



Executive Committee

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1 AMENDMENT TO SENATE BILL 349

2 AMENDMENT NO. _____. Amend Senate Bill 349 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Video
5 Gaming Act.

6 Section 5. Definitions. As used in this Act:

7 "Board" means the Illinois Gaming Board.

8 "Credit" means 5, 10, or 25 cents either won or purchased
9 by a player.

10 "Distributor" means an individual, partnership, or
11 corporation licensed under this Act to buy, sell, lease, or
12 distribute video gaming terminals or major components or parts
13 of video gaming terminals to or from terminal operators.

14 "Terminal operator" means an individual, partnership or
15 corporation that is licensed under this Act and that owns,
16 services, and maintains video gaming terminals for placement in

1 licensed establishments, licensed fraternal establishments, or
2 licensed veterans establishments.

3 "Licensed technician" means an individual who is licensed
4 under this Act to repair, service, and maintain video gaming
5 terminals.

6 "Manufacturer" means an individual, partnership, or
7 corporation that is licensed under this Act and that
8 manufactures or assembles video gaming terminals.

9 "Supplier" means an individual, partnership, or
10 corporation that is licensed under this Act to supply major
11 components or parts to video gaming terminals to licensed
12 terminal operators.

13 "Net terminal income" means money put into a video gaming
14 terminal minus credits paid out to players.

15 "Video gaming terminal" means any electronic video game
16 machine that, upon insertion of cash, is available to play or
17 simulate the play of a video game, including but not limited to
18 video poker, line up, and blackjack, authorized by the Board
19 utilizing a video display and microprocessors in which the
20 player may receive free games or credits that can be redeemed
21 for cash. The term does not include a machine that directly
22 dispenses coins, cash, or tokens or is for amusement purposes
23 only.

24 "Licensed establishment" means any licensed retail
25 establishment where alcoholic liquor is drawn, poured, mixed,
26 or otherwise served for consumption on the premises. "Licensed

1 establishment" does not include a facility operated by an
2 organization licensee, an intertrack wagering licensee, or an
3 intertrack wagering location licensee licensed under the
4 Illinois Horse Racing Act of 1975 or a riverboat licensed under
5 the Riverboat Gambling Act.

6 "Licensed fraternal establishment" means the location
7 where a qualified fraternal organization that derives its
8 charter from a national fraternal organization regularly
9 meets.

10 "Licensed veterans establishment" means the location where
11 a qualified veterans organization that derives its charter from
12 a national veterans organization regularly meets.

13 "Licensed truck stop establishment" means a facility that
14 is at least a 3-acre facility with a convenience store and with
15 separate diesel islands for fueling commercial motor vehicles
16 and parking spaces for commercial motor vehicles as defined in
17 Section 18b-101 of the Illinois Vehicle Code.

18 Section 15. Minimum requirements for licensing and
19 registration. Every video gaming terminal offered for play
20 shall first be tested and approved pursuant to the rules of the
21 Board, and each video gaming terminal offered in this State for
22 play shall conform to an approved model. The Board may contract
23 with an independent outside vendor for the examination of video
24 gaming machines and associated equipment as required by this
25 Section. Each approved model shall, at a minimum, meet the

1 following criteria:

2 (1) It must conform to all requirements of federal law
3 and regulations, including FCC Class A Emissions
4 Standards.

5 (2) It must theoretically pay out a mathematically
6 demonstrable percentage during the expected lifetime of
7 the machine of all amounts played, which must not be less
8 than 80%. Video gaming terminals that may be affected by
9 skill must meet this standard when using a method of play
10 that will provide the greatest return to the player over a
11 period of continuous play.

12 (3) It must use a random selection process to determine
13 the outcome of each play of a game. The random selection
14 process must meet 99% confidence limits using a standard
15 chi-squared test for (randomness) goodness of fit.

16 (4) It must display an accurate representation of the
17 game outcome.

18 (5) It must not automatically alter pay tables or any
19 function of the video gaming terminal based on internal
20 computation of hold percentage or have any means of
21 manipulation that affects the random selection process or
22 probabilities of winning a game.

23 (6) It must not be adversely affected by static
24 discharge or other electromagnetic interference.

25 (7) It must be capable of detecting and displaying the
26 following conditions during idle states or on demand: power

1 reset; door open; and door just closed.

2 (8) It must have the capacity to display complete play
3 history (outcome, intermediate play steps, credits
4 available, bets placed, credits paid, and credits cashed
5 out) for the most recent game played and 10 games prior
6 thereto.

7 (9) The theoretical payback percentage of a video
8 gaming terminal must not be capable of being changed
9 without making a hardware or software change in the video
10 gaming terminal.

11 (10) Video gaming terminals must be designed so that
12 replacement of parts or modules required for normal
13 maintenance does not necessitate replacement of the
14 electromechanical meters.

15 (11) It must have nonresettable meters housed in a
16 locked area of the terminal that keep a permanent record of
17 all cash inserted into the machine, all winnings made by
18 the terminal printer, credits played in for video gaming
19 terminals, and credits won by video gaming players. The
20 video gaming terminal must provide the means for on-demand
21 display of stored information as determined by the Board.

22 (12) Electronically stored meter information required
23 by this Section must be preserved for a minimum of 180 days
24 after a power loss to the service.

25 (13) It must have one or more mechanisms that accept
26 coins or cash in the form of bills. The mechanisms shall be

1 designed to prevent obtaining credits without paying by
2 stringing, slamming, drilling, or other means.

3 (14) It shall have accounting software that keeps an
4 electronic record which includes, but is not limited to,
5 the following: total cash inserted into the video gaming
6 terminal; the value of winning tickets claimed by players;
7 the total credits played; and the total credits awarded by
8 a video gaming terminal.

9 (15) It shall be linked by a central communications
10 system to provide auditing program information as approved
11 by the Board. In no event may the communications system
12 approved by the Board limit participation to only one
13 manufacturer of video gaming terminals by either the cost
14 in implementing the necessary program modifications to
15 communicate or the inability to communicate with the
16 central communications system.

17 (16) It shall be able to receive and broadcast amber
18 alert messages.

19 Section 20. Direct dispensing of receipt tickets only. A
20 video gaming terminal may not directly dispense coins, cash,
21 tokens, or any other article of exchange or value except for
22 receipt tickets. Tickets shall be dispensed by pressing the
23 ticket dispensing button on the video gaming terminal at the
24 end of one's turn or play. The ticket shall indicate the total
25 amount of credits and the cash award, the time of day in a

1 24-hour format showing hours and minutes, the date, the
2 terminal serial number, the sequential number of the ticket,
3 and an encrypted validation number from which the validity of
4 the prize may be determined. The player shall turn in this
5 ticket to the appropriate person at the licensed establishment,
6 licensed truck stop establishment, licensed fraternal
7 establishment, or licensed veterans establishment to receive
8 the cash award. The cost of the credit shall be 5 cents, 10
9 cents, or 25 cents, and the maximum wager played per hand shall
10 not exceed \$2. No cash award for the maximum wager on any
11 individual hand shall exceed \$500.

12 Section 25. Restriction of licensees.

13 (a) Manufacturer. A person may not be licensed as a
14 manufacturer of a video gaming terminal in Illinois unless the
15 person has a valid manufacturer's license issued under this
16 Act. A manufacturer may only sell video gaming terminals for
17 use in Illinois to persons having a valid distributor's
18 license.

19 (b) Distributor. A person may not sell, distribute, lease,
20 or market a video gaming terminal in Illinois unless the person
21 has a valid distributor's license issued under this Act. A
22 distributor may only sell video gaming terminals for use in
23 Illinois to persons having a valid distributor's or terminal
24 operator's license.

25 (c) Terminal operator. A person may not own, maintain, or

1 place a video gaming terminal unless he has a valid terminal
2 operator's license issued under this Act. A terminal operator
3 may only place video gaming terminals for use in Illinois in
4 licensed establishments, licensed truck stop establishments,
5 licensed fraternal establishments, and licensed veterans
6 establishments. No terminal operator may give anything of
7 value, including but not limited to a loan or financing
8 arrangement, to a licensed establishment, licensed truck stop
9 establishment, licensed fraternal establishment, or licensed
10 veterans establishment as any incentive or inducement to locate
11 video terminals in that establishment. Of the after-tax profits
12 from a video gaming terminal, 50% shall be paid to the terminal
13 operator and 50% shall be paid to the licensed establishment,
14 licensed truck stop establishment, licensed fraternal
15 establishment, or licensed veterans establishment. A terminal
16 operator shall be entitled to access all information recorded
17 by the operator's machines. No terminal operator may own or
18 have a substantial interest in more than 5% of the video gaming
19 terminals licensed in this State.

20 (d) Licensed technician. A person may not service,
21 maintain, or repair a video gaming terminal in this State
22 unless he or she (1) has a valid technician's license issued
23 under this Act, (2) is a terminal operator, or (3) is employed
24 by a terminal operator, distributor, or manufacturer.

25 (e) Licensed establishment. Except for a facility operated
26 by an organization licensee, an intertrack wagering licensee,

1 or an intertrack wagering location licensee licensed under the
2 Illinois Horse Racing Act of 1975 or a riverboat licensed under
3 the Riverboat Gambling Act, a valid liquor license shall be
4 prima facie evidence of compliance with the licensing
5 requirements of this Act to operate video gaming terminals. No
6 video gaming terminal may be placed in any licensed
7 establishment, licensed veterans establishment, licensed truck
8 stop establishment, or licensed fraternal establishment unless
9 the owner or agent of the owner of the licensed establishment,
10 licensed veterans establishment, licensed truck stop
11 establishment, or licensed fraternal establishment has entered
12 into a written use agreement with the terminal operator for
13 placement of the terminals. A copy of the use agreement shall
14 be on file in the terminal operator's place of business and
15 available for inspection by individuals authorized by the
16 Board. A licensed establishment may operate up to 3 video
17 gaming terminals on its premises at any time. A licensed truck
18 stop establishment, licensed veterans establishment, or
19 licensed fraternal establishment may operate up to 5 video
20 gaming terminals on its premises at any time.

21 (f) Residency requirement. Each licensed distributor and
22 terminal operator must be an Illinois resident. However, if an
23 out of state distributor or terminal operator has performed its
24 respective business within Illinois for at least 48 months
25 prior to the effective date of this Act, the out of state
26 person may be eligible for licensing under this Act, upon

1 application to and approval of the Board.

2 (g) Financial interest restrictions. As used in this Act,
3 "substantial interest" in a partnership, corporation,
4 organization, association, or business means:

5 (A) When, with respect to a sole proprietorship, an
6 individual or his or her spouse owns, operates,
7 manages, or conducts, directly or indirectly, the
8 organization, association, or business, or any part
9 thereof; or

10 (B) When, with respect to a partnership, the
11 individual or his or her spouse shares in any of the
12 profits, or potential profits, of the partnership
13 activities; or

14 (C) When, with respect to a corporation, an
15 individual or his or her spouse is an officer or
16 director, or the individual or his or her marital
17 community is a holder, directly or beneficially, of 5%
18 or more of any class of stock of the corporation; or

19 (D) When, with respect to an organization not
20 covered in (A), (B) or (C) above, an individual or his
21 or her spouse is an officer or manages the business
22 affairs, or the individual or his or her spouse is the
23 owner of or otherwise controls 10% or more of the
24 assets of the organization; or

25 (E) When an individual or his or her spouse
26 furnishes 5% or more of the capital, whether in cash,

1 goods, or services, for the operation of any business,
2 association, or organization during any calendar year.

3 (h) Location restriction. A licensed establishment,
4 licensed truck stop establishment, licensed fraternal
5 establishment, or licensed veterans establishment that is
6 located within 1,000 feet of a facility operated by an
7 organizational licensee, an intertrack wagering licensee, or
8 an intertrack wagering location licensee licensed under the
9 Illinois Horse Racing Act of 1975, the home dock of a riverboat
10 licensed under the Riverboat Gambling Act, a school, or a
11 church is ineligible to operate a video gaming terminal.

12 Section 27. Prohibition of video gaming by political
13 subdivision. A municipality may pass an ordinance prohibiting
14 video gaming within the corporate limits of the municipality. A
15 county board may, for the unincorporated area of the county,
16 pass an ordinance prohibiting video gaming within the
17 unincorporated area of the county.

18 Section 30. Multiple types of licenses prohibited. A video
19 gaming terminal manufacturer may not be licensed as a video
20 gaming terminal distributor or operator or own, manage, or
21 control a licensed establishment, licensed truck stop
22 establishment, licensed fraternal establishment, or licensed
23 veterans establishment, and shall be licensed only to sell to
24 distributors. A video gaming terminal distributor may not be

1 licensed as a video gaming terminal manufacturer or operator or
2 own, manage, or control a licensed establishment, licensed
3 truck stop establishment, licensed fraternal establishment, or
4 licensed veterans establishment, and shall only contract with a
5 licensed terminal operator. A video gaming terminal operator
6 may not be licensed as a video gaming terminal manufacturer or
7 distributor or own, manage, or control a licensed
8 establishment, licensed truck stop establishment, licensed
9 fraternal establishment, or licensed veterans establishment,
10 and shall be licensed only to contract with licensed
11 distributors and licensed establishments, licensed truck stop
12 establishments, licensed fraternal establishments, and
13 licensed veterans establishments. An owner or manager of a
14 licensed establishment, licensed truck stop establishment,
15 licensed fraternal establishment, or licensed veterans
16 establishment may not be licensed as a video gaming terminal
17 manufacturer, distributor, or operator, and shall only
18 contract with a licensed operator to place and service this
19 equipment.

20 Section 35. Display of license; confiscation; violation as
21 felony. Each video gaming terminal shall be licensed by the
22 Board before placement or operation on the premises of a
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, or licensed veterans
25 establishment. The license of each video gaming terminal shall

1 be maintained at the location where the video gaming terminal
2 is operated. Failure to do so is a petty offense with a fine
3 not to exceed \$100. Any licensed establishment, licensed truck
4 stop establishment, licensed fraternal establishment, or
5 licensed veterans establishment used for the conduct of
6 gambling games in violation of this Act shall be considered a
7 gambling place in violation of Section 28-3 of the Criminal
8 Code of 1961. Every gambling device found in a licensed
9 establishment, licensed truck stop establishment, licensed
10 fraternal establishment, or licensed veterans establishment
11 operating gambling games in violation of this Act shall be
12 subject to seizure, confiscation, and destruction as provided
13 in Section 28-5 of the Criminal Code of 1961. Any license
14 issued under the Liquor Control Act of 1934 to any owner or
15 operator of a licensed establishment, licensed truck stop
16 establishment, licensed fraternal establishment, or licensed
17 veterans establishment that operates or permits the operation
18 of a video gaming terminal within its establishment in
19 violation of this Act shall be immediately revoked. No person
20 may own, operate, have in his or her possession or custody or
21 under his or her control, or permit to be kept in any place
22 under his or her possession or control, any device that awards
23 credits and contains a circuit, meter, or switch capable of
24 removing and recording the removal of credits when the award of
25 credits is dependent upon chance. A violation of this Section
26 is a Class 4 felony. All devices that are owned, operated, or

1 possessed in violation of this Section are hereby declared to
2 be public nuisances and shall be subject to seizure,
3 confiscation, and destruction as provided in Section 28-5 of
4 the Criminal Code of 1961. The provisions of this Section do
5 not apply to devices or electronic video game terminals
6 licensed pursuant to this Act.

7 Section 40. Video gaming terminal use by minors prohibited.
8 No licensee shall cause or permit any person under the age of
9 21 years to use or play a video gaming terminal. Any licensee
10 who knowingly permits a person under the age of 21 years to use
11 or play a video gaming terminal is guilty of a business offense
12 and shall be fined an amount not to exceed \$5,000.

13 Section 45. Issuance of license.

14 (a) The burden is upon each applicant to demonstrate his
15 suitability for licensure. Each video gaming terminal
16 manufacturer, distributor, operator, licensed establishment,
17 licensed truck stop establishment, licensed fraternal
18 establishment, and licensed veterans establishment shall be
19 licensed by the Board. The Board may not issue a license under
20 this Act to any person who, within 10 years of the date of the
21 application, has been convicted of a felony under the laws of
22 this State, any other state, or the United States, or to any
23 firm or corporation in which such a person is an officer,
24 director, or managerial employee.

1 (b) A non-refundable application fee shall be paid at the
2 time an application for a license is filed with the Board in
3 the following amounts:

- 4 (1) Manufacturer \$5,000
- 5 (2) Distributor..... \$5,000
- 6 (3) Terminal operator..... \$5,000
- 7 (4) Supplier \$2,500
- 8 (5) Technician \$100

9 (c) Any application not approved within 90 days of receipt
10 by the Board shall be deemed approved.

11 (d) Each licensed distributor, terminal operator, or
12 person with a substantial interest in a distributor or terminal
13 operator must have resided in Illinois for at least 24 months
14 prior to application unless he or she has performed his or her
15 respective business in Illinois for at least 48 months prior to
16 the effective date of this Act.

17 The Board shall establish an annual fee for each license
18 not to exceed the following:

- 19 (1) Manufacturer \$10,000
- 20 (2) Distributor..... \$10,000
- 21 (3) Terminal operator..... \$5,000
- 22 (4) Supplier \$2,000
- 23 (5) Technician \$100
- 24 (6) Licensed establishment, licensed truck stop
25 establishment, licensed fraternal establishment,
26 or licensed veterans establishment \$100

1 (7) Video gaming terminal..... \$100

2 Section 50. Distribution of license fees.

3 (a) All fees collected under Section 45 shall be deposited
4 in the State Gaming Fund.

5 (b) Fees collected under Section 45 shall be used as
6 follows:

7 (1) Twenty-five percent shall be paid to programs for
8 the treatment of compulsive gambling.

9 (2) Seventy-five percent shall be used for the
10 administration of this Act.

11 (c) All licenses issued by the Board under this Act are
12 renewable annually unless sooner cancelled or terminated. No
13 license issued under this Act is transferable or assignable.

14 Section 55. Precondition for licensed establishment. In
15 all cases of application for a licensed establishment, to
16 operate a video gaming terminal, each licensed truck stop
17 establishment, licensed fraternal establishment, or licensed
18 veterans establishment shall possess a valid liquor license
19 issued by the Illinois Liquor Control Commission in effect at
20 the time of application and at all times thereafter during
21 which a video gaming terminal is made available to the public
22 for play at that location.

23 Section 57. Insurance. Each licensed establishment,

1 licensed truck stop establishment, licensed fraternal
2 establishment, and licensed veterans establishment shall
3 maintain insurance on any gaming device on its premises in an
4 amount set by the Board.

5 Section 58. Location of terminals. Video gaming terminals
6 must be located in an area restricted to persons over 21 years
7 of age the entrance to which is within the view of at least one
8 employee of the establishment in which they are located who is
9 over 21 years of age.

10 Section 60. Imposition and distribution of tax.

11 (a) A tax of 25% is imposed on net terminal income and
12 shall be collected by the Board.

13 (b) Of the tax collected under this Section, four-fifths
14 shall be deposited into the School Infrastructure Fund and
15 one-fifth shall be deposited into the Local Government Video
16 Gaming Distributive Fund. Deposits into the School
17 Infrastructure Fund pursuant to this Section shall be allocated
18 in accordance with the provisions of the School Construction
19 Law.

20 (c) Revenues generated from the play of video gaming
21 terminals shall be deposited by the terminal operator, who is
22 responsible for tax payments, in a specially created, separate
23 bank account maintained by the video gaming terminal operator
24 to allow for electronic fund transfers of moneys for tax

1 payment.

2 (d) Each licensed establishment, licensed truck stop
3 establishment, licensed fraternal establishment, and licensed
4 veterans establishment shall maintain an adequate video gaming
5 fund, with the amount to be determined by the Board.

6 Section 65. Fees. A non-home rule unit of government may
7 not impose any fee for the operation of a video gaming terminal
8 in excess of \$25 per year.

9 Section 70. Referendum. Upon the filing in the office of
10 the clerk, at least 90 days before an election in any
11 municipality or county, as the case may be, of a petition
12 directed to such clerk, containing the signatures of not less
13 than 25% of the legal voters of that municipality or county,
14 the clerk shall certify such proposition to the proper election
15 officials, who shall submit the proposition at such election to
16 the voters of such municipality or county. The proposition
17 shall be in the following form:

18	-----	
19	Shall video gaming	YES
20	be prohibited in	-----
21?	NO
22	-----	

23 If a majority of the voters voting upon such last mentioned
24 proposition in any municipality or county vote "YES", such

1 video gaming shall be prohibited in such municipality or
2 county. The petition mentioned in this Section shall be a
3 public document and shall be subject to inspection by the
4 public.

5 Section 75. Revenue sharing; Local Government Video Gaming
6 Distributive Fund.

7 (a) As soon as may be practical after the first day of each
8 month, the Department of Revenue shall allocate among those
9 municipalities and counties of this State that have not
10 prohibited video gaming pursuant to Section 27 the amount
11 available in the Local Government Video Gaming Distributive
12 Fund, a special fund in the State Treasury, as provided in
13 Section 60. The Department shall then certify such allocations
14 to the State Comptroller, who shall pay over to those eligible
15 municipalities and counties the respective amounts allocated
16 to them. The amount of such funds allocable to each such
17 municipality and county shall be in proportion to the tax
18 revenue generated from video gaming within the eligible
19 municipality or county compared to the tax revenue generated
20 from video gaming Statewide.

21 (b) The amounts allocated and paid to a municipality or
22 county of this State pursuant to the provisions of this Section
23 may be used for any general corporate purpose authorized for
24 that municipality or county.

25 (c) Upon determination by the Department that an amount has

1 been paid pursuant to this Section in excess of the amount to
2 which the county or municipality receiving such payment was
3 entitled, the county or municipality shall, upon demand by the
4 Department, repay such amount. If such repayment is not made
5 within a reasonable time, the Department shall withhold from
6 future payments an amount equal to such overpayment. The
7 Department shall redistribute the amount of such payment to the
8 county or municipality entitled thereto.

9 Section 185. The Riverboat Gambling Act is amended by
10 changing Section 5 as follows:

11 (230 ILCS 10/5) (from Ch. 120, par. 2405)

12 Sec. 5. Gaming Board.

13 (a) (1) There is hereby established within the Department
14 of Revenue an Illinois Gaming Board which shall have the powers
15 and duties specified in this Act, and all other powers
16 necessary and proper to fully and effectively execute this Act
17 for the purpose of administering, regulating, and enforcing the
18 system of riverboat gambling established by this Act. Its
19 jurisdiction shall extend under this Act to every person,
20 association, corporation, partnership and trust involved in
21 riverboat gambling operations in the State of Illinois.

22 (2) The Board shall consist of 5 members to be appointed by
23 the Governor with the advice and consent of the Senate, one of
24 whom shall be designated by the Governor to be chairman. Each

1 member shall have a reasonable knowledge of the practice,
2 procedure and principles of gambling operations. Each member
3 shall either be a resident of Illinois or shall certify that he
4 will become a resident of Illinois before taking office. At
5 least one member shall be experienced in law enforcement and
6 criminal investigation, at least one member shall be a
7 certified public accountant experienced in accounting and
8 auditing, and at least one member shall be a lawyer licensed to
9 practice law in Illinois.

10 (3) The terms of office of the Board members shall be 3
11 years, except that the terms of office of the initial Board
12 members appointed pursuant to this Act will commence from the
13 effective date of this Act and run as follows: one for a term
14 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
15 a term ending July 1, 1993. Upon the expiration of the
16 foregoing terms, the successors of such members shall serve a
17 term for 3 years and until their successors are appointed and
18 qualified for like terms. Vacancies in the Board shall be
19 filled for the unexpired term in like manner as original
20 appointments. Each member of the Board shall be eligible for
21 reappointment at the discretion of the Governor with the advice
22 and consent of the Senate.

23 (4) Each member of the Board shall receive \$300 for each
24 day the Board meets and for each day the member conducts any
25 hearing pursuant to this Act. Each member of the Board shall
26 also be reimbursed for all actual and necessary expenses and

1 disbursements incurred in the execution of official duties.

2 (5) No person shall be appointed a member of the Board or
3 continue to be a member of the Board who is, or whose spouse,
4 child or parent is, a member of the board of directors of, or a
5 person financially interested in, any gambling operation
6 subject to the jurisdiction of this Board, or any race track,
7 race meeting, racing association or the operations thereof
8 subject to the jurisdiction of the Illinois Racing Board. No
9 Board member shall hold any other public office for which he
10 shall receive compensation other than necessary travel or other
11 incidental expenses. No person shall be a member of the Board
12 who is not of good moral character or who has been convicted
13 of, or is under indictment for, a felony under the laws of
14 Illinois or any other state, or the United States.

15 (6) Any member of the Board may be removed by the Governor
16 for neglect of duty, misfeasance, malfeasance, or nonfeasance
17 in office.

18 (7) Before entering upon the discharge of the duties of his
19 office, each member of the Board shall take an oath that he
20 will faithfully execute the duties of his office according to
21 the laws of the State and the rules and regulations adopted
22 therewith and shall give bond to the State of Illinois,
23 approved by the Governor, in the sum of \$25,000. Every such
24 bond, when duly executed and approved, shall be recorded in the
25 office of the Secretary of State. Whenever the Governor
26 determines that the bond of any member of the Board has become

1 or is likely to become invalid or insufficient, he shall
2 require such member forthwith to renew his bond, which is to be
3 approved by the Governor. Any member of the Board who fails to
4 take oath and give bond within 30 days from the date of his
5 appointment, or who fails to renew his bond within 30 days
6 after it is demanded by the Governor, shall be guilty of
7 neglect of duty and may be removed by the Governor. The cost of
8 any bond given by any member of the Board under this Section
9 shall be taken to be a part of the necessary expenses of the
10 Board.

11 (8) Upon the request of the Board, the Department shall
12 employ such personnel as may be necessary to carry out the
13 functions of the Board. No person shall be employed to serve
14 the Board who is, or whose spouse, parent or child is, an
15 official of, or has a financial interest in or financial
16 relation with, any operator engaged in gambling operations
17 within this State or any organization engaged in conducting
18 horse racing within this State. Any employee violating these
19 prohibitions shall be subject to termination of employment.

20 (9) An Administrator shall perform any and all duties that
21 the Board shall assign him. The salary of the Administrator
22 shall be determined by the Board and approved by the Director
23 of the Department and, in addition, he shall be reimbursed for
24 all actual and necessary expenses incurred by him in discharge
25 of his official duties. The Administrator shall keep records of
26 all proceedings of the Board and shall preserve all records,

1 books, documents and other papers belonging to the Board or
2 entrusted to its care. The Administrator shall devote his full
3 time to the duties of the office and shall not hold any other
4 office or employment.

5 (b) The Board shall have general responsibility for the
6 implementation of this Act. Its duties include, without
7 limitation, the following:

8 (1) To decide promptly and in reasonable order all
9 license applications. Any party aggrieved by an action of
10 the Board denying, suspending, revoking, restricting or
11 refusing to renew a license may request a hearing before
12 the Board. A request for a hearing must be made to the
13 Board in writing within 5 days after service of notice of
14 the action of the Board. Notice of the action of the Board
15 shall be served either by personal delivery or by certified
16 mail, postage prepaid, to the aggrieved party. Notice
17 served by certified mail shall be deemed complete on the
18 business day following the date of such mailing. The Board
19 shall conduct all requested hearings promptly and in
20 reasonable order;

21 (2) To conduct all hearings pertaining to civil
22 violations of this Act or rules and regulations promulgated
23 hereunder;

24 (3) To promulgate such rules and regulations as in its
25 judgment may be necessary to protect or enhance the
26 credibility and integrity of gambling operations

1 authorized by this Act and the regulatory process
2 hereunder;

3 (4) To provide for the establishment and collection of
4 all license and registration fees and taxes imposed by this
5 Act and the rules and regulations issued pursuant hereto.
6 All such fees and taxes shall be deposited into the State
7 Gaming Fund;

8 (5) To provide for the levy and collection of penalties
9 and fines for the violation of provisions of this Act and
10 the rules and regulations promulgated hereunder. All such
11 fines and penalties shall be deposited into the Education
12 Assistance Fund, created by Public Act 86-0018, of the
13 State of Illinois;

14 (6) To be present through its inspectors and agents any
15 time gambling operations are conducted on any riverboat for
16 the purpose of certifying the revenue thereof, receiving
17 complaints from the public, and conducting such other
18 investigations into the conduct of the gambling games and
19 the maintenance of the equipment as from time to time the
20 Board may deem necessary and proper;

21 (7) To review and rule upon any complaint by a licensee
22 regarding any investigative procedures of the State which
23 are unnecessarily disruptive of gambling operations. The
24 need to inspect and investigate shall be presumed at all
25 times. The disruption of a licensee's operations shall be
26 proved by clear and convincing evidence, and establish

1 that: (A) the procedures had no reasonable law enforcement
2 purposes, and (B) the procedures were so disruptive as to
3 unreasonably inhibit gambling operations;

4 (8) To hold at least one meeting each quarter of the
5 fiscal year. In addition, special meetings may be called by
6 the Chairman or any 2 Board members upon 72 hours written
7 notice to each member. All Board meetings shall be subject
8 to the Open Meetings Act. Three members of the Board shall
9 constitute a quorum, and 3 votes shall be required for any
10 final determination by the Board. The Board shall keep a
11 complete and accurate record of all its meetings. A
12 majority of the members of the Board shall constitute a
13 quorum for the transaction of any business, for the
14 performance of any duty, or for the exercise of any power
15 which this Act requires the Board members to transact,
16 perform or exercise en banc, except that, upon order of the
17 Board, one of the Board members or an administrative law
18 judge designated by the Board may conduct any hearing
19 provided for under this Act or by Board rule and may
20 recommend findings and decisions to the Board. The Board
21 member or administrative law judge conducting such hearing
22 shall have all powers and rights granted to the Board in
23 this Act. The record made at the time of the hearing shall
24 be reviewed by the Board, or a majority thereof, and the
25 findings and decision of the majority of the Board shall
26 constitute the order of the Board in such case;

1 (9) To maintain records which are separate and distinct
2 from the records of any other State board or commission.
3 Such records shall be available for public inspection and
4 shall accurately reflect all Board proceedings;

5 (10) To file a written annual report with the Governor
6 on or before March 1 each year and such additional reports
7 as the Governor may request. The annual report shall
8 include a statement of receipts and disbursements by the
9 Board, actions taken by the Board, and any additional
10 information and recommendations which the Board may deem
11 valuable or which the Governor may request;

12 (11) (Blank); ~~and~~

13 (12) To assume responsibility for the administration
14 and enforcement of the Bingo License and Tax Act, the
15 Charitable Games Act, and the Pull Tabs and Jar Games Act
16 if such responsibility is delegated to it by the Director
17 of Revenue; and-

18 (13) To assume responsibility for administration and
19 enforcement of the Video Gaming Act.

20 (c) The Board shall have jurisdiction over and shall
21 supervise all gambling operations governed by this Act. The
22 Board shall have all powers necessary and proper to fully and
23 effectively execute the provisions of this Act, including, but
24 not limited to, the following:

25 (1) To investigate applicants and determine the
26 eligibility of applicants for licenses and to select among

1 competing applicants the applicants which best serve the
2 interests of the citizens of Illinois.

3 (2) To have jurisdiction and supervision over all
4 riverboat gambling operations in this State and all persons
5 on riverboats where gambling operations are conducted.

6 (3) To promulgate rules and regulations for the purpose
7 of administering the provisions of this Act and to
8 prescribe rules, regulations and conditions under which
9 all riverboat gambling in the State shall be conducted.
10 Such rules and regulations are to provide for the
11 prevention of practices detrimental to the public interest
12 and for the best interests of riverboat gambling, including
13 rules and regulations regarding the inspection of such
14 riverboats and the review of any permits or licenses
15 necessary to operate a riverboat under any laws or
16 regulations applicable to riverboats, and to impose
17 penalties for violations thereof.

18 (4) To enter the office, riverboats, facilities, or
19 other places of business of a licensee, where evidence of
20 the compliance or noncompliance with the provisions of this
21 Act is likely to be found.

22 (5) To investigate alleged violations of this Act or
23 the rules of the Board and to take appropriate disciplinary
24 action against a licensee or a holder of an occupational
25 license for a violation, or institute appropriate legal
26 action for enforcement, or both.

1 (6) To adopt standards for the licensing of all persons
2 under this Act, as well as for electronic or mechanical
3 gambling games, and to establish fees for such licenses.

4 (7) To adopt appropriate standards for all riverboats
5 and facilities.

6 (8) To require that the records, including financial or
7 other statements of any licensee under this Act, shall be
8 kept in such manner as prescribed by the Board and that any
9 such licensee involved in the ownership or management of
10 gambling operations submit to the Board an annual balance
11 sheet and profit and loss statement, list of the
12 stockholders or other persons having a 1% or greater
13 beneficial interest in the gambling activities of each
14 licensee, and any other information the Board deems
15 necessary in order to effectively administer this Act and
16 all rules, regulations, orders and final decisions
17 promulgated under this Act.

18 (9) To conduct hearings, issue subpoenas for the
19 attendance of witnesses and subpoenas duces tecum for the
20 production of books, records and other pertinent documents
21 in accordance with the Illinois Administrative Procedure
22 Act, and to administer oaths and affirmations to the
23 witnesses, when, in the judgment of the Board, it is
24 necessary to administer or enforce this Act or the Board
25 rules.

26 (10) To prescribe a form to be used by any licensee

1 involved in the ownership or management of gambling
2 operations as an application for employment for their
3 employees.

4 (11) To revoke or suspend licenses, as the Board may
5 see fit and in compliance with applicable laws of the State
6 regarding administrative procedures, and to review
7 applications for the renewal of licenses. The Board may
8 suspend an owners license, without notice or hearing upon a
9 determination that the safety or health of patrons or
10 employees is jeopardized by continuing a riverboat's
11 operation. The suspension may remain in effect until the
12 Board determines that the cause for suspension has been
13 abated. The Board may revoke the owners license upon a
14 determination that the owner has not made satisfactory
15 progress toward abating the hazard.

16 (12) To eject or exclude or authorize the ejection or
17 exclusion of, any person from riverboat gambling
18 facilities where such person is in violation of this Act,
19 rules and regulations thereunder, or final orders of the
20 Board, or where such person's conduct or reputation is such
21 that his presence within the riverboat gambling facilities
22 may, in the opinion of the Board, call into question the
23 honesty and integrity of the gambling operations or
24 interfere with orderly conduct thereof; provided that the
25 propriety of such ejection or exclusion is subject to
26 subsequent hearing by the Board.

1 (13) To require all licensees of gambling operations to
2 utilize a cashless wagering system whereby all players'
3 money is converted to tokens, electronic cards, or chips
4 which shall be used only for wagering in the gambling
5 establishment.

6 (14) (Blank).

7 (15) To suspend, revoke or restrict licenses, to
8 require the removal of a licensee or an employee of a
9 licensee for a violation of this Act or a Board rule or for
10 engaging in a fraudulent practice, and to impose civil
11 penalties of up to \$5,000 against individuals and up to
12 \$10,000 or an amount equal to the daily gross receipts,
13 whichever is larger, against licensees for each violation
14 of any provision of the Act, any rules adopted by the
15 Board, any order of the Board or any other action which, in
16 the Board's discretion, is a detriment or impediment to
17 riverboat gambling operations.

18 (16) To hire employees to gather information, conduct
19 investigations and carry out any other tasks contemplated
20 under this Act.

21 (17) To establish minimum levels of insurance to be
22 maintained by licensees.

23 (18) To authorize a licensee to sell or serve alcoholic
24 liquors, wine or beer as defined in the Liquor Control Act
25 of 1934 on board a riverboat and to have exclusive
26 authority to establish the hours for sale and consumption

1 of alcoholic liquor on board a riverboat, notwithstanding
2 any provision of the Liquor Control Act of 1934 or any
3 local ordinance, and regardless of whether the riverboat
4 makes excursions. The establishment of the hours for sale
5 and consumption of alcoholic liquor on board a riverboat is
6 an exclusive power and function of the State. A home rule
7 unit may not establish the hours for sale and consumption
8 of alcoholic liquor on board a riverboat. This amendatory
9 Act of 1991 is a denial and limitation of home rule powers
10 and functions under subsection (h) of Section 6 of Article
11 VII of the Illinois Constitution.

12 (19) After consultation with the U.S. Army Corps of
13 Engineers, to establish binding emergency orders upon the
14 concurrence of a majority of the members of the Board
15 regarding the navigability of water, relative to
16 excursions, in the event of extreme weather conditions,
17 acts of God or other extreme circumstances.

18 (20) To delegate the execution of any of its powers
19 under this Act for the purpose of administering and
20 enforcing this Act and its rules and regulations hereunder.

21 (21) To take any other action as may be reasonable or
22 appropriate to enforce this Act and rules and regulations
23 hereunder.

24 (d) The Board may seek and shall receive the cooperation of
25 the Department of State Police in conducting background
26 investigations of applicants and in fulfilling its

1 responsibilities under this Section. Costs incurred by the
2 Department of State Police as a result of such cooperation
3 shall be paid by the Board in conformance with the requirements
4 of Section 2605-400 of the Department of State Police Law (20
5 ILCS 2605/2605-400).

6 (e) The Board must authorize to each investigator and to
7 any other employee of the Board exercising the powers of a
8 peace officer a distinct badge that, on its face, (i) clearly
9 states that the badge is authorized by the Board and (ii)
10 contains a unique identifying number. No other badge shall be
11 authorized by the Board.

12 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,
13 eff. 1-1-01.)

14 Section 190. The Criminal Code of 1961 is amended by
15 changing Sections 28-1, 28-1.1, and 28-3 as follows:

16 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

17 Sec. 28-1. Gambling.

18 (a) A person commits gambling when he:

19 (1) Plays a game of chance or skill for money or other
20 thing of value, unless excepted in subsection (b) of this
21 Section; or

22 (2) Makes a wager upon the result of any game, contest,
23 or any political nomination, appointment or election; or

24 (3) Operates, keeps, owns, uses, purchases, exhibits,

1 rents, sells, bargains for the sale or lease of,
2 manufactures or distributes any gambling device; or

3 (4) Contracts to have or give himself or another the
4 option to buy or sell, or contracts to buy or sell, at a
5 future time, any grain or other commodity whatsoever, or
6 any stock or security of any company, where it is at the
7 time of making such contract intended by both parties
8 thereto that the contract to buy or sell, or the option,
9 whenever exercised, or the contract resulting therefrom,
10 shall be settled, not by the receipt or delivery of such
11 property, but by the payment only of differences in prices
12 thereof; however, the issuance, purchase, sale, exercise,
13 endorsement or guarantee, by or through a person registered
14 with the Secretary of State pursuant to Section 8 of the
15 Illinois Securities Law of 1953, or by or through a person
16 exempt from such registration under said Section 8, of a
17 put, call, or other option to buy or sell securities which
18 have been registered with the Secretary of State or which
19 are exempt from such registration under Section 3 of the
20 Illinois Securities Law of 1953 is not gambling within the
21 meaning of this paragraph (4); or

22 (5) Knowingly owns or possesses any book, instrument or
23 apparatus by means of which bets or wagers have been, or
24 are, recorded or registered, or knowingly possesses any
25 money which he has received in the course of a bet or
26 wager; or

1 (6) Sells pools upon the result of any game or contest
2 of skill or chance, political nomination, appointment or
3 election; or

4 (7) Sets up or promotes any lottery or sells, offers to
5 sell or transfers any ticket or share for any lottery; or

6 (8) Sets up or promotes any policy game or sells,
7 offers to sell or knowingly possesses or transfers any
8 policy ticket, slip, record, document or other similar
9 device; or

10 (9) Knowingly drafts, prints or publishes any lottery
11 ticket or share, or any policy ticket, slip, record,
12 document or similar device, except for such activity
13 related to lotteries, bingo games and raffles authorized by
14 and conducted in accordance with the laws of Illinois or
15 any other state or foreign government; or

16 (10) Knowingly advertises any lottery or policy game,
17 except for such activity related to lotteries, bingo games
18 and raffles authorized by and conducted in accordance with
19 the laws of Illinois or any other state; or

20 (11) Knowingly transmits information as to wagers,
21 betting odds, or changes in betting odds by telephone,
22 telegraph, radio, semaphore or similar means; or knowingly
23 installs or maintains equipment for the transmission or
24 receipt of such information; except that nothing in this
25 subdivision (11) prohibits transmission or receipt of such
26 information for use in news reporting of sporting events or

1 contests; or

2 (12) Knowingly establishes, maintains, or operates an
3 Internet site that permits a person to play a game of
4 chance or skill for money or other thing of value by means
5 of the Internet or to make a wager upon the result of any
6 game, contest, political nomination, appointment, or
7 election by means of the Internet.

8 (b) Participants in any of the following activities shall
9 not be convicted of gambling therefor:

10 (1) Agreements to compensate for loss caused by the
11 happening of chance including without limitation contracts
12 of indemnity or guaranty and life or health or accident
13 insurance;

14 (2) Offers of prizes, award or compensation to the
15 actual contestants in any bona fide contest for the
16 determination of skill, speed, strength or endurance or to
17 the owners of animals or vehicles entered in such contest;

18 (3) Pari-mutuel betting as authorized by the law of
19 this State;

20 (4) Manufacture of gambling devices, including the
21 acquisition of essential parts therefor and the assembly
22 thereof, for transportation in interstate or foreign
23 commerce to any place outside this State when such
24 transportation is not prohibited by any applicable Federal
25 law; or the manufacture, distribution, or possession of
26 video gaming terminals, as defined in the Video Gaming Act,

1 by manufacturers, distributors, and terminal operators
2 licensed to do so under the Video Gaming Act;

3 (5) The game commonly known as "bingo", when conducted
4 in accordance with the Bingo License and Tax Act;

5 (6) Lotteries when conducted by the State of Illinois
6 in accordance with the Illinois Lottery Law;

7 (7) Possession of an antique slot machine that is
8 neither used nor intended to be used in the operation or
9 promotion of any unlawful gambling activity or enterprise.
10 For the purpose of this subparagraph (b) (7), an antique
11 slot machine is one manufactured 25 years ago or earlier;

12 (8) Raffles when conducted in accordance with the
13 Raffles Act;

14 (9) Charitable games when conducted in accordance with
15 the Charitable Games Act;

16 (10) Pull tabs and jar games when conducted under the
17 Illinois Pull Tabs and Jar Games Act; ~~or~~

18 (11) Gambling games conducted on riverboats when
19 authorized by the Riverboat Gambling Act; or.

20 (12) Video gaming terminal games at a licensed
21 establishment, licensed truck stop establishment, licensed
22 fraternal establishment, or licensed veterans
23 establishment when conducted in accordance with the Video
24 Gaming Act.

25 (c) Sentence.

26 Gambling under subsection (a) (1) or (a) (2) of this Section

1 is a Class A misdemeanor. Gambling under any of subsections
2 (a) (3) through (a) (11) of this Section is a Class A
3 misdemeanor. A second or subsequent conviction under any of
4 subsections (a) (3) through (a) (11), is a Class 4 felony.
5 Gambling under subsection (a) (12) of this Section is a Class A
6 misdemeanor. A second or subsequent conviction under
7 subsection (a) (12) is a Class 4 felony.

8 (d) Circumstantial evidence.

9 In prosecutions under subsection (a) (1) through (a) (12) of
10 this Section circumstantial evidence shall have the same
11 validity and weight as in any criminal prosecution.

12 (Source: P.A. 91-257, eff. 1-1-00.)

13 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

14 Sec. 28-1.1. Syndicated gambling.

15 (a) Declaration of Purpose. Recognizing the close
16 relationship between professional gambling and other organized
17 crime, it is declared to be the policy of the legislature to
18 restrain persons from engaging in the business of gambling for
19 profit in this State. This Section shall be liberally construed
20 and administered with a view to carrying out this policy.

21 (b) A person commits syndicated gambling when he operates a
22 "policy game" or engages in the business of bookmaking.

23 (c) A person "operates a policy game" when he knowingly
24 uses any premises or property for the purpose of receiving or
25 knowingly does receive from what is commonly called "policy":

1 (1) money from a person other than the better or player
2 whose bets or plays are represented by such money; or

3 (2) written "policy game" records, made or used over
4 any period of time, from a person other than the better or
5 player whose bets or plays are represented by such written
6 record.

7 (d) A person engages in bookmaking when he receives or
8 accepts more than five bets or wagers upon the result of any
9 trials or contests of skill, speed or power of endurance or
10 upon any lot, chance, casualty, unknown or contingent event
11 whatsoever, which bets or wagers shall be of such size that the
12 total of the amounts of money paid or promised to be paid to
13 such bookmaker on account thereof shall exceed \$2,000.
14 Bookmaking is the receiving or accepting of such bets or wagers
15 regardless of the form or manner in which the bookmaker records
16 them.

17 (e) Participants in any of the following activities shall
18 not be convicted of syndicated gambling:

19 (1) Agreements to compensate for loss caused by the
20 happening of chance including without limitation contracts
21 of indemnity or guaranty and life or health or accident
22 insurance; and

23 (2) Offers of prizes, award or compensation to the
24 actual contestants in any bona fide contest for the
25 determination of skill, speed, strength or endurance or to
26 the owners of animals or vehicles entered in such contest;

1 and

2 (3) Pari-mutuel betting as authorized by law of this
3 State; and

4 (4) Manufacture of gambling devices, including the
5 acquisition of essential parts therefor and the assembly
6 thereof, for transportation in interstate or foreign
7 commerce to any place outside this State when such
8 transportation is not prohibited by any applicable Federal
9 law; and

10 (5) Raffles when conducted in accordance with the
11 Raffles Act; and

12 (6) Gambling games conducted on riverboats when
13 authorized by the Riverboat Gambling Act; ~~and~~

14 (7) Video gaming terminal games at a licensed
15 establishment, licensed truck stop establishment, licensed
16 fraternal establishment, or licensed veterans
17 establishment when conducted in accordance with the Video
18 Gaming Act.

19 (f) Sentence. Syndicated gambling is a Class 3 felony.

20 (Source: P.A. 86-1029; 87-435.)

21 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

22 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
23 any real estate, vehicle, boat or any other property whatsoever
24 used for the purposes of gambling other than gambling conducted
25 in the manner authorized by the Riverboat Gambling Act or the

1 Video Gaming Act. Any person who knowingly permits any premises
2 or property owned or occupied by him or under his control to be
3 used as a gambling place commits a Class A misdemeanor. Each
4 subsequent offense is a Class 4 felony. When any premises is
5 determined by the circuit court to be a gambling place:

6 (a) Such premises is a public nuisance and may be proceeded
7 against as such, and

8 (b) All licenses, permits or certificates issued by the
9 State of Illinois or any subdivision or public agency thereof
10 authorizing the serving of food or liquor on such premises
11 shall be void; and no license, permit or certificate so
12 cancelled shall be reissued for such premises for a period of
13 60 days thereafter; nor shall any person convicted of keeping a
14 gambling place be reissued such license for one year from his
15 conviction and, after a second conviction of keeping a gambling
16 place, any such person shall not be reissued such license, and

17 (c) Such premises of any person who knowingly permits
18 thereon a violation of any Section of this Article shall be
19 held liable for, and may be sold to pay any unsatisfied
20 judgment that may be recovered and any unsatisfied fine that
21 may be levied under any Section of this Article.

22 (Source: P.A. 86-1029.)

23 Section 195. The State Finance Act is amended by adding
24 Section 5.719 as follows:

1 (30 ILCS 105/5.719 new)

2 Sec. 5.719. The Local Government Video Gaming Distributive
3 Fund.

4 Section 999. Effective date. This Act takes effect upon
5 becoming law.".