

Safety Committee Minutes

Honorable Council
City of Newark, Ohio
January 4, 2023

The Safety Committee met in Council Chambers on January 3, 2022 following the Service Committee meeting with these members present:

Mark Labutis, Chair
Spencer Barker
Beth Bline
Michael Houser
Jeff Rath

We wish to report:

23-01 AN ORDINANCE AMENDING PORTIONS OF CHAPTER 830 OF THE CODIFIED ORDINANCES OF THE CITY OF NEWARK, OHIO, REGARDING LICENSING REQUIREMENTS FOR ELECTRONIC GAMING PARLORS OPERATED WITHIN THE CITY OF NEWARK, OHIO.

Tim Hickman, Safety Director - What we are presenting tonight for your consideration is a change to the Ordinance regarding electronic gaming parlors, skilled games, if you will. There's been a significant increase of those businesses over the last couple of years and with those increases there has been an increase in our emergency services, police and fire. So, with Director Moore's help we started digging into this and what we have found is that in order for a skilled game parlor to be in existence they have to be licensed through the State of Ohio and currently we are not requiring that right now, so we want to address that, basically we want all of these businesses to operate within the Ohio Revised Code. We've met with members of the Ohio Investigative Unit and also with the Casino Control Commission who oversees all of this, we've got their recommendations on how we should proceed and this is kind of the direction they have pushed us to go. So what we're looking to change is basically number one, before a business could even apply for a license in the City of Newark they have to be approved with the State of Ohio. Secondly, we've changed the billing, the fee cycle, from a semi-annual to an annual fee. What we've found is that doing it biannually just put too much strain on our property maintenance department because every 6 months they were going out to re-inspect these places. That would bring us in line with they would apply once a year and they would have to meet State standards, it would bring those 2 in align with one another. We're clarifying some issues on when a license could be revoked. Basically the bottom line is we're just asking them to follow the ORC. What do we get from this, we've talked with the State and right now we could have

some problems with some investigations and prosecutions without doing this. SO the State kind of looked at us and said, you guys are licensing them so we want to keep our hands off of it. So, by doing this, by making them go through the State process we can bring in State resources to help investigate and prosecute violations in these businesses.

Tricia Moore, Law Director - We're hoping by making these businesses become legally operating businesses it will also reduce the calls for services that we have been having.

Mr. Rath - What kinds of calls have you been getting?

Law Director Moore - Calls to the Police Department and Fire Department, they have become kind of a hotbed of activity that we are trying to discourage.

Mr. Barker - What does the timeline look like since we already have some of these establishments here in town? After this goes through Council what is their timeframe to come into compliance with this?

Law Director Moore - Obviously that's hard because there's already establishments operating that are not licensed. Show us that you are working on it. Starting this year out they are starting not being legal at this point, get the process started, we can confirm that process has been started and it seems to be a pretty quick turnaround on the licensing issue and you have to get that to get your license if you don't you're going to be operating illegally in the State as well as the City.

Director Hickman - That's a question we asked of the Casino Commission, what is the application process. They described it as you can do it online there are 9 questions and if someone cooperates they could get approved or denied within a day, so it's not a huge hurdle that people are being asked to overcome.

Mr. Rath - I have a couple questions. I know one of the ways they're getting around this is calling it skilled games so they are not gambling. Do we have concerns now that we have legalized betting in the State of Ohio, that some of these skilled game places can become gambling establishments?

Law Director Moore - They are all subject to inspection not only by the State, but also by the City. So we're in contact with these agencies and if we have any concerns they can inform us on the steps to take.

Mr. Rath - So if they're operating as a betting location they have to be licensed by the State of Ohio.

Director Moore - I'm assuming if they are trying to operate a gambling site, any of that is going to be regulated by the State, absolutely 100%.

Mr. Rath - Is it something we might want to consider also putting in this legislation?

Director Moore - The only gaming parlors I'm aware of and correct me if I'm wrong, are these skilled game parlors which is under a distinct license by the gaming commission. So, these parlors are opening up within our City, they now need to go through the State. We can find out

who is licensed and who is not and if there is anybody who is not licensed we now have a remedy for that.

Mr. Rath - My other question is, I know we have the ability to recommend revocation of liquor licenses based on criminal activity, do you see us being able to do that in the future with the skilled game facilities if this is passed?

Director Hickman - I think that is one of the reasons why we are presenting this, by statute the Safety Director has the authority to issue and revoke licenses , under what circumstances is a little bit murky under the current Ordinance.

Director Moore - The only reason he can revoke a license is if someone has been found guilty of violating the law. So what we've changed is we can revoke or refuse based on you are not in compliance with State law as well as violating the laws of the City of Newark.

Director Hickman - Which is what the State does, they do a background check and if there is criminal violations that's kind of automatic disqualifiers, so in one regard they are kind of doing background checks for us. Once we started digging into this, there are so many moving pieces to it, what I found out is there is a whole lot I don't know about skilled games, there's three levels A, B and C and all the ones we have here are considered a C level. There are strict limits on prizes they can give out, they can't give out cash prizes then it's automatically considered a slot machine and then it's a gambling violation. So, we would strongly urge your consent on this change.

Ms. Bline - Just like there are limits on liquor licenses are there going to be limits on these licenses in our City?

Director Moore - The trick I would say is making sure they are licensed by the State. We don't have a limit per say on how many a person can have in the City, but as long as they are being run legally, that's what we want, compliance with the law.

Ms. Bline - Would it be something we could consider?

Director Moore - Down the road, yes we could consider it.

Ms. Bline - I'm wondering if they would be able to have liquor licensing and skilled game licensing within the same establishment?

Director Hickman - Anything with skilled games, alcohol is not permitted that's specific within the legislation.

Ms. Bline - Also, some cities require that since they do tend to addictive tendencies that they pay into a counseling or provide counseling since those who participate may find themselves addicted to where they experience loss of jobs so would that be required too that they pay into a fund for gambling rehab or addiction?

Director Hickman - I don't know of anything like that that currently exists. Any fees paid would go to the General Fund.

Motion to send to full council by Mr. Rath, second by Mr. Barker

Mr. Houser - I'm just curious how this is going to reduce crime.

Director Moore - When people are not required to follow the law, or be in compliance with the City law that tends to lead to a lack of discipline, in my opinion. We're protecting the City. So, they are running illegally, what else is going on in that business?

Motion to send to full council passed 5-0

Safety Committee stands adjourned

Mark Labutis, Chair