

050451

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: William T. Lichter, Village Manager
DATE: August 8, 2005 (COW)(B of T) August 18, 2005
TITLE: Ordinance Amending Title 9, Chapter 98 of the Lombard Village Code in Regard to an Amusement Tax.
SUBMITTED BY: Timothy Sexton, Assistant Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

See memo attached.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X *Timothy Sexton* _____ Date 8/8/05
Village Manager X *W. T. Lichter* _____ Date 8/8/05

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

LAW OFFICES

KLEIN, THORPE AND JENKINS, LTD.

SUITE 1660

20 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-2903TELEPHONE (312) 984-6400
FACSIMILE (312) 984-6444
FACSIMILE (312) 606-7077ORLAND PARK OFFICE
16010 S. RAVINIA AVE., SUITE 17
ORLAND PARK, IL 60462-3162
TELEPHONE (708) 349-3888
FACSIMILE (708) 349-1506LANCE C. MALINA
MICHAEL A. MARRS
THOMAS M. MELODY
JANET N. PETSCH
DONALD E. RINNER, III
SCOTT F. UHLER
GEORGE A. WAGNER
ALLEN WALL
DENNIS G. WALSH
JAMES G. WARGO
BRUCE A. ZOLNAOF COUNSEL
JAMES A. RHODES
RICHARD T. WIMMERRINDA Y. ALLISON
TERRENCE M. BARNICLE
JAMES P. BARTLEY
THOMAS P. BAYER
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JACOB H. KARACA
PATRICK A. LUCANSKY

WRITER'S DIRECT DIAL

WRITER'S E-MAIL

MEMORANDUMVIA FAX (630) 620-8222 AND U.S. MAIL

TO: Tim Sexton, Assistant Finance Director

FROM: Tom Bayer

DATE: August 9, 2005

RE: Amusement Tax Amendment – Coin-Operated Amusement Devices

Per your request, enclosed please find the following Ordinance, relative to the above-captioned matter, for the August 18, 2005 Village Board meeting:

AN ORDINANCE AMENDING TITLE 9, CHAPTER 98, SECTION 98.114(A)(1) OF THE LOMBARD VILLAGE CODE IN REGARD TO THE AMUSEMENT TAX

As we discussed during our meeting with representatives of Enchanted Castle, the basis for this Code amendment is as follows:

1. As the "license fees" imposed by the Village relative to coin-operated automatic amusement devices appear to exceed the cost of regulating the activity (the proper basis for a license fee), said "license fees" arguably already constitute a tax as authorized by 65 ILCS 5/11-42-5. As such, the amendment avoids the double taxation of the same activity.
2. As many coin-operated amusement devices operate based on tokens distributed by automatic vending machines at a preprogrammed cost, and as some tokens are provided at no cost or at a reduced cost as a result of special packages, coupons or promotions, the accounting relative to the actual revenues generated solely from tokens would be extremely hard, if not next to impossible, to accurately calculate.

If you have any questions, please feel free to call.

TPB/cag

Enclosure

cc: Len Flood, Finance Director (w/enc.)

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ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 9, CHAPTER 98, SECTION 98.114(A)(1) OF THE LOMBARD VILLAGE CODE IN REGARD TO THE AMUSEMENT TAX

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title 9, Chapter 98, Section 98.114(A)(1) of the Lombard Village Code is amended by revising the last sentence thereof to read in its entirety as follows:

"In light of the annual fee already charged in relation to coin-operated amusement devices, the word 'amusement' shall not include the use of coin-operated amusement devices, as said phrase is defined in the provisions of this Code regulating coin-operated amusement devices."

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this _____ day of _____, 2005.

First reading waived by action of the Board of Trustees this _____ day of _____, 2005.

Passed on second reading this _____ day of _____, 2005, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2005.

William J. Mueller
Village President

ATTEST:

Brigitte O'Brien
Village Clerk

Published by me in pamphlet form this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk