

Sec. 3-95. – Push Tax.

- (a) *Imposed.* Effective July 1, 2020, and except as otherwise provided by this Section, a push tax is imposed upon any person who participates in the Playing of Video Gaming Terminals that takes place in the jurisdictional boundaries of the City of Waukegan. The rate of that tax shall be equal to one cent per Play on a Video Gaming Terminal.
- (b) *Tax Additional.* The tax imposed by this Section is in addition to all the other taxes imposed by the State of Illinois or any municipal corporations or subdivisions thereof.
- (c) *Registration Required.* Every Terminal Operator of any Video Gaming Terminal located in the City shall apply for registration as a tax collector with the City no later than thirty (30) days after commencing use of the Terminal, or thirty (30) days after the effective date of this Ordinance imposing the Push Tax, whichever comes later. The application shall be submitted to the City on forms provided by the City and shall contain such information as reasonably required by the City to impose, collect, and audit all amounts related to this tax.
- (d) *Collection; Payment; Accounting.* It shall be the joint and several duty of any Terminal Operator and Licensed Establishment to secure, from each person participating in the Play of a Video Gaming Terminal, the Push Tax imposed by this Section. For the purposes of this Section, it shall be presumed that the amount of the Push Tax imposed on each person, unless the taxpayer or tax collector provides otherwise with books, records, or other documentary evidence, has been collected from the person by the Terminal Operator or Licensed Establishment.
 - 1. Push Tax payments accompanied by tax returns prescribed by the City shall be remitted to the City on or before the 20th day of the month following the month in which the payment for the Push Tax is made.
 - 2. Every Terminal Operator of a Video Gaming Terminal who is required to collect the Push Tax by this Section shall be considered a tax collector for the City. All Push Tax amounts collected shall be held by the Terminal Operator as trustee for, and on behalf of, the City. The failure of the Operator to collect the Push Tax shall not excuse or release the individual person Playing the Video Gaming Terminal from the obligation to pay the tax. The ultimate obligation of the Push Tax shall remain on the individual person Playing the Video Gaming Terminal, and shall never be shifted to the Terminal Operator.
 - 3. Notwithstanding any other provision of this Section, in order to permit sound fiscal planning and budgeting by the City, no person shall be entitled to a refund of, or credit for, the Push Tax imposed by this Section unless the person files a claim for the refund or credit within one (1) year after the date on which the Push Tax was paid or remitted to the City.
 - 4. The Terminal Operator of any Video Gaming Terminal(s) Played in the City shall be subject to audit, inspection, and record keeping provisions of the City Code of Ordinances. It shall be unlawful for any Terminal Operator, Licensed Establishment, or individual person Playing a Video Gaming Terminal, to prevent, hinder, or interfere with the City, its officers, employees, or agents in any manner that is designed to prevent, hinder, or interfere with such officials,

employees, or agents from discharging their respective duties in the performance, audit, or enforcement of the provisions of this Section. It is the duty of every Terminal Operator of any Video Gaming Terminal to keep accurate and complete books and records for each Video Gaming Terminal to which the City's officers, employees, or agents will at all times have full and complete access.

(e) *Promulgation of Rules and Regulations.* The City is authorized to adopt, promulgate, and enforce any additional rules and regulations pertaining to the interpretation, collection, administration, and enforcement of this Section.

(f) *Violations; Penalties*

a. *Violations:*

- i. A Terminal Operator who falsely reports, or fails to report, the amount of Push Tax required by this Section shall be in Violation of this Chapter, and shall be subject to a fine, as defined in this section, as well as suspension or revocation of their City Terminal Operator License. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of five percent (5%) per month, which penalty shall compound monthly.
- ii. It shall be deemed a violation of this Section for any Terminal Operator, Licensed Establishment, or individual person Playing a Video Gaming Terminal, or any agent of any of the foregoing, to knowingly furnish false or inaccurate information to the City.
- iii. Suspension or Revocation of License. The mayor and local liquor commissioner, or their deputy local liquor commissioner, shall have the power to suspend for not more than thirty (30) days or revoke any liquor or video gaming licenses, including Terminal Operator licenses, issued under the provisions of this Chapter for cause, if, after hearing, they determine that a Terminal Operator or Licensed Establishment shall have violated any of the provisions of this Chapter, any of the Statutes of the state, or any valid ordinances, resolution, or rules enacted by the City of Waukegan. Ten (10) days' written notice of the hearing shall be given to the Terminal Operator or Licensed Establishment. Alternatively, the Terminal Operator or Licensed Establishment may enter into a prehearing conference and agree to negotiated terms and penalties rather than proceeding to a hearing.
- iv. Fines Imposed. In addition to the foregoing, or any other penalties provided in this Chapter, any Terminal Operator or Licensed Establishment violating the provisions of this Section shall be subject to an additional fine of \$500.00 for a first offense, \$750.00 for a second offense, and \$1,000.00 for a third offense and shall be subject to a mandatory revocation of any license to operate a Video Gaming Terminal within the City jurisdictional limits for the third offense.

- b. *Action to Enforce*, Whenever any person obligated to pay the Push Tax, or Terminal Operator shall fail to remit any tax as provided in this Section, the city attorney may bring, or cause to be brought, an action to enforce the payment of such tax on behalf of the City in any court of competent jurisdiction.
- c. *Penalties Additional*. Any citations issued under this Section may be in addition to any other citations or enforcement mechanisms authorized by or issued under the City Code under any and all applicable sections of the City Code of Ordinances.