



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2478

Introduced 1/30/2018, by

SYNOPSIS AS INTRODUCED:

New Act

720 ILCS 5/28-1

from Ch. 38, par. 28-1

720 ILCS 5/28-3

from Ch. 38, par. 28-3

Creates the Sports Betting Consumer Protection Act. Authorizes a State agency or entity charged by law with enforcing the Act, unless prohibited under federal law and as otherwise provided by State law, to adopt rules which prohibit or authorize sports betting or electronic sports betting by an electronic sports betting patron or sports betting facility patron through an electronic sports betting account on an electronic sports betting platform or other means with an electronic sports betting licensee or sports betting facility licensee. Allows the State agency to also require reporting of sports betting adjusted gross receipts to it by electronic sports betting licensees or sports betting facility licensees. Amends the Criminal Code of 2012. Exempts activities authorized under the Sports Betting Consumer Protection Act from gambling offenses.

LRB100 18595 MRW 33895 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning sports betting.

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

4 Section 1. Short title. This Act may be cited as the Sports
5 Betting Consumer Protection Act.

6 Section 5. Legislative intent.

7 The General Assembly hereby finds and declares that:

8 (1) Sports betting is currently illegal in the United
9 States under federal law, but that may be subject to change
10 in 2018 due to court action. In 1992, the United States
11 Congress passed the Professional and Amateur Sports
12 Protection Act that made sports wagering illegal in all
13 states except the following 4 states that were
14 grandfathered because they had laws permitting sports
15 wagering at that time: Oregon, Delaware, Montana, and
16 Nevada. On December 4, 2017, the United States Supreme
17 Court heard oral arguments in the case of Christie vs. the
18 National Collegiate Athletic Association. The State of New
19 Jersey filed the case to question the constitutionality of
20 the federal law. The Court will likely issue its opinion in
21 2018. If the Court decides the federal law is
22 unconstitutional, sports betting companies will likely
23 rush to market with online and brick and mortar sports

1 betting products to capture a piece of the presently
2 illegal sports betting market in the United States.

3 (2) There are estimates that Americans spend
4 \$400,000,000,000 annually on illegal sports betting.
5 Industry experts estimate that a licensed sports betting
6 market in the United States will have revenues of between
7 \$175,000,000,000 and \$225,000,000,000 annually. Illinois,
8 by population, is roughly 4% of the United States market.
9 If sports betting is declared legal by the United States
10 Supreme Court, Illinoisans could be betting between
11 \$7,000,000,000 and \$16,000,000,000 annually with no
12 regulation of the industry and no protections for Illinois
13 consumers. The Criminal Code of 2012 does include certain
14 prohibitions on gambling, but does not specifically
15 prohibit sports betting. Because the effectiveness of the
16 Criminal Code of 2012 is in question and because the
17 illegal sports betting market is already operating in this
18 State, and in light of possible action by the United States
19 Supreme Court, it should be the intent of the General
20 Assembly to enact into law provisions that either clearly
21 prohibit sports betting or that legalize, limit, and
22 control sports betting with strong consumer protections
23 to, among other things, ensure that minors cannot place
24 sports bets and provide problem gamblers access to the help
25 they need. If sports betting became authorized in this
26 State by virtue of United States Supreme Court action and

1 subsequent legislation, the State law should also address
2 any legitimate fiscal needs of this State. If sports
3 betting were to become legal by way of United States
4 Supreme Court action alone, an entirely unregulated sports
5 betting industry would not be in the best interests of the
6 people of this State.

7 Section 10. Definitions.

8 As used in this Act:

9 "Board" means the State agency or entity charged by law
10 with the enforcement of this Act.

11 "Electronic sports betting" means sports betting when a bet
12 is placed by an electronic sports betting patron on the
13 electronic sports betting platform of an electronic sports
14 betting licensee.

15 "Electronic sports betting account" means an account
16 initiated by an electronic sports betting patron and held by an
17 electronic sports betting licensee to facilitate electronic
18 sports betting.

19 "Electronic sports betting licensee" means a sports
20 betting facility licensee licensed by the Board to conduct
21 electronic sports betting.

22 "Electronic sports betting patron" means any natural
23 person who has an electronic sports betting account with an
24 electronic sports betting licensee.

25 "Electronic sports betting platform" means how an

1 electronic sports betting patron accesses an electronic sports
2 betting licensee's services.

3 "Sports betting" means the legal placement of a bet on a
4 professional or collegiate sports activity or event, or
5 international sports competition.

6 "Sports betting adjusted gross receipts" means the total of
7 cash and cash equivalents received from sports betting less the
8 total amount of cash or cash equivalents paid to sports betting
9 facility patrons and electronic sports betting patrons for
10 winning sports betting.

11 "Sports betting facility" means a physical location within
12 this State that is licensed to conduct sports betting.

13 "Sports betting facility licensee" means any entity
14 licensed by the Board to conduct sports betting at a sports
15 betting facility.

16 "Sports betting facility patron" means any natural person
17 who is not a minor and who is not otherwise prohibited from
18 placing a bet at a sports betting facility.

19 Section 15. Board action regarding sports betting.
20 Unless prohibited under federal law and as otherwise provided
21 by State law, the Board may adopt rules which prohibit or
22 authorize sports betting or electronic sports betting by an
23 electronic sports betting patron or sports betting facility
24 patron through an electronic sports betting account on an
25 electronic sports betting platform or other means with an

1 electronic sports betting licensee or sports betting facility
2 licensee. The Board may require reporting of sports betting
3 adjusted gross receipts to it by electronic sports betting
4 licensees or sports betting facility licensees.

5 Section 105. The Criminal Code of 2012 is amended by
6 changing Sections 28-1 and 28-3 as follows:

7 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

8 Sec. 28-1. Gambling.

9 (a) A person commits gambling when he or she:

10 (1) knowingly plays a game of chance or skill for money
11 or other thing of value, unless excepted in subsection (b)
12 of this Section;

13 (2) knowingly makes a wager upon the result of any
14 game, contest, or any political nomination, appointment or
15 election;

16 (3) knowingly operates, keeps, owns, uses, purchases,
17 exhibits, rents, sells, bargains for the sale or lease of,
18 manufactures or distributes any gambling device;

19 (4) contracts to have or give himself or herself or
20 another the option to buy or sell, or contracts to buy or
21 sell, at a future time, any grain or other commodity
22 whatsoever, or any stock or security of any company, where
23 it is at the time of making such contract intended by both
24 parties thereto that the contract to buy or sell, or the

1 option, whenever exercised, or the contract resulting
2 therefrom, shall be settled, not by the receipt or delivery
3 of such property, but by the payment only of differences in
4 prices thereof; however, the issuance, purchase, sale,
5 exercise, endorsement or guarantee, by or through a person
6 registered with the Secretary of State pursuant to Section
7 8 of the Illinois Securities Law of 1953, or by or through
8 a person exempt from such registration under said Section
9 8, of a put, call, or other option to buy or sell
10 securities which have been registered with the Secretary of
11 State or which are exempt from such registration under
12 Section 3 of the Illinois Securities Law of 1953 is not
13 gambling within the meaning of this paragraph (4);

14 (5) knowingly owns or possesses any book, instrument or
15 apparatus by means of which bets or wagers have been, or
16 are, recorded or registered, or knowingly possesses any
17 money which he has received in the course of a bet or
18 wager;

19 (6) knowingly sells pools upon the result of any game
20 or contest of skill or chance, political nomination,
21 appointment or election;

22 (7) knowingly sets up or promotes any lottery or sells,
23 offers to sell or transfers any ticket or share for any
24 lottery;

25 (8) knowingly sets up or promotes any policy game or
26 sells, offers to sell or knowingly possesses or transfers

1 any policy ticket, slip, record, document or other similar
2 device;

3 (9) knowingly drafts, prints or publishes any lottery
4 ticket or share, or any policy ticket, slip, record,
5 document or similar device, except for such activity
6 related to lotteries, bingo games and raffles authorized by
7 and conducted in accordance with the laws of Illinois or
8 any other state or foreign government;

9 (10) knowingly advertises any lottery or policy game,
10 except for such activity related to lotteries, bingo games
11 and raffles authorized by and conducted in accordance with
12 the laws of Illinois or any other state;

13 (11) knowingly transmits information as to wagers,
14 betting odds, or changes in betting odds by telephone,
15 telegraph, radio, semaphore or similar means; or knowingly
16 installs or maintains equipment for the transmission or
17 receipt of such information; except that nothing in this
18 subdivision (11) prohibits transmission or receipt of such
19 information for use in news reporting of sporting events or
20 contests; or

21 (12) knowingly establishes, maintains, or operates an
22 Internet site that permits a person to play a game of
23 chance or skill for money or other thing of value by means
24 of the Internet or to make a wager upon the result of any
25 game, contest, political nomination, appointment, or
26 election by means of the Internet. This item (12) does not

1 apply to activities referenced in items (6) and (6.1) of
2 subsection (b) of this Section.

3 (b) Participants in any of the following activities shall
4 not be convicted of gambling:

5 (1) Agreements to compensate for loss caused by the
6 happening of chance including without limitation contracts
7 of indemnity or guaranty and life or health or accident
8 insurance.

9 (2) Offers of prizes, award or compensation to the
10 actual contestants in any bona fide contest for the
11 determination of skill, speed, strength or endurance or to
12 the owners of animals or vehicles entered in such contest.

13 (3) Pari-mutuel betting as authorized by the law of
14 this State.

15 (4) Manufacture of gambling devices, including the
16 acquisition of essential parts therefor and the assembly
17 thereof, for transportation in interstate or foreign
18 commerce to any place outside this State when such
19 transportation is not prohibited by any applicable Federal
20 law; or the manufacture, distribution, or possession of
21 video gaming terminals, as defined in the Video Gaming Act,
22 by manufacturers, distributors, and terminal operators
23 licensed to do so under the Video Gaming Act.

24 (5) The game commonly known as "bingo", when conducted
25 in accordance with the Bingo License and Tax Act.

26 (6) Lotteries when conducted by the State of Illinois

1 in accordance with the Illinois Lottery Law. This exemption
2 includes any activity conducted by the Department of
3 Revenue to sell lottery tickets pursuant to the provisions
4 of the Illinois Lottery Law and its rules.

5 (6.1) The purchase of lottery tickets through the
6 Internet for a lottery conducted by the State of Illinois
7 under the program established in Section 7.12 of the
8 Illinois Lottery Law.

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

14 (8) Raffles and poker runs when conducted in accordance
15 with the Raffles and Poker Runs Act.

16 (9) Charitable games when conducted in accordance with
17 the Charitable Games Act.

18 (10) Pull tabs and jar games when conducted under the
19 Illinois Pull Tabs and Jar Games Act.

20 (11) Gambling games conducted on riverboats when
21 authorized by the Riverboat Gambling Act.

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

1 (13) Games of skill or chance where money or other
2 things of value can be won but no payment or purchase is
3 required to participate.

4 (14) Savings promotion raffles authorized under
5 Section 5g of the Illinois Banking Act, Section 7008 of the
6 Savings Bank Act, Section 42.7 of the Illinois Credit Union
7 Act, Section 5136B of the National Bank Act (12 U.S.C.
8 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
9 1463).

10 (15) Authorized activities under the Sports Betting
11 Consumer Protection Act or rules adopted under that Act.

12 (c) Sentence.

13 Gambling is a Class A misdemeanor. A second or subsequent
14 conviction under subsections (a) (3) through (a) (12), is a Class
15 4 felony.

16 (d) Circumstantial evidence.

17 In prosecutions under this Section circumstantial evidence
18 shall have the same validity and weight as in any criminal
19 prosecution.

20 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

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, Sports

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

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

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

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

23 (Source: P.A. 96-34, eff. 7-13-09.)