

ORDINANCE**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

SECTION 1. Section 4-156-150 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-156-150 Definitions.

As used in this chapter:

(Omitted text is unaffected by this ordinance)

"Payoff" means the giving of money or other thing of value in exchange for a player's accumulated points or free games or replays.

(Omitted text is unaffected by this ordinance)

"Automatic amusement device" means any machine, which, upon the insertion of a coin, slug, token, card or similar object, or upon any other payment method, may be operated by the public generally for use as a game, entertainment or amusement, whether or not registering a score, and includes but is not limited to such devices as jukeboxes, marble machines, pinball machines, movie and video booths or stands and all games, operations or transactions similar thereto under whatever name by which they may be indicated. Bingo devices are deemed gambling devices and are therefore prohibited for use except as provided by state law. If a machine consists of more than one game monitor which permits individuals to play separate games simultaneously, each separate game monitor shall be deemed an automatic amusement device. An "automatic amusement device" does not include a machine used for gambling lawfully at a casino, as that term is defined in 230 ILCS 10/4, a video gaming terminal or a Prize & Gift Kiosk that is lawfully maintained and operated in accordance with this Municipal Code.

"Illegal amusement device" means an automatic amusement device that: includes a knock-off circuit; or allows more than ten replays or free games except if awarded by a Prize & Gift Kiosk, or maintains a count of payoffs or the number of times a person has won a game played on the device; or maintains a tally of players' scores other than the tally displayed to players; or fails to display in the required manner a tax emblem required by chapter; is in violation of 720 ILCS 5-28-a(12), or has been used for illegal gambling. "Illegal amusement device" does not include a device that properly displays a required tax emblem, that is not used for illegal gambling and that qualifies either as a crane game as defined in the Illinois Criminal Code of 1961 or as a redemption machine as defined in the Illinois Criminal Code, is not a "Gambling Device" as defined in 720 ILCS 5-28-2 as amended; or is Prize & Gift Kiosk. An automatic amusement device shall not be deemed an illegal automatic amusement device because of internal diagnostic devices or capabilities that are able to record and maintain statistical data such as the number of coins or tokens deposited, the number of games played or the number of games won, if such diagnostic

devices or capabilities are intended and used exclusively for auditing of game performance. The term "illegal amusement device" shall not include a duly licensed video gaming terminal or Prize & Gift Kiosk that is lawfully maintained and operated in accordance with this Municipal Code.

"Prize and Gift Kiosk" means a Digital Promotional Device used (i) to promote the purchase of a bona fide product and offers or awards a prize, including cash, without requiring payment or purchase to participate in compliance with 720 ILCS 5-28-a(12) and b(13), as amended; and (ii) is not a game of skill, no-chance, pre-reveal, nudge or match; and (iii) contains a Fill System which permits the operation of the device solely determined by the amount of revenue generated and not by the amount of money deposited into the device or the amount of money awarded as a prize, but does not include a system based on time, number of spins or spin equivalent or other non-revenue based system, and automatically ceases to operate upon the completion of a pre-determined cycle of revenue generated; and (iv) is not capable of, or connected directly or indirectly to the Internet, either by cellular modem, hardwire or wireless connection, or to a set of interconnected networked devices in order to participate in the game or contest or to receive or retrieve any data related to the device unless the connected device is a redemption vault that is for the sole purpose of redeeming a prize or award; and (v) has an internal monitoring system.

"Sweepstakes machine" means any mechanically, electrically, or electronically operated machine or device, including without limitation, a vending or other electronic machine or device that: (i) is capable of, or is connected directly or indirectly to the Internet, either by cellular modem, hardwire or wireless connection, or to a set of interconnected networked devices in order to participate in the game or contest or to receive or retrieve any data related to the device unless the connected device is a redemption vault that is for the sole purpose of redeeming a prize or award; or (ii) uses an interactive display to offer gameplay, simulated gameplay, or entry into any contest, competition, sweepstakes, scheme, plan, or other promotional or selection process in which a person participates, which is dependent upon an element of chance, skill, no-chance pre-reveal, nudge or match and for which a person may purchase, receive, or be awarded a payoff, prize, gift, award, or any coupon, certificate, voucher, or other credit that can be redeemed or applied toward any item, service, or other thing of value, whether from such machine or device or otherwise; or (iii) does not contains a Fill System which permits the operation of the device solely determined on a fee basis or the amount of revenue generated but does not include a system based on time, number of spins or spin equivalent or other non-revenue based system, and automatically ceases to operate upon the completion of a pre-determined cycle; or (iv) does not promote the purchase of a bona fide product and offers or awards a prize, including cash, without requiring payment or purchase to participate in compliance with 720 ILCS 5-28-a(12) and b(13), as amended. "Sweepstakes machine" does not include: (1) an automatic amusement device that is lawfully maintained and operated in accordance with this chapter; a Prize and Gift

Kiosk or (2) a licensed video gaming terminal that is lawfully maintained and operated in accordance with this Municipal Code.

4-156-170 Tax emblem.

The automatic amusement device tax shall be paid by the owner of such device to the city clerk. The city clerk shall require a form with attestation to be submitted to obtain a Tax emblem. The city clerk shall issue as evidence of the payment of the tax a self-voiding adhesive tax emblem to be placed on each device. Such emblem shall bear the words "City of Chicago Amusement Device Tax", the names of the mayor and the city clerk, and such other wording as may be prescribed by the mayor. It shall be unlawful for any person to mutilate said tax emblem during the year for which it was issued. A Prize and Gift Kiosk tax emblem shall not exceed \$1000.00 per year.

4-156-171 Attestation and License

Each operator of Prize & Gift Kiosk shall obtain a license from the City through the Department of Business Affairs and Consumer Protection which shall be issued within thirty (30) days of filing the application. No officer, director, or owner shall be approved if such person has been convicted of a felony offense. Each Prize & Gift Kiosk operator licensee shall obtain tax emblems as provided in 4-156-170 upon a filing which shall include the following attestation:

ATTESTATION

I, _____, affirm and attest under penalty of perjury to the following:

1. I am the applicant or a representative of the applicant for an Automatic Amusement Device Application related to a Prize & Gift Kiosk.

2. The applicant is applying for an Automatic Amusement Device License with the City of Chicago.

3. Device is in compliance with all laws including that the device is used (i) to promote the purchase of a bona fide product and offers or awards a prize, including cash, without requiring payment or purchase to participate in compliance with 720 ILCS 5-28-a(12) and b(13), as amended; and (ii) is not a game of skill, no-chance, pre-reveal, nudge or match; and (iii) contains a Fill System which permits the operation of the device solely determined by the amount of revenue generated and not by the amount of money deposited into the device or the amount of money awarded as a prize, but does not include a system based on time, number of spins or spin equivalent or other non-revenue based system, and automatically ceases to operate upon the completion of a pre-determined cycle of revenue generated; and (iv) is not capable of, or connected directly or indirectly to the Internet, either by cellular modem, hardwire or

wireless connection, or to a set of interconnected networked devices in order to participate in the game or contest or to receive or retrieve any data related to the device unless the connected device is a redemption vault that is for the sole purpose of redeeming a prize or award; and (v) has an internal monitoring system.

Signature Date Title

Name of Applicant on License Application

Violations subject to seizure, fine and or revocation.

SECTION 2. Chapter 4-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 4-156-185, as follows:

4-156-185 Prohibition- Sweepstakes machines.

It shall be unlawful for the owner or lessee of any premises or person in control of such premises to permit the installation or use of a sweepstakes machine within the City.

SECTION 3. Section 4-156-190 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-156-190 Seizure for unlawful use.

If the Mayor ~~mayor~~, Superintendent of Police ~~superintendent of police~~, ~~or the Comptroller~~ ~~comptroller~~, the Commissioner of Business Affairs and Consumer Protection ~~commissioner of business affairs and consumer protection~~, the City Clerk ~~city clerk~~ or their duly authorized enforcement officer shall have a reasonable basis for believing any ~~amusement machine or~~ device is an illegal amusement device or sweepstakes machine, said machine or device or any part or contents thereof may be seized by any duly authorized enforcement official, followed by an administrative hearing with notice to the owner within seven days of such seizure for the purpose of reviewing the appropriateness of the seizure, and held until such time as the owner of such machine or device pays the delinquent tax, reimburses the Department of Finance department of finance, the Department of Business Affairs and Consumer Protection, ~~business affairs and consumer protection~~ or the City Clerk ~~city clerk~~ for actual cartage cost incurred in the seizure and pays to the department of finance, business affairs and consumer protection or the

City Clerk ~~city clerk~~ \$50.00 for each day or part of day said machine or device has been in storage. If criminal charges involving the use or condition of the machine or device are pending, the machine or device shall be held until disposition of the criminal charges. If it is determined at the hearing by a preponderance of the evidence that the seized machine or device is not an illegal amusement device or sweepstakes machine, it shall be returned to the owner without charge. If it is determined at the hearing that ~~the automatic amusement~~ such machine or device was used for illegal gambling, it shall be destroyed by the City ~~city~~, and all money found within the machine or device at the time of confiscation shall become the property of the City ~~city~~, and shall be used to defray the costs of cartage, notice, storage and hearings. If the owner of the device does not claim the ~~automatic amusement~~ machine or device within 14 days

SECTION 4. Section 4-156-280 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-156-280 Violation - Penalty.

(a) The owner, manager, licensee or person in control of premises where an automatic amusement device is used for illegal gambling, or where an illegal amusement device or sweepstakes machine is installed or used, shall be subject to a fine of \$5,000.00 for each device so used. Any other person violating any other provision of this chapter by possession or use of an illegal amusement device shall be fined not less than \$500.00 nor more than \$1,000.00 for each offense. Every day such violation continues shall constitute a separate and distinct offense. Fines under this section shall be in addition to suspension or revocation of business licenses issued under this Code, and in addition to confiscation and destruction of illegal amusement devices.

(b) Upon a third or subsequent violation of this section ~~the provisions of this chapter relating to possession or use of an illegal amusement device~~ occurring on the same premises within any five-year period, ~~for a period of five years~~, all City licenses issued for business activity on those premises shall be revoked, and no automatic amusement device or video gaming terminal may be placed on the premises for a period of one year from the date of revocation. Nothing in this section limits the authority of the Commissioner to revoke a license on a licensee's first or second violation during such period. For purposes of this subsection (b), "licensee" includes an employee or agent of a licensee.

4-156-305 License – Exceptions.

No public place of amusement license under this Article III shall be required, if the only amusement to be produced, presented, or conducted is one or more of the following:

(a) single pool or billiard table regardless of whether players must pay to use the pool or billiard table;

(b) less than four automatic amusement devices; provided, however, that when calculating the number of automatic amusement devices, jukeboxes and Prize and Gift Kiosk shall not be counted. A pool or billiard table shall be included when calculating the number of automatic amusement devices for purposes of this subsection if players must pay to use the pool or billiard table; provided that, in no case shall this subsection create an exemption for establishments which contain more than one pool or billiard table regardless of whether any payment is required;

4-156-325 Compliance.

The City shall enter into Private-Public compliance and enforcement agreement. The private enforcement partner shall be experienced with lawful Prize & Gift Kiosks and have the right, at its sole cost and expense, to issue tickets or citations for violations of the automatic amusement device and gambling rules and regulations, provided that such tickets or citations must be in the form prescribed by the City, that the issuance of such tickets and citations shall otherwise be subject to applicable City rules and regulations and the performance must conform to the City Operating Standards. The City shall provide ticket books or rolls and other items and materials reasonably necessary to enable the issuance of tickets or citations as contemplated by this Section. The City retains the right to provide all other enforcement of rules and violations. Tickets issued by the enforcement partner pursuant to this Section shall have the same legal efficacy as tickets issued by the City.

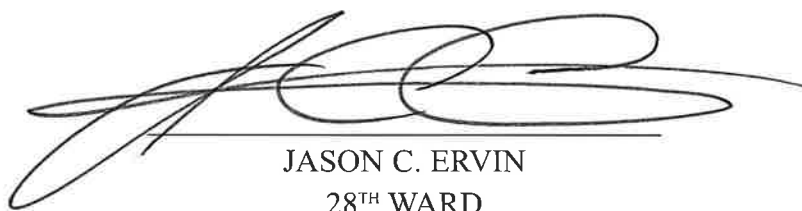
4-156-326 Prize & Gift Kiosk Zones

The City through its Private-Public compliance and enforcement partner pursuant to the Private-Public compliance and enforcement agreement, shall be responsible for selecting qualified operators, directing the installation, operation, and maintenance of and enforcement by eligible entities of lawful Prize & Gift Kiosks in those areas designated as City controlled zones, including without limitation: airports, piers, convention spaces and similar locations. The City shall receive thirty percent (30%) of all net revenues from lawful Prize & Gift Kiosks operated in the Prize & Gift Kiosks zones in addition to any other fees as required pursuant to this Section.

4-156-327 Prize & Gift Kiosks Fee

In addition to the Tax Emblem as required pursuant to 4-156-170, the City shall receive on a quarterly basis a fee equal to thirty percent (30%) for each Full Fill loaded onto the Prize & Gift Kiosks Fill System by the distributor less the cost of the Fill. The distributor shall be solely responsible for the collection and remittance of the Fill Fee in a manner directed by the City. The remittance of the Fill Fee shall include the Fill report indicating the number of Fills made by the distributor for the reporting period. The City shall be responsible for remitting any Fill Fee that is payable to the State in a manner directed by the State. The Fee as proscribed in this section is the maximum fee to be paid; in the event the State shall impose a fee based on the Fill, the City shall dilute to accommodate the State fee such that the distributor shall not pay more than thirty percent (30%) to both the City and State.

SECTION 5. This ordinance takes effect 10 days after passage and publication.



JASON C. ERVIN
28TH WARD