

## **Lake County Video Gaming Revenue Policy**

### **Background**

The Video Gaming Act (230 ILCS 40) provides the Illinois Gaming Board with jurisdiction over and supervision of all gaming operations within the state. This Act establishes a 30-percent tax on gross terminal revenue, of which one-sixth is distributed to the governing body where the revenue was generated. On August 13, 2013, the Lake County Board adopted the Lake County Video Gaming Ordinance, thereby permitting lawful video gaming within unincorporated areas of Lake County. At the direction of the Lake County Board, funds distributed by the Illinois Gaming Board shall be allocated into the Video Gaming Management Center.

### **Purpose**

This policy establishes a framework for:

- 1) Capturing video gaming administrative, legal, and enforcement costs; and
- 2) Evaluating and possibly funding social programs, projects (excluding capital improvements), and/or services that benefit Lake County residents.

### **Eligibility**

At a minimum, the following criteria must be met to be considered for award of Video Gaming funds:

- 1) The request must be from an organization with a physical presence in Lake County.
- 2) The request must provide a measurable benefit to Lake County residents.
- 3) The request must meet at least one of the goals and/or values of the Lake County Strategic Plan.
- 4) The request must be for no more than 12 months of program costs, with no guarantee of ongoing funding.
- 5) Requests for real estate or capital improvements are ineligible and will not be considered.
- 6) Agencies must commit to using ServicePoint for sending and receiving service referrals when practicable.

### **Submittal Requirements**

A request for Video Gaming funds must be submitted using the "Lake County Human Services Grant Application". This application requires, but is not limited to, the following information:

- 1) A brief description of the request;
- 2) The amount of the request;
- 3) Description of how the request meets one or more goals and/or values of the Lake County Strategic Plan;
- 4) Supporting documentation demonstrating how the funds will serve the need;
- 5) A copy of the requesting organization's budget; and
- 6) A summary of performance measures that will quantify the program's estimated outcomes.

### **Evaluation Process**

Applications shall be submitted to Lake County Community Development no later than the date on which the Lake County Human Services Grant Application is due (typically the third week of October). There will be no cap on the number of applicants, nor will there be a cap on the award amount for a single applicant within a fiscal year. The requests will be evaluated by the Public Services Advisory and Recommendation

Committee and the Housing and Community Development Commission. Preference will be given to requests seeking to alleviate gambling addiction in Lake County, though applications for other social programming, projects, and/or services will also be considered. Evaluation will occur in November and December. Funding recommendations will be presented to the Lake County Board in March and will be subject to annual appropriations.

Funding from other County sources may be considered during the evaluation process. Combined funding of a single program, project, or service may be allowed if the combined award received from all funding programs is less than or equal to the financial need. At its sole discretion, the Lake County Board shall determine whether funds, in-full or in-part, are granted and in what amounts. Nothing included in this policy shall be deemed to require and/or imply a guarantee of Video Gaming funds, even if all eligibility guidelines are met. Though applicants are not guaranteed funding beyond the year in which they applied for and received an award, they may reapply for funding in proceeding years.

### **Administrative Standard Operating Procedures**

Community Development will administer and manage the awarded monies from the Video Gaming Management Center, with assistance from the Finance and Administrative Services Department (FAS). To cover administrative costs, Community Development will receive up to, but not more than, 10 percent of the funds within the Video Gaming Management Center each fiscal year, consistent with U.S. Department of Housing and Urban Development standards.

The Liquor Commissioner, as part of the budgeting process, will determine the amount necessary for administration of the Video Gaming Revenue Policy, as well as amounts withheld for video gaming enforcement inspections if applicable. These costs – subject to the Lake County Video Gaming Ordinance, Section 5: Inspection of Premises – will be paid using the annual revenue generated from video gaming terminal permit stickers, as well as fines imposed on establishments found in violation of the Lake County Video Gaming Ordinance, Section 4: Regulations for Operating Video Gaming Terminals. If fee and fine revenue does not fund total enforcement costs as decided by the Liquor Commissioner, the remainder will be drawn from Video Gaming revenue, prior to being shared with Community Development for administration.

Once administrative and enforcements costs are accounted for, the remaining balance within the Video Gaming Fund will be available for award. Video Gaming revenue grants will be awarded retroactively, such that selected agencies will receive Video Gaming revenue collected from the State in the prior fiscal year. Selected agencies will submit regular invoices to Community Development to recoup those costs as identified in their Lake County Human Services Grant Application. For agencies that do not spend the entirety of their grant during the fiscal year in which it was awarded, FAS may carry over the remaining balance into the next fiscal year for those agencies to use. If the Lake County Board does not award the entirety of the monies within the Video Gaming Management Center in a single fiscal year, the Board may carry the remaining balance into the next fiscal year.