



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

SPECIAL & EMERGENCY MEETING OF THE BOARD OF TRUSTEES

OCTOBER 31, 2021

Call to Order

The meeting was called to order at 2:30 pm.

Up for Discussion

Request to Amend Municipal Code Chapter 34, Occupation and Other Taxes, and Establish a Video Gaming Terminal Push Tax

Presented by Village Attorney Brad Stewart

Staff is presenting an ordinance to amend Chapter 34 of the Municipal Code to establish a one-cent per push amusement tax on video gaming terminals in the Village. On October 28, the General Assembly passed HB 3136. The legislation preempts home rule communities from imposing a video gaming push tax after October 31, 2021. Home rule communities that have adopted or do adopt a push tax "before November 1, 2021," are allowed to maintain their push tax, but may not extend, expand, or increase the tax after that date. This is an express preemption of the Village's home rule authority, grandfathering all actions taken before November 1, but disallowing any such actions on or after November 1, 2021. The ordinance attached to the Agenda creates the one-cent per push amusement tax on video gaming terminals.

Financial Impact

The tax is estimated to add \$150,000 to \$200,000 a year to Village revenues.

Staff recommends the Board approve the Ordinance amending Municipal Code Chapter 34, Solicitation and Other Taxes, and create a Video Gaming Terminal Push Tax.

Roll call was answered by Trustees Harlfinger, Dustin, Huckins, Anderson, Murphy, and President Bogdanowski.

Motion to allow Trustee Bojarski to attend telephonically was made by Trustee Murphy and seconded by Trustee Huckins. On roll call vote, Trustees Harlfinger, Dustin, Huckins, Anderson, and Murphy voted Aye. No Nays. Motion carried.

Also present were Village Administrator Fred Mullard, Village Attorney Brad Stewart, and Village Clerk Shannon DuBeau.

Pledge of Allegiance was led by President Bogdanowski.

Public Comment

David Miltenberger, Executive Sales Director at Accel Entertainment Gaming, LLC (ACEL), addressed the Board on behalf of The Grove Mart owner, Jeff Glogovsky and supervisor, Parnesh. He stressed that video gaming profits were part of the original plan to overcome the \$10 million invested in the Grove Mart, stating that an increased tax would affect their ability to pay back lenders.



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Agenda

Motion to pass Ordinance No. 2021- ____, An Ordinance amending Chapter 34, Occupation and Other Taxes, Section 34.11, Amusement Tax, of the Lake in the Hills Municipal Code Pertaining to Playing Video Gaming Terminals (Push Tax) was made by Trustee Huckins and seconded by Trustee Harlfinger.

Attorney Stewart clarified that, if imposed, the entertainment tax will not be paid by local businesses; rather it will be the responsibility of the video gaming supplier, e.g., Accel Entertainment. In this case, the Village's \$150,000 to \$200,000 projected increase in gaming revenue will come from the roughly \$1.4 million that Accel Entertainment Gaming, LLC earns annually in the Village of Lake in the Hills.

Trustee Harlfinger does not believe the push tax will be significant enough to curve the appeal of gaming. He sees this as an opportunity to bring a source of revenue to the Village, which can be used to provide beneficial resources to its residents.

Trustee Huckins asked David Miltenberger how many gaming terminals ACEL has in operation in the Village. David stated that ACEL supplies six machines to the Grove Mart. He then requested that the ordinance clearly outline that terminal operators are responsible for collecting the push tax. Attorney Stewart confirmed that the responsible party is already specified in the Village's proposed ordinance.

Trustee Harlfinger stated that he is pro gaming and does not foresee the push tax causing a financial hardship. In this economy, the revenue from this tax will allow the Village the ability to more easily supply the services that residents expect.

Trustee Bojarski commented that the Board's responsibility is to the residents and small businesses of the Village. Thus, it is incumbent on the Board to find ways to improve services and quality of life for those in the Village. She does not see this ordinance as a tax on the residents nor as a punishment for the small businesses. She sees this as a way to improve the community.

Trustee Dustin mentioned that Lake in the Hills was one of the first municipalities in the area to allow video gaming terminals. As such, having gaming terminals on premises remains a bonus for those businesses.

President Bogdanowski noted the obligation that elected officials have to identify new avenues of revenue. He voiced disappointment in the actions of the bill's sponsors and lobbyists in imposing a push tax deadline—forcing the hand of the Village Board (along with seven neighboring municipalities) to call an emergency meeting on a Sunday. The reality of HB 3136 is that close to a thousand gaming terminals, which did not have a push tax, likely will as a result of its terms.

On roll call vote, Trustees Bojarski, Dustin, Harlfinger, Murphy, Anderson, and Huckins voted Aye. No Nays. Motion carried.



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Adjournment

A motion to adjourn the meeting was made by Trustee Harlfinger and seconded by Trustee Huckins. On roll call vote, Trustees Anderson, Bojarski, Murphy, Dustin, Huckins, and Harlfinger voted Aye. No Nays. Motion carried.

There being no further business to discuss, the meeting of the Lake in the Hills Board of Trustees was adjourned at 2:50 pm.

Submitted by,

A handwritten signature in black ink that reads "Shannon DuBeau".

Shannon DuBeau
Village Clerk