhelming bi-partisan statewide support.

Law Enforcement and Accountability Measures

- **Limited locations:** Establishments with video gaming terminals are restricted to bars, restaurants, truck stops, off-track betting parlors and meeting places for fraternal and veterans' organizations that have a liquor license. Locations are not allowed within 1,000 feet of any casino, riverboat casino, racetrack, or within 100 feet of any school or place of worship. Local communities would maintain total control over liquor license approval.
- **Central system:** The video gaming terminals and devices must be connected to a state-managed central system very similar to the Illinois Lottery, which already monitors over 7,500 terminals and has been in operation for over 30 years. The state will control and monitor every transaction that occurs and the financial data from every business involved.
- **Background checks:** All manufacturers, distributors, terminal operators, technicians, terminal handlers and establishments must be licensed by the Illinois Gaming Board (IGB) and submit to background checks by the IGB in conjunction with state and local police, including:
 - Any individual, trust, partnership or corporation seeking a license, as well as each individual who is a beneficiary, partner or stockholder must submit to background checks.
- **Regulated games:** The Act will eliminate so-called "gray games" that operate across the state without any oversight. Nearly 20,000 "games of amusement" licensed by the state, and an additional estimated 40,000 unlicensed games*, will be outlawed and all operators will be placed under state supervision. No machine in operation today will be legal under the new system. **Chicago Sun-Times*, December 17, 2009

Economic Impact – Local Revenue

The Video Gaming Act:

- Supplies approximately 30% of the state's **\$31 billion capital plan that will help support an estimated 439,000 jobs** over the next five years
- Guarantees municipalities will receive a significant portion of the tax revenue generated in their community with no restrictions on its use.
 - The State will collect a tax of 30% on the net income from each video gaming terminal, **1/6 of which will remain under local control for local priorities.**
 - For each establishment with the maximum number of five machines, a municipality will **generate an estimated \$11,250 in tax revenue per year.***

* *"The Estimated Revenues from a New Video Gaming Tax in Illinois"* produced by Arduin, Laffer & Moore for the Illinois Municipal League