

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN  
REQUEST FOR BOARD ACTION**

**Meeting Date: May 10, 2010**

**SUBJECT:** Proposed addition to the Business Privilege License Fee Schedule to include Electronic Gaming Operations.

**AGENDA INFORMATION**

**Agenda Location:** New Business  
**Item Number:** 7C  
**Department:** Planning and Development Services Department  
**Contact:** Elizabeth Teague, Planning & Development Services Director  
**Presenter:** Jennifer Tipton, Permits Clerk

**BRIEF SUMMARY:** Electronic gaming devices that run internet-based gambling are appearing in Black Mountain at local convenience stores and, in at least two locations, within businesses that received permits as “retail sales” operations. While gambling machines with on-site payouts are strictly regulated by the State, these types of operations take advantage of legal loopholes by utilizing internet-based games and pay-outs in the form of phone cards. Guidance from the UNC School of Government indicates that municipalities may develop local business privilege license and zoning regulations and fees to govern these operations. Creating a category, definition and privilege license fee within our own ordinance gives us the ability to regulate these uses whether operating as a stand-alone facility or within convenience stores. After researching fees and guidelines being implemented in other jurisdictions, the Planning and Development Services Department recommends a \$2,000 fee for each location plus a \$500 fee for each machine. At their meeting April 26, the Planning Board has recommended that Planning and Development staff treat this use as an “Amusement” within the Land Use Code without further regulations and supported an amendment to the Privilege License Fee Schedule.

**MOTION FOR CONSIDERATION:** Adopt the proposed ordinance establishing a fee schedule and definition for Electronic Gaming Operations.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Proposed Ordinance; Examples of fees from other municipalities.

**MANAGER’S COMMENTS AND RECOMMENDATIONS:** Of the eight known locations with machines in our jurisdiction so far, this amendment to our Business Privilege License Regulations is estimated to generate at least \$26,000 in privilege license revenue for the coming year. Proposed fees are in keeping with fees being charged by other area jurisdictions.