

# Illinois' Capital Bill and Video Gaming Putting Illinois Back to Work



**BACK to**  
**WORK**  
ILLINOIS

## Who We Are

- ⚙️ BWI is an Illinois not-for-profit coalition of civic, business, community and labor organizations dedicated to the successful implementation of Illinois capital investment plan.
- ⚙️ Funded by the Illinois Coin Machine Operators Association and the Association of Gaming Equipment Manufacturers



# Who We Are – Select Organizations



Illinois Licensed Beverage Association



Illinois Pipe Trades Association



## 2009 Illinois Capital Plan

- ⚙️ 1<sup>st</sup> capital investment program in Illinois in over 10 years
- ⚙️ \$31 billion to invest in roads, bridges, transit, schools, health care and other critical projects
- ⚙️ Creates and sustains 439,000 jobs over the next five years



## Strong Majorities Supported Video Gaming

- ⚙️ Alternatives revenue sources were considered and rejected
- ⚙️ Video gaming passed with strong, bi-partisan support
  - ⚙️ **47-12 in Senate**
  - ⚙️ **86-30-1 in House**



## How the Capital Bill is Funded

- ⚙️ \$106 million      Liquor, wine and beer tax increases
- ⚙️ \$150 million      Removal of the sales tax exemption for candy, soft drinks and personal care products
- ⚙️ \$150 million      Private management of Illinois Lottery, pilot online ticket sales
- ⚙️ \$331 million      Increases in license, registration and vehicle title fees
- ⚙️ \$375 million      Legalized video gaming

*\*Annual revenue generated*



# What is Video Gaming?

- ⚙️ **Maximum bet of \$2**
  - ⚙️ **Same limits in Charity and Church Bingo Act**
- ⚙️ **Modern, electronic terminals with touchscreen technology**
  - ⚙️ **Differs from traditional “slot machine” design**
- ⚙️ **Directly connected to a State-managed central system**
  - ⚙️ **Same as the Illinois Lottery, which already manages and monitors over 7,500 terminals**



## Where Would Video Gaming be Allowed?

- ⚙️ Potential locations are limited to restaurants, bars, truck stops, fraternal and veterans' organizations that have a liquor license for on-site consumption
- ⚙️ Operators and location owners will be licensed by the Illinois Gaming Board
- ⚙️ Limited to five machines per location



## Regulatory and Law Enforcement Clarity

- ⚙️ Eliminates thousands of “gray games” that currently operate across the state without any oversight
- ⚙️ The only legal machines will be terminals tied into a central system, just like the Illinois Lottery
- ⚙️ Possession of non-authorized machines will be a Class 4 felony



## **Strengthening Law Enforcement**

**“By setting a clear standard, the General Assembly and the Illinois Gaming Board have given law enforcement a critical new tool. No longer will prosecutors and officers have to guess about the legality of video gaming machines. There is no question it is an improvement over the status quo.”**

**Walter Stowe**  
**Former Associate SAC, Chicago Field Office of the FBI**  
**Regulatory and Law Enforcement Consultant for BWI**



# Social Impacts of Video Gaming

- ⚙️ The Government Accounting Office (GAO) reports it has found no evidence of a link between convenience gambling and pathological gambling.<sup>1</sup>
- ⚙️ “The Majority of Americans ... gamble with little or no adverse consequence.”<sup>2</sup>
  - ⚙️ **1.60% of adults nationwide suffer from pathological gambling, which is consistent across the US.**
  - ⚙️ **Harvard Medical School, Division on Addictions**
- ⚙️ **25% of \$6 million in annual licensing fees will go to the Department of Human Services for treatment of compulsive gambling.**
  - ⚙️ **Currently, there is no mandated funding for treatment under all other forms of gambling in Illinois.**

<sup>1</sup>“Impact of Gambling: Economic Effects more Measurable than Social Effects” *United States General Accounting Office*. April 2000 2-3.

<sup>2</sup> Shaffer, Howard J., Hall and Vander Bilt. "Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-analysis." *Harvard Medical School Division on Addiction*. December 1997. ii-v.



## Benefits to the Local Government

- ⚙️ Local municipalities and counties retain 5% of revenue collected
  - ⚙️ Estimated to be \$11,250 per location with 5 terminals
  - ⚙️ Unrestricted use of the revenues
- ⚙️ Multiple opportunities for economic redevelopment
  - ⚙️ Create or save jobs in the hospitality and tourism industries

