



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: January 3, 2023

Prepared By: Chief Michael D. McCoy and Deputy Chief Jeff Stevens

Agenda Item: Amending Chapter 136 of the Washington City Code Regarding Video Game Licensing

Explanation: The attached ordinance amendment clarifies that the purchaser of an establishment that is both: a) licensed to sell liquor at retail in the City under a Class A license and, b) licensed by the City to operate a video gaming terminal on its premises, is not subject to the two-year waiting period to establish gaming when the seller's licenses are not expired at the time of the sale and the purchaser applies for a gaming license to operate at the same location within one year of the sale. This would be regardless of whether the sale is structured as an asset or equity sale.

Fiscal Impact: No direct impact. This clarification allows a clearer business model for purchasers of existing businesses and preserves the sale value of those businesses consistent with previous Council consensuses.

Action Requested: Review and deliberation by the City Council, followed by a vote on the amendment.

ORDINANCE NO. _____

Synopsis: Adoption of this ordinance would clarify rules regarding applicability of a waiting period for gaming licensure for the purchaser of an existing licensed establishment.

AN ORDINANCE AMENDING CHAPTER 136 OF THE WASHINGTON CITY CODE

WHEREAS, Chapter 136 of the Washington City Code (the “Code”) outlines the requirements for Licensed Video Gaming, including requirements for obtaining Video Gaming Establishment Licenses and Terminal Permit Stickers;

WHEREAS, the Code is not clear whether an applicant that is the purchaser of a licensed establishment or the assets of a licensed establishment is permitted to receive Video Gaming Establishment License and Terminal Permit Sticker(s) without satisfying the requirements set forth in Section 136.51(A) of the Code;

WHEREAS, the City Council of the City of Washington has determined it is in the best interests of the City to amend the Code to allow for the purchaser of a licensed establishment or the assets of a licensed establishment to receive Video Gaming Establishment Licenses and Terminal Permit Stickers without satisfying the requirements set forth in Section 136.51(A) of the Code.

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

Section 1: The recitals; as set forth above, are incorporated herein as though fully set forth and shall be considered the express findings of the City Council.

Section 2: That Chapter 136 of the City Code of the City of Washington, Tazewell County, Illinois, be, and the same hereby is amended by amending Section 136.51(J), to provide as follows:

“(J) For an applicant who has purchased a licensed establishment that has a nonexpired Video Gaming Establishment License and Terminal Permit Stickers or the assets of a licensed establishment that has a nonexpired Video Gaming Establishment License and Terminal Permit Stickers on the effective date of the purchase and applies for a Video Gaming Establishment License within one (1) year of the date of the purchase for operation at the same location, subject to subsection (I) of this §136.51 and which becomes an operating licensed establishment and which obtains a City Video Gaming Establishment license within 1 year of that purchase, subsection (A) of this §136.51 shall have no effect, but said establishment must show continual compliance with subsection (B) quarterly during its first year of operation and annually thereafter as required by this Chapter, as amended from time to time.

Section 3: All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed insofar as they are in conflict with this ordinance.

Section 4: If any provision of this ordinance is adjudged invalid, such adjudication shall not affect the validity of the ordinance as a whole or of any portion not adjudged invalid.

Section 5: This ordinance shall be in full force and effect from and after its passage, approval and publication as required by law.

PASSED AND APPROVED this _____ day of _____ 2023.

AYES: _____

NAYS: _____

ATTEST:

MAYOR

CITY CLERK