

SB2843



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2843

Introduced 2/17/2016, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

230 ILCS 10/4
230 ILCS 10/5

from Ch. 120, par. 2404
from Ch. 120, par. 2405

Amends the Riverboat Gambling Act. Provides that the duties of the Illinois Gaming Board include the duty to adopt rules under which all fantasy sports gaming in the State shall be conducted. Defines "fantasy sports gaming".

LRB099 20458 AMC 44963 b

FISCAL NOTE ACT
MAY APPLY

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 Riverboat Gambling Act is amended by
5 changing Sections 4 and 5 as follows:

6 (230 ILCS 10/4) (from Ch. 120, par. 2404)

7 Sec. 4. Definitions. As used in this Act:

8 (a) "Board" means the Illinois Gaming Board.

9 (b) "Occupational license" means a license issued by the
10 Board to a person or entity to perform an occupation which the
11 Board has identified as requiring a license to engage in
12 riverboat gambling in Illinois.

13 (c) "Gambling game" includes, but is not limited to,
14 baccarat, twenty-one, poker, craps, slot machine, video game of
15 chance, roulette wheel, klondike table, punchboard, faro
16 layout, keno layout, numbers ticket, push card, jar ticket, or
17 pull tab which is authorized by the Board as a wagering device
18 under this Act.

19 (d) "Riverboat" means a self-propelled excursion boat, a
20 permanently moored barge, or permanently moored barges that are
21 permanently fixed together to operate as one vessel, on which
22 lawful gambling is authorized and licensed as provided in this
23 Act.

1 (e) "Managers license" means a license issued by the Board
2 to a person or entity to manage gambling operations conducted
3 by the State pursuant to Section 7.3.

4 (f) "Dock" means the location where a riverboat moors for
5 the purpose of embarking passengers for and disembarking
6 passengers from the riverboat.

7 (g) "Gross receipts" means the total amount of money
8 exchanged for the purchase of chips, tokens or electronic cards
9 by riverboat patrons.

10 (h) "Adjusted gross receipts" means the gross receipts less
11 winnings paid to wagerers.

12 (i) "Cheat" means to alter the selection of criteria which
13 determine the result of a gambling game or the amount or
14 frequency of payment in a gambling game.

15 (j) (Blank).

16 (k) "Gambling operation" means the conduct of authorized
17 gambling games upon a riverboat.

18 (l) "License bid" means the lump sum amount of money that
19 an applicant bids and agrees to pay the State in return for an
20 owners license that is re-issued on or after July 1, 2003.

21 (m) The terms "minority person", "female", and "person with
22 a disability" shall have the same meaning as defined in Section
23 2 of the Business Enterprise for Minorities, Females, and
24 Persons with Disabilities Act.

25 (n) "Fantasy sports gaming" means any gaming conducted over
26 an Internet website in which game winnings are paid to

1 participants based on the outcomes of games played by virtual
2 teams of real players of a professional sport, where such teams
3 are assembled by such participants and the outcomes of games
4 are determined by the statistical performance of such real
5 players in actual games.

6 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

7 (230 ILCS 10/5) (from Ch. 120, par. 2405)

8 Sec. 5. Gaming Board.

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

18 (2) The Board shall consist of 5 members to be appointed by
19 the Governor with the advice and consent of the Senate, one of
20 whom shall be designated by the Governor to be chairman. Each
21 member shall have a reasonable knowledge of the practice,
22 procedure and principles of gambling operations. Each member
23 shall either be a resident of Illinois or shall certify that he
24 will become a resident of Illinois before taking office. At
25 least one member shall be experienced in law enforcement and

1 criminal investigation, at least one member shall be a
2 certified public accountant experienced in accounting and
3 auditing, and at least one member shall be a lawyer licensed to
4 practice law in Illinois.

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

18 (4) Each member of the Board shall receive \$300 for each
19 day the Board meets and for each day the member conducts any
20 hearing pursuant to this Act. Each member of the Board shall
21 also be reimbursed for all actual and necessary expenses and
22 disbursements incurred in the execution of official duties.

23 (5) No person shall be appointed a member of the Board or
24 continue to be a member of the Board who is, or whose spouse,
25 child or parent is, a member of the board of directors of, or a
26 person financially interested in, any gambling operation

1 subject to the jurisdiction of this Board, or any race track,
2 race meeting, racing association or the operations thereof
3 subject to the jurisdiction of the Illinois Racing Board. No
4 Board member shall hold any other public office. No person
5 shall be a member of the Board who is not of good moral
6 character or who has been convicted of, or is under indictment
7 for, a felony under the laws of Illinois or any other state, or
8 the United States.

9 (5.5) No member of the Board shall engage in any political
10 activity. For the purposes of this Section, "political" means
11 any activity in support of or in connection with any campaign
12 for federal, State, or local elective office or any political
13 organization, but does not include activities (i) relating to
14 the support or opposition of any executive, legislative, or
15 administrative action (as those terms are defined in Section 2
16 of the Lobbyist Registration Act), (ii) relating to collective
17 bargaining, or (iii) that are otherwise in furtherance of the
18 person's official State duties or governmental and public
19 service functions.

20 (6) Any member of the Board may be removed by the Governor
21 for neglect of duty, misfeasance, malfeasance, or nonfeasance
22 in office or for engaging in any political activity.

23 (7) Before entering upon the discharge of the duties of his
24 office, each member of the Board shall take an oath that he
25 will faithfully execute the duties of his office according to
26 the laws of the State and the rules and regulations adopted

1 therewith and shall give bond to the State of Illinois,
2 approved by the Governor, in the sum of \$25,000. Every such
3 bond, when duly executed and approved, shall be recorded in the
4 office of the Secretary of State. Whenever the Governor
5 determines that the bond of any member of the Board has become
6 or is likely to become invalid or insufficient, he shall
7 require such member forthwith to renew his bond, which is to be
8 approved by the Governor. Any member of the Board who fails to
9 take oath and give bond within 30 days from the date of his
10 appointment, or who fails to renew his bond within 30 days
11 after it is demanded by the Governor, shall be guilty of
12 neglect of duty and may be removed by the Governor. The cost of
13 any bond given by any member of the Board under this Section
14 shall be taken to be a part of the necessary expenses of the
15 Board.

16 (7.5) For the examination of all mechanical,
17 electromechanical, or electronic table games, slot machines,
18 slot accounting systems, and other electronic gaming equipment
19 for compliance with this Act, the Board may utilize the
20 services of one or more independent outside testing
21 laboratories that have been accredited by a national
22 accreditation body and that, in the judgment of the Board, are
23 qualified to perform such examinations.

24 (8) The Board shall employ such personnel as may be
25 necessary to carry out its functions and shall determine the
26 salaries of all personnel, except those personnel whose

1 salaries are determined under the terms of a collective
2 bargaining agreement. No person shall be employed to serve the
3 Board who is, or whose spouse, parent or child is, an official
4 of, or has a financial interest in or financial relation with,
5 any operator engaged in gambling operations within this State
6 or any organization engaged in conducting horse racing within
7 this State. Any employee violating these prohibitions shall be
8 subject to termination of employment.

9 (9) An Administrator shall perform any and all duties that
10 the Board shall assign him. The salary of the Administrator
11 shall be determined by the Board and, in addition, he shall be
12 reimbursed for all actual and necessary expenses incurred by
13 him in discharge of his official duties. The Administrator
14 shall keep records of all proceedings of the Board and shall
15 preserve all records, books, documents and other papers
16 belonging to the Board or entrusted to its care. The
17 Administrator shall devote his full time to the duties of the
18 office and shall not hold any other office or employment.

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

22 (1) To decide promptly and in reasonable order all
23 license applications. Any party aggrieved by an action of
24 the Board denying, suspending, revoking, restricting or
25 refusing to renew a license may request a hearing before
26 the Board. A request for a hearing must be made to the

1 Board in writing within 5 days after service of notice of
2 the action of the Board. Notice of the action of the Board
3 shall be served either by personal delivery or by certified
4 mail, postage prepaid, to the aggrieved party. Notice
5 served by certified mail shall be deemed complete on the
6 business day following the date of such mailing. The Board
7 shall conduct all requested hearings promptly and in
8 reasonable order;

9 (2) To conduct all hearings pertaining to civil
10 violations of this Act or rules and regulations promulgated
11 hereunder;

12 (3) To promulgate such rules and regulations as in its
13 judgment may be necessary to protect or enhance the
14 credibility and integrity of gambling operations
15 authorized by this Act and the regulatory process
16 hereunder;

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

22 (5) To provide for the levy and collection of penalties
23 and fines for the violation of provisions of this Act and
24 the rules and regulations promulgated hereunder. All such
25 fines and penalties shall be deposited into the Education
26 Assistance Fund, created by Public Act 86-0018, of the

1 State of Illinois;

2 (6) To be present through its inspectors and agents any
3 time gambling operations are conducted on any riverboat for
4 the purpose of certifying the revenue thereof, receiving
5 complaints from the public, and conducting such other
6 investigations into the conduct of the gambling games and
7 the maintenance of the equipment as from time to time the
8 Board may deem necessary and proper;

9 (7) To review and rule upon any complaint by a licensee
10 regarding any investigative procedures of the State which
11 are unnecessarily disruptive of gambling operations. The
12 need to inspect and investigate shall be presumed at all
13 times. The disruption of a licensee's operations shall be
14 proved by clear and convincing evidence, and establish
15 that: (A) the procedures had no reasonable law enforcement
16 purposes, and (B) the procedures were so disruptive as to
17 unreasonably inhibit gambling operations;

18 (8) To hold at least one meeting each quarter of the
19 fiscal year. In addition, special meetings may be called by
20 the Chairman or any 2 Board members upon 72 hours written
21 notice to each member. All Board meetings shall be subject
22 to the Open Meetings Act. Three members of the Board shall
23 constitute a quorum, and 3 votes shall be required for any
24 final determination by the Board. The Board shall keep a
25 complete and accurate record of all its meetings. A
26 majority of the members of the Board shall constitute a

1 quorum for the transaction of any business, for the
2 performance of any duty, or for the exercise of any power
3 which this Act requires the Board members to transact,
4 perform or exercise en banc, except that, upon order of the
5 Board, one of the Board members or an administrative law
6 judge designated by the Board may conduct any hearing
7 provided for under this Act or by Board rule and may
8 recommend findings and decisions to the Board. The Board
9 member or administrative law judge conducting such hearing
10 shall have all powers and rights granted to the Board in
11 this Act. The record made at the time of the hearing shall
12 be reviewed by the Board, or a majority thereof, and the
13 findings and decision of the majority of the Board shall
14 constitute the order of the Board in such case;

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

19 (10) To file a written annual report with the Governor
20 on or before March 1 each year and such additional reports
21 as the Governor may request. The annual report shall
22 include a statement of receipts and disbursements by the
23 Board, actions taken by the Board, and any additional
24 information and recommendations which the Board may deem
25 valuable or which the Governor may request;

26 (11) (Blank);

1 (12) (Blank);

2 (13) To assume responsibility for administration and
3 enforcement of the Video Gaming Act; ~~and~~

4 (13.5) To adopt rules under which all fantasy sports
5 gaming in the State shall be conducted; and

6 (14) To adopt, by rule, a code of conduct governing
7 Board members and employees that ensure, to the maximum
8 extent possible, that persons subject to this Code avoid
9 situations, relationships, or associations that may
10 represent or lead to a conflict of interest.

11 (c) The Board shall have jurisdiction over and shall
12 supervise all gambling operations governed by this Act. The
13 Board shall have all powers necessary and proper to fully and
14 effectively execute the provisions of this Act, including, but
15 not limited to, the following:

16 (1) To investigate applicants and determine the
17 eligibility of applicants for licenses and to select among
18 competing applicants the applicants which best serve the
19 interests of the citizens of Illinois.

20 (2) To have jurisdiction and supervision over all
21 riverboat gambling operations in this State and all persons
22 on riverboats where gambling operations are conducted.

23 (3) To promulgate rules and regulations for the purpose
24 of administering the provisions of this Act and to
25 prescribe rules, regulations and conditions under which
26 all riverboat gambling in the State shall be conducted.

1 Such rules and regulations are to provide for the
2 prevention of practices detrimental to the public interest
3 and for the best interests of riverboat gambling, including
4 rules and regulations regarding the inspection of such
5 riverboats and the review of any permits or licenses
6 necessary to operate a riverboat under any laws or
7 regulations applicable to riverboats, and to impose
8 penalties for violations thereof.

9 (4) To enter the office, riverboats, facilities, or
10 other places of business of a licensee, where evidence of
11 the compliance or noncompliance with the provisions of this
12 Act is likely to be found.

13 (5) To investigate alleged violations of this Act or
14 the rules of the Board and to take appropriate disciplinary
15 action against a licensee or a holder of an occupational
16 license for a violation, or institute appropriate legal
17 action for enforcement, or both.

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

21 (7) To adopt appropriate standards for all riverboats
22 and facilities.

23 (8) To require that the records, including financial or
24 other statements of any licensee under this Act, shall be
25 kept in such manner as prescribed by the Board and that any
26 such licensee involved in the ownership or management of

1 gambling operations submit to the Board an annual balance
2 sheet and profit and loss statement, list of the
3 stockholders or other persons having a 1% or greater
4 beneficial interest in the gambling activities of each
5 licensee, and any other information the Board deems
6 necessary in order to effectively administer this Act and
7 all rules, regulations, orders and final decisions
8 promulgated under this Act.

9 (9) To conduct hearings, issue subpoenas for the
10 attendance of witnesses and subpoenas duces tecum for the
11 production of books, records and other pertinent documents
12 in accordance with the Illinois Administrative Procedure
13 Act, and to administer oaths and affirmations to the
14 witnesses, when, in the judgment of the Board, it is
15 necessary to administer or enforce this Act or the Board
16 rules.

17 (10) To prescribe a form to be used by any licensee
18 involved in the ownership or management of gambling
19 operations as an application for employment for their
20 employees.

21 (11) To revoke or suspend licenses, as the Board may
22 see fit and in compliance with applicable laws of the State
23 regarding administrative procedures, and to review
24 applications for the renewal of licenses. The Board may
25 suspend an owners license, without notice or hearing upon a
26 determination that the safety or health of patrons or

1 employees is jeopardized by continuing a riverboat's
2 operation. The suspension may remain in effect until the
3 Board determines that the cause for suspension has been
4 abated. The Board may revoke the owners license upon a
5 determination that the owner has not made satisfactory
6 progress toward abating the hazard.

7 (12) To eject or exclude or authorize the ejection or
8 exclusion of, any person from riverboat gambling
9 facilities where such person is in violation of this Act,
10 rules and regulations thereunder, or final orders of the
11 Board, or where such person's conduct or reputation is such
12 that his presence within the riverboat gambling facilities
13 may, in the opinion of the Board, call into question the
14 honesty and integrity of the gambling operations or
15 interfere with orderly conduct thereof; provided that the
16 propriety of such ejection or exclusion is subject to
17 subsequent hearing by the Board.

18 (13) To require all licensees of gambling operations to
19 utilize a cashless wagering system whereby all players'
20 money is converted to tokens, electronic cards, or chips
21 which shall be used only for wagering in the gambling
22 establishment.

23 (14) (Blank).

24 (15) To suspend, revoke or restrict licenses, to
25 require the removal of a licensee or an employee of a
26 licensee for a violation of this Act or a Board rule or for

1 engaging in a fraudulent practice, and to impose civil
2 penalties of up to \$5,000 against individuals and up to
3 \$10,000 or an amount equal to the daily gross receipts,
4 whichever is larger, against licensees for each violation
5 of any provision of the Act, any rules adopted by the
6 Board, any order of the Board or any other action which, in
7 the Board's discretion, is a detriment or impediment to
8 riverboat gambling operations.

9 (16) To hire employees to gather information, conduct
10 investigations and carry out any other tasks contemplated
11 under this Act.

12 (17) To establish minimum levels of insurance to be
13 maintained by licensees.

14 (18) To authorize a licensee to sell or serve alcoholic
15 liquors, wine or beer as defined in the Liquor Control Act
16 of 1934 on board a riverboat and to have exclusive
17 authority to establish the hours for sale and consumption
18 of alcoholic liquor on board a riverboat, notwithstanding
19 any provision of the Liquor Control Act of 1934 or any
20 local ordinance, and regardless of whether the riverboat
21 makes excursions. The establishment of the hours for sale
22 and consumption of alcoholic liquor on board a riverboat is
23 an exclusive power and function of the State. A home rule
24 unit may not establish the hours for sale and consumption
25 of alcoholic liquor on board a riverboat. This amendatory
26 Act of 1991 is a denial and limitation of home rule powers

1 and functions under subsection (h) of Section 6 of Article
2 VII of the Illinois Constitution.

3 (19) After consultation with the U.S. Army Corps of
4 Engineers, to establish binding emergency orders upon the
5 concurrence of a majority of the members of the Board
6 regarding the navigability of water, relative to
7 excursions, in the event of extreme weather conditions,
8 acts of God or other extreme circumstances.

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

12 (20.5) To approve any contract entered into on its
13 behalf.

14 (20.6) To appoint investigators to conduct
15 investigations, searches, seizures, arrests, and other
16 duties imposed under this Act, as deemed necessary by the
17 Board. These investigators have and may exercise all of the
18 rights and powers of peace officers, provided that these
19 powers shall be limited to offenses or violations occurring
20 or committed on a riverboat or dock, as defined in
21 subsections (d) and (f) of Section 4, or as otherwise
22 provided by this Act or any other law.

23 (20.7) To contract with the Department of State Police
24 for the use of trained and qualified State police officers
25 and with the Department of Revenue for the use of trained
26 and qualified Department of Revenue investigators to

1 conduct investigations, searches, seizures, arrests, and
2 other duties imposed under this Act and to exercise all of
3 the rights and powers of peace officers, provided that the
4 powers of Department of Revenue investigators under this
5 subdivision (20.7) shall be limited to offenses or
6 violations occurring or committed on a riverboat or dock,
7 as defined in subsections (d) and (f) of Section 4, or as
8 otherwise provided by this Act or any other law. In the
9 event the Department of State Police or the Department of
10 Revenue is unable to fill contracted police or
11 investigative positions, the Board may appoint
12 investigators to fill those positions pursuant to
13 subdivision (20.6).

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

17 (d) The Board may seek and shall receive the cooperation of
18 the Department of State Police in conducting background
19 investigations of applicants and in fulfilling its
20 responsibilities under this Section. Costs incurred by the
21 Department of State Police as a result of such cooperation
22 shall be paid by the Board in conformance with the requirements
23 of Section 2605-400 of the Department of State Police Law (20
24 ILCS 2605/2605-400).

25 (e) The Board must authorize to each investigator and to
26 any other employee of the Board exercising the powers of a

1 peace officer a distinct badge that, on its face, (i) clearly
2 states that the badge is authorized by the Board and (ii)
3 contains a unique identifying number. No other badge shall be
4 authorized by the Board.

5 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)