

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: March 8, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Municipal Code and Fee Schedule Changes for Video Gaming

PURPOSE

The Village of Homewood currently charges a fee for a video gaming endorsement as well as a fee per gambling device for businesses that have video gaming at their establishments. The State recently passed legislation that allows the Village to increase the fees for video gaming terminals, but limits the imposition of any additional fees for video gaming. These changes to the Municipal Code and the Fee Schedule require Board approval.

PROCESS

The Village Fee Schedule currently reflects an annual \$1,600 video gaming endorsement fee for those liquor licensees that have video gaming terminals at their locations. It also includes an additional fee of \$25 per gambling device, which is the State allowed maximum for non-home rule communities.

Recent changes from the state on video gaming charges will allow the Village of Homewood to increase the fees from \$25 to \$250, per gaming machine. To be in compliance with this new legislation, the Village also needs to eliminate the \$1,600 additional liquor license endorsement that has been charged. These changes will also require amendments to Sec. 4-64 and Sec. 4-65 of the Municipal Code.

OUTCOME

Based on the current number of video gaming machines in Homewood, the increase in state collection fees to \$250 per machine should produce revenue totaling \$11,500 annually. However, the inability to charge the \$1,600 video gaming endorsement fee moving forward will ultimately reduce annual revenues to the Village by \$1,300. The annual revenue loss incurred for these purposes could only be recovered if five new video gaming machines were added to an eligible business in the future.

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FINANCIAL IMPACT

- **Funding Source:** General Fund Revenue
- **Budgeted Amount:**
- **Cost:** \$1,300 in lost revenue

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance changing Sec. 4-64 and Sec. 4-65 of the Homewood Municipal Code as it relates to video gaming endorsement; and pass an ordinance changing the “Business License” and “Liquor” sections of the fee schedule increasing the fee for a video gaming terminal to \$250 and deleting the Video Gaming Endorsement fee of \$1,600.

ATTACHMENT(S)

Ordinances