

All bets on reach of video poker are off

Illinois Gaming Board discovers that many towns and counties may have long-forgotten laws that ban all gambling

By Bill Ruthhart, Chicago Tribune reporter

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As bars, restaurants and truck stops begin applying for video poker licenses, many may find old ordinances lurking in dusty ledgers that will keep them from cashing in.

State gaming officials began accepting those applications last week, and they are expected to green-light the games this fall after more than three years of delays. But the Illinois Gaming Board just recently discovered there are likely dozens — and potentially hundreds — of municipalities and counties with ordinances on the books banning gambling.

That's on top of 152 communities that have opted out of the 2009 Video Gaming Act, a number that has nearly doubled in the last month or so as the Gaming Board learned of more communities that recently passed bans.

The realization by gaming officials that some places long ago prohibited gambling came after attorneys for video poker applicants researched ordinances in communities where their clients own establishments, said Gaming Board spokesman Gene O'Shea.

The development is the latest wrench in a rollout of video poker that has been plagued with delays, and it is likely to serve as another drain on revenue that the games will generate, money already earmarked for statewide infrastructure projects.

Illinois gaming officials began to comb the state county-by-county and town-by-town last week to determine what gambling bans each has on its books.

O'Shea said there is no estimate for how many old ordinances they will find.

Kathy Gilroy believes it will be hundreds.

Gilroy, an anti-gambling advocate, said she began researching local gambling ordinances 10 years ago. When the video poker law passed, Gilroy identified more than 100 existing ordinances in the Chicago region alone banning gambling, she said.

"I think there will only be a very few places in the state that will be able to allow video poker, based on their old ordinances," said Gilroy, a Villa Park resident who volunteers with the Stop Predatory Gambling Foundation, a national advocacy group.

"I'm encouraged, because this is another roadblock to video gambling inundating our state."

Video poker terminal operators aren't as pleased.

Many of them recently got state licenses and have inked contracts to provide video poker machines to local establishments only to find out about old local ordinances that could wipe out their deals.

Paul Jenson, a Chicago attorney who represents dozens of operators, said his firm, Shefsky & Froelich, discovered several gambling prohibitions in researching communities' laws for its clients.

"We're finding that a lot of the towns didn't even know they had an ordinance on the books," Jenson said. "My sense is that nobody really understood how many towns had anti-gaming ordinances, and I think that came as a surprise."

The Video Gaming Act, which allows communities to opt out of the law, should supersede existing ordinances, he said. But officials in Chicago, which has a gambling ban, determined the law doesn't trump its ordinance.

Jenson said legislation clarifying the gray legal area would be best, but he acknowledged little appetite from state lawmakers to handle any gambling issues during an election year.

For the time being, the old ordinances are creating confusion, said Zack Stamp, a lobbyist for the Illinois Coin Machine Operators Association, which represents video poker operators.

"I would bet you a lot of these ordinances were adopted when electronic gaming didn't even exist," Stamp said. "A lot of them are murky. The Gaming Board will have to interpret them, and that is going to be a slow process to weed through."

For now, the board will decide whether local ordinances forbid the poker machines.

O'Shea said a staff attorney and a couple of interns had been assigned to the task of tracking down these ordinances.

In the meantime, the state began accepting video poker applications Tuesday.

So far, five bars have completed the online forms while 150 more have started the process.

O'Shea said it's too early to gauge how many locations will apply for licenses.

The list of communities opting out of the video poker law has nearly doubled from 78 at the end of February to 152 on Friday.

Before that number ballooned, state projections showed that those communities' decisions to opt

out of the law, paired with Chicago's ban, would cost the state nearly \$200 million in revenue for Gov. Pat Quinn's statewide construction program.

If that list grows even more because of old gambling bans, the state could lose millions more.

It's too soon to predict how many old ordinances will be upheld to ban video poker, O'Shea said, stressing that the process would not stall the debut of video poker scheduled by the end of the year.

"This is not going to slow anything down," he said. "A location just may end up filling out an application and be told at a later date, 'We're sorry to inform you that your community has a prohibition that applies to video gaming.'"