

# HB1396



## 99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB1396

by Rep. Thaddeus Jones

### SYNOPSIS AS INTRODUCED:

230 ILCS 40/25

Amends the Video Gaming Act. Provides that establishments within 100 feet of a grocery store, a day care center, or a day care home are ineligible to operate video gaming terminals.

LRB099 06188 MLM 26247 b

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Video Gaming Act is amended by changing  
5 Section 25 as follows:

6 (230 ILCS 40/25)

7 Sec. 25. Restriction of licensees.

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

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

20 (c) Terminal operator. A person may not own, maintain, or  
21 place a video gaming terminal unless he has a valid terminal  
22 operator's license issued under this Act. A terminal operator  
23 may only place video gaming terminals for use in Illinois in

1 licensed establishments, licensed truck stop establishments,  
2 licensed fraternal establishments, and licensed veterans  
3 establishments. No terminal operator may give anything of  
4 value, including but not limited to a loan or financing  
5 arrangement, to a licensed establishment, licensed truck stop  
6 establishment, licensed fraternal establishment, or licensed  
7 veterans establishment as any incentive or inducement to locate  
8 video terminals in that establishment. Of the after-tax profits  
9 from a video gaming terminal, 50% shall be paid to the terminal  
10 operator and 50% shall be paid to the licensed establishment,  
11 licensed truck stop establishment, licensed fraternal  
12 establishment, or licensed veterans establishment,  
13 notwithstanding any agreement to the contrary. A video terminal  
14 operator that violates one or more requirements of this  
15 subsection is guilty of a Class 4 felony and is subject to  
16 termination of his or her license by the Board.

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

22 (d-5) Licensed terminal handler. No person, including, but  
23 not limited to, an employee or independent contractor working  
24 for a manufacturer, distributor, supplier, technician, or  
25 terminal operator licensed pursuant to this Act, shall have  
26 possession or control of a video gaming terminal, or access to

1 the inner workings of a video gaming terminal, unless that  
2 person possesses a valid terminal handler's license issued  
3 under this Act.

4 (e) Licensed establishment. No video gaming terminal may be  
5 placed in any licensed establishment, licensed veterans  
6 establishment, licensed truck stop establishment, or licensed  
7 fraternal establishment unless the owner or agent of the owner  
8 of the licensed establishment, licensed veterans  
9 establishment, licensed truck stop establishment, or licensed  
10 fraternal establishment has entered into a written use  
11 agreement with the terminal operator for placement of the  
12 terminals. A copy of the use agreement shall be on file in the  
13 terminal operator's place of business and available for  
14 inspection by individuals authorized by the Board. A licensed  
15 establishment, licensed truck stop establishment, licensed  
16 veterans establishment, or licensed fraternal establishment  
17 may operate up to 5 video gaming terminals on its premises at  
18 any time.

19 (f) (Blank).

20 (g) Financial interest restrictions. As used in this Act,  
21 "substantial interest" in a partnership, a corporation, an  
22 organization, an association, a business, or a limited  
23 liability company means:

24 (A) When, with respect to a sole proprietorship, an  
25 individual or his or her spouse owns, operates, manages, or  
26 conducts, directly or indirectly, the organization,

1 association, or business, or any part thereof; or

2 (B) When, with respect to a partnership, the individual  
3 or his or her spouse shares in any of the profits, or  
4 potential profits, of the partnership activities; or

5 (C) When, with respect to a corporation, an individual  
6 or his or her spouse is an officer or director, or the  
7 individual or his or her spouse is a holder, directly or  
8 beneficially, of 5% or more of any class of stock of the  
9 corporation; or

10 (D) When, with respect to an organization not covered  
11 in (A), (B) or (C) above, an individual or his or her  
12 spouse is an officer or manages the business affairs, or  
13 the individual or his or her spouse is the owner of or  
14 otherwise controls 10% or more of the assets of the  
15 organization; or

16 (E) When an individual or his or her spouse furnishes  
17 5% or more of the capital, whether in cash, goods, or  
18 services, for the operation of any business, association,  
19 or organization during any calendar year; or

20 (F) When, with respect to a limited liability company,  
21 an individual or his or her spouse is a member, or the  
22 individual or his or her spouse is a holder, directly or  
23 beneficially, of 5% or more of the membership interest of  
24 the limited liability company.

25 For purposes of this subsection (g), "individual" includes  
26 all individuals or their spouses whose combined interest would

1 qualify as a substantial interest under this subsection (g) and  
2 whose activities with respect to an organization, association,  
3 or business are so closely aligned or coordinated as to  
4 constitute the activities of a single entity.

5 (h) Location restriction. A licensed establishment,  
6 licensed truck stop establishment, licensed fraternal  
7 establishment, or licensed veterans establishment that is (i)  
8 located within 1,000 feet of a facility operated by an  
9 organization licensee licensed under the Illinois Horse Racing  
10 Act of 1975 or the home dock of a riverboat licensed under the  
11 Riverboat Gambling Act or (ii) located within 100 feet of a  
12 school, a grocery store, a day care center or a day care home  
13 as defined by the Child Care Act of 1969, or a place of worship  
14 under the Religious Corporation Act, is ineligible to operate a  
15 video gaming terminal. The location restrictions in this  
16 subsection (h) do not apply if (A) a facility operated by an  
17 organization licensee, a school, or a place of worship moves to  
18 or is established within the restricted area after a licensed  
19 establishment, licensed truck stop establishment, licensed  
20 fraternal establishment, or licensed veterans establishment  
21 becomes licensed under this Act or (B) a school or place of  
22 worship moves to or is established within the restricted area  
23 after a licensed establishment, licensed truck stop  
24 establishment, licensed fraternal establishment, or licensed  
25 veterans establishment obtains its original liquor license.  
26 For the purpose of this subsection, "school" means an

1 elementary or secondary public school, or an elementary or  
2 secondary private school registered with or recognized by the  
3 State Board of Education.

4 Notwithstanding the provisions of this subsection (h), the  
5 Board may waive the requirement that a licensed establishment,  
6 licensed truck stop establishment, licensed fraternal  
7 establishment, or licensed veterans establishment not be  
8 located within 1,000 feet from a facility operated by an  
9 organization licensee licensed under the Illinois Horse Racing  
10 Act of 1975 or the home dock of a riverboat licensed under the  
11 Riverboat Gambling Act. The Board shall not grant such waiver  
12 if there is any common ownership or control, shared business  
13 activity, or contractual arrangement of any type between the  
14 establishment and the organization licensee or owners licensee  
15 of a riverboat. The Board shall adopt rules to implement the  
16 provisions of this paragraph.

17 (i) Undue economic concentration. In addition to  
18 considering all other requirements under this Act, in deciding  
19 whether to approve the operation of video gaming terminals by a  
20 terminal operator in a location, the Board shall consider the  
21 impact of any economic concentration of such operation of video  
22 gaming terminals. The Board shall not allow a terminal operator  
23 to operate video gaming terminals if the Board determines such  
24 operation will result in undue economic concentration. For  
25 purposes of this Section, "undue economic concentration" means  
26 that a terminal operator would have such actual or potential

1 influence over video gaming terminals in Illinois as to:

2 (1) substantially impede or suppress competition among  
3 terminal operators;

4 (2) adversely impact the economic stability of the  
5 video gaming industry in Illinois; or

6 (3) negatively impact the purposes of the Video Gaming  
7 Act.

8 The Board shall adopt rules concerning undue economic  
9 concentration with respect to the operation of video gaming  
10 terminals in Illinois. The rules shall include, but not be  
11 limited to, (i) limitations on the number of video gaming  
12 terminals operated by any terminal operator within a defined  
13 geographic radius and (ii) guidelines on the discontinuation of  
14 operation of any such video gaming terminals the Board  
15 determines will cause undue economic concentration.

16 (j) The provisions of the Illinois Antitrust Act are fully  
17 and equally applicable to the activities of any licensee under  
18 this Act.

19 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,  
20 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)