

HB4067



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4067

Introduced 4/20/2021, by Rep. Kambium Buckner

SYNOPSIS AS INTRODUCED:

230 ILCS 40/35
720 ILCS 5/28-1 from Ch. 38, par. 28-1
815 ILCS 525/Act title
815 ILCS 525/1
815 ILCS 525/10
815 ILCS 525/33 new
815 ILCS 525/45 new
815 ILCS 525/50 new

Amends the Prizes and Gifts Act. Changes the short title of the Act to the Sweepstakes, Prizes, and Gifts Act. Provides that it is unlawful for a person to operate more than 10 electronic product promotion sweepstakes kiosks on any premises at one time. Includes restrictions on electronic product promotion sweepstakes kiosks. Provides fees imposed by the Department of Revenue on each kiosk in operation. Makes conforming changes in the Criminal Code of 2012 and the Video Gaming Act. Effective immediately.

LRB102 18110 SMS 25311 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 Video Gaming Act is amended by changing
5 Section 35 as follows:

6 (230 ILCS 40/35)

7 Sec. 35. Display of license; confiscation; violation as
8 felony.

9 (a) Each video gaming terminal shall be licensed by the
10 Board before placement or operation on the premises of a
11 licensed establishment, licensed truck stop establishment,
12 licensed large truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment. The license
14 of each video gaming terminal shall be maintained at the
15 location where the video gaming terminal is operated. Failure
16 to do so is a petty offense with a fine not to exceed \$100. Any
17 licensed establishment, licensed truck stop establishment,
18 licensed large truck stop establishment, licensed fraternal
19 establishment, or licensed veterans establishment used for the
20 conduct of gambling games in violation of this Act shall be
21 considered a gambling place in violation of Section 28-3 of
22 the Criminal Code of 2012. Every gambling device found in a
23 licensed establishment, licensed truck stop establishment,

1 licensed large truck stop establishment, licensed fraternal
2 establishment, or licensed veterans establishment operating
3 gambling games in violation of this Act shall be subject to
4 seizure, confiscation, and destruction as provided in Section
5 28-5 of the Criminal Code of 2012. Any license issued under the
6 Liquor Control Act of 1934 to any owner or operator of a
7 licensed establishment, licensed truck stop establishment,
8 licensed large truck stop establishment, licensed fraternal
9 establishment, or licensed veterans establishment that
10 operates or permits the operation of a video gaming terminal
11 within its establishment in violation of this Act shall be
12 immediately revoked. No person may own, operate, have in his
13 or her possession or custody or under his or her control, or
14 permit to be kept in any place under his or her possession or
15 control, any device that awards credits and contains a
16 circuit, meter, or switch capable of removing and recording
17 the removal of credits when the award of credits is dependent
18 upon chance.

19 Nothing in this Section shall be deemed to prohibit the
20 use of a game device only if the game device is used in an
21 activity that is not gambling under subsection (b) of Section
22 28-1 of the Criminal Code of 2012. An applicant or licensee
23 under this Act is not in violation of this Act or its rules and
24 shall not be subject to disciplinary action or denial or
25 nonrenewal for operating a game device if operation of the
26 game device is in compliance with and not considered gambling

1 under subsection (b) of Section 28-1 of the Criminal Code of
2 2012.

3 A violation of this Section is a Class 4 felony. All
4 devices that are owned, operated, or possessed in violation of
5 this Section are hereby declared to be public nuisances and
6 shall be subject to seizure, confiscation, and destruction as
7 provided in Section 28-5 of the Criminal Code of 2012.

8 The provisions of this Section do not apply to devices or
9 electronic video game terminals licensed pursuant to this Act.
10 A video gaming terminal operated for amusement only and
11 bearing a valid amusement tax sticker shall not be subject to
12 this Section until 30 days after the Board establishes that
13 the central communications system is functional.

14 (b) (1) The odds of winning each video game shall be posted
15 on or near each video gaming terminal. The manner in which the
16 odds are calculated and how they are posted shall be
17 determined by the Board by rule.

18 (2) No video gaming terminal licensed under this Act may
19 be played except during the legal hours of operation allowed
20 for the consumption of alcoholic beverages at the licensed
21 establishment, licensed fraternal establishment, or licensed
22 veterans establishment. A licensed establishment, licensed
23 fraternal establishment, or licensed veterans establishment
24 that violates this subsection is subject to termination of its
25 license by the Board.

26 (Source: P.A. 101-31, eff. 6-28-19.)

1 Section 10. The Criminal Code of 2012 is amended by
2 changing Section 28-1 as follows:

3 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

4 Sec. 28-1. Gambling.

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

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

9 (2) knowingly makes a wager upon the result of any
10 game, contest, or any political nomination, appointment or
11 election;

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

15 (4) contracts to have or give himself or herself or
16 another the option to buy or sell, or contracts to buy or
17 sell, at a future time, any grain or other commodity
18 whatsoever, or any stock or security of any company, where
19 it is at the time of making such contract intended by both
20 parties thereto that the contract to buy or sell, or the
21 option, whenever exercised, or the contract resulting
22 therefrom, shall be settled, not by the receipt or
23 delivery of such property, but by the payment only of
24 differences in prices thereof; however, the issuance,

1 purchase, sale, exercise, endorsement or guarantee, by or
2 through a person registered with the Secretary of State
3 pursuant to Section 8 of the Illinois Securities Law of
4 1953, or by or through a person exempt from such
5 registration under said Section 8, of a put, call, or
6 other option to buy or sell securities which have been
7 registered with the Secretary of State or which are exempt
8 from such registration under Section 3 of the Illinois
9 Securities Law of 1953 is not gambling within the meaning
10 of this paragraph (4);

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

16 (6) knowingly sells pools upon the result of any game
17 or contest of skill or chance, political nomination,
18 appointment or election;

19 (7) knowingly sets up or promotes any lottery or
20 sells, offers to sell or transfers any ticket or share for
21 any lottery;

22 (8) knowingly sets up or promotes any policy game or
23 sells, offers to sell or knowingly possesses or transfers
24 any policy ticket, slip, record, document or other similar
25 device;

26 (9) knowingly drafts, prints or publishes any lottery

1 ticket or share, or any policy ticket, slip, record,
2 document or similar device, except for such activity
3 related to lotteries, bingo games and raffles authorized
4 by and conducted in accordance with the laws of Illinois
5 or any other state or foreign government;

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

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

18 (12) knowingly establishes, maintains, or operates an
19 Internet site that permits a person to play a game of
20 chance or skill for money or other thing of value by means
21 of the Internet or to make a wager upon the result of any
22 game, contest, political nomination, appointment, or
23 election by means of the Internet. This item (12) does not
24 apply to activities referenced in items (6), (6.1), (8),
25 ~~and~~ (8.1), and (15) of subsection (b) of this Section.

26 (b) Participants in any of the following activities shall

1 not be convicted of gambling:

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

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

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

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

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

23 (6) Lotteries when conducted by the State of Illinois
24 in accordance with the Illinois Lottery Law. This
25 exemption includes any activity conducted by the
26 Department of Revenue to sell lottery tickets pursuant to

1 the provisions of the Illinois Lottery Law and its rules.

2 (6.1) The purchase of lottery tickets through the
3 Internet for a lottery conducted by the State of Illinois
4 under the program established in Section 7.12 of the
5 Illinois Lottery Law.

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

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

13 (8.1) The purchase of raffle chances for a raffle
14 conducted in accordance with the Raffles and Poker Runs
15 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 when authorized by the Illinois
21 Gambling Act.

22 (12) Video gaming terminal games at a licensed
23 establishment, licensed truck stop establishment, licensed
24 large truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment when
26 conducted in accordance with the Video 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
6 the Savings Bank Act, Section 42.7 of the Illinois Credit
7 Union Act, Section 5136B of the National Bank Act (12
8 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12
9 U.S.C. 1463).

10 (15) Sports wagering when conducted in accordance with
11 the Sports Wagering Act.

12 (16) Electronic product promotion sweepstakes when
13 conducted in accordance with the Sweepstakes, Prizes, and
14 Gifts Act.

15 (c) Sentence.

16 Gambling is a Class A misdemeanor. A second or subsequent
17 conviction under subsections (a)(3) through (a)(12), is a
18 Class 4 felony.

19 (d) Circumstantial evidence.

20 In prosecutions under this Section circumstantial evidence
21 shall have the same validity and weight as in any criminal
22 prosecution.

23 (Source: P.A. 101-31, Article 25, Section 25-915, eff.
24 6-28-19; 101-31, Article 35, Section 35-80, eff. 6-28-19;
25 101-109, eff. 7-19-19; revised 8-6-19.)

1 Section 15. The Prizes and Gifts Act is amended by
2 changing the title of the Act and Sections 1 and 10 and by
3 adding Sections 33, 45, and 50 as follows:

4 (815 ILCS 525/Act title)

5 An Act concerning sweepstakes, prizes, and gifts.

6 (815 ILCS 525/1)

7 Sec. 1. Short title. This Act may be cited as the
8 Sweepstakes, Prizes, and Gifts Act.

9 (Source: P.A. 92-436, eff. 1-1-02.)

10 (815 ILCS 525/10)

11 Sec. 10. Definitions. As used in this Act:

12 "Bona fide product" means any item of real value, which
13 includes gift certificates to be used for or towards the
14 purchase of a retail item. "Bona fide product" does not
15 include a discount coupon, Internet access, or a telephone
16 card.

17 "Catalog seller" means an entity (and its subsidiaries) or
18 a person at least 50% of whose annual revenues are derived from
19 the sale of products sold in connection with the distribution
20 of catalogs of at least 24 pages, which contain written
21 descriptions or illustrations and sale prices for each item of
22 merchandise and which are distributed in more than one state
23 with a total annual distribution of at least 250,000.

1 "Discount coupon" means a coupon that has a value worth
2 double the amount inserted into the electronic product
3 promotion sweepstakes kiosk and is used to offset the price of
4 a retail item at a store with a physical location or ecommerce
5 website.

6 "Distributor" means a provider of electronic product
7 promotion sweepstakes kiosks that sells fills through the fill
8 system and is responsible for the collection and remittance of
9 the revenue operation fee to the Department of Revenue.

10 "Electronic product promotion sweepstakes kiosk" means any
11 electronic video machine that is used to promote the purchase
12 of a bona fide product from a sponsor and offers or awards a
13 prize, without requiring payment or purchase to participate,
14 as a means to promote that sponsor and is otherwise consistent
15 with paragraph (12) of subsection (a) and paragraph (16) of
16 subsection (b) of Section 28-1 of the Criminal Code of 2012,
17 contains a fill system, and is not connected directly or
18 indirectly to the Internet, either by cellular modem, hardwire
19 or wireless connection, or to a set of interconnected
20 networked devices in order to participate in the game or
21 contest or to receive or retrieve any data related to the kiosk
22 or device unless the connected device is a redemption vault.

23 "Fills" means the extended play authorizations for the
24 software.

25 "Fill system" means the internal revenue generation refill
26 system of the electronic product promotion sweepstakes kiosk

1 that permits the operation of and access to plays on the
2 software on a fee basis, automatically ceases to operate upon
3 the completion of a revenue cycle, is solely determined by the
4 amount of revenue generated by the electronic product
5 promotion kiosk, and provides for the auditable determination
6 of the revenue operation fee. "Fill system" does not include a
7 system other than that based on the amount of revenue
8 generated, including, without limitation, a system based on
9 time, number of spins or spin equivalents, and other
10 non-revenue based systems.

11 "Internet access" means a connection of individual
12 computer terminals, computers, mobile devices, and computer
13 networks to the Internet, enabling users to access Internet
14 services, such as email and the World Wide Web.

15 "Operator" means an individual, entity, partnership, or
16 otherwise that provides electronic product promotion
17 sweepstakes kiosks for use by others.

18 "Person" means a corporation, partnership, limited
19 liability company, sole proprietorship, or natural person.

20 "Prize" means a gift, award, or other item or service of
21 value that is offered or awarded to a participant in a real or
22 purported contest, competition, sweepstakes, scheme, plan, or
23 other selection process that involves an element of chance.

24 "Redemption vault" means a standalone or connected device
25 to an electronic product promotion sweepstakes kiosk for the
26 sole purpose of redeeming a prize or award.

1 "Retail value" of a prize means:

2 (1) a price at which the sponsor can substantiate that
3 a substantial quantity of the item or service offered as a
4 prize has been sold to the public; or

5 (2) if the sponsor is unable to satisfy the
6 requirement in subdivision (1), no more than 3 times the
7 amount the sponsor paid for the prize in a bona fide
8 purchase from an unaffiliated seller.

9 "Revenue cycle" means the end of a fill or software
10 generated through the fill system.

11 "Revenue operation fee" means the fee paid to the State
12 through the Department of Revenue for each fill generated
13 through the fill system.

14 "Software" means the software that runs the product
15 promotion sweepstakes kiosk that runs through the fill system.

16 "Sponsor" means a person on whose behalf a promotion is
17 conducted to promote or advertise goods, services, or property
18 of that person. "Sponsor" includes a person who conducts a
19 promotion on behalf of another sponsor.

20 "Telephone card" means any stored-value system capable of
21 being discarded when depleted or recharged for reuse and
22 utilized to place a telephone call.

23 (Source: P.A. 92-436, eff. 1-1-02.)

24 (815 ILCS 525/33 new)

25 Sec. 33. Electronic product promotion sweepstakes kiosks.

1 (a) It is unlawful for a person to operate on any premises
2 more than 10 electronic product promotion sweepstakes kiosks
3 at any one time.

4 (b) No electronic product promotion sweepstakes kiosk
5 shall be connected directly or indirectly to the Internet,
6 either by cellular modem, hardwire or wireless connection, or
7 to a set of interconnected networked devices in order to
8 participate in the game or contest or to receive or retrieve
9 any data related to the kiosk or device unless the connected
10 device is a redemption vault.

11 (c) It is unlawful for an electronic product promotion
12 sweepstakes kiosk to offer the sale of anything other than a
13 bona fide product.

14 (d) It is unlawful to operate an electronic product
15 promotion sweepstakes kiosk without a self-contained fill
16 system.

17 (815 ILCS 525/45 new)

18 Sec. 45. Electronic product promotion sweepstakes kiosk;
19 annual fee and revenue operation fee. The Department of
20 Revenue is hereby authorized to impose an annual fee of not
21 more than \$100 for the operation of each electronic product
22 promotion sweepstakes kiosk and collect a revenue operation
23 fee of \$1,000 for each revenue cycle.

24 Distributors of lawful electronic product promotion
25 sweepstakes kiosks shall be responsible for the collection and

1 remittance of the revenue operation fee on a quarterly basis.

2 The Department of Revenue may audit a distributor or
3 operator to ensure that all fills sold through the fill system
4 are accounted for and subject to the revenue operation fee.

5 For the operation of each electronic product promotion
6 sweepstakes kiosk, a municipality with a population of more
7 than 2,000,000 inhabitants may impose a revenue operation fee
8 not to exceed \$500 and an annual fee not to exceed the amount
9 of the fee the municipality imposes for an amusement device.

10 For the operation of each electronic product promotion
11 sweepstakes kiosk, a municipality with a population of
12 2,000,000 inhabitants or less may impose a revenue operation
13 fee not to exceed \$100 and an annual fee not to exceed the
14 amount of the fee the municipality imposes for an amusement
15 device.

16 For the operation of each electronic product promotion
17 sweepstakes kiosk, a county with a population of more than
18 2,000,000 inhabitants may impose an annual fee not to exceed
19 \$100.

20 For the operation of each electronic product promotion
21 sweepstakes kiosk, a county with a population of 2,000,000
22 inhabitants or less may impose an annual fee not to exceed \$50.

23 (815 ILCS 525/50 new)

24 Sec. 50. Application for distributor and operator license.

25 (a) An application for a distribution or operator license

1 shall be made in conformity with the provisions of this Act and
2 the general requirements of the Department of Revenue relating
3 to applications for licenses.

4 (b) The application shall be in writing and signed by the
5 applicant, if an individual. If the applicant is a partnership
6 or corporation, the application shall be signed by a duly
7 authorized agent of the partnership or corporation. If the
8 applicant is a limited liability company managed by managers,
9 the application shall be signed by a manager. If the applicant
10 is a limited liability company managed by its members, the
11 application shall be signed by a member. The application shall
12 be verified by oath or affidavit and shall include the
13 following statements and information:

14 (1) in the case of:

15 (A) an individual: the name, date of birth,
16 residence address, current telephone number, and
17 social security number of the applicant; or

18 (B) a partnership, limited partnership,
19 corporation, limited liability company, or other legal
20 entity: the date of its organization or incorporation;
21 the objects for which it was organized or
22 incorporated; a summary of its activities during the
23 past year; the name, residence address, date of birth,
24 and social security numbers of any person owning
25 directly or beneficially any percentage of ownership
26 of the partnership, limited partnership, corporation,

1 limited liability company, other legal entity;
2 however, if the partnership, limited partnership,
3 corporation, limited liability company, or other legal
4 entity is publicly traded on an exchange within the
5 meaning of the federal Securities Exchange Act of
6 1934, the names, residence addresses, social security
7 numbers, dates of birth, and percentage of interest of
8 the 3 members who own the highest percentage of
9 interest in the partnership, limited partnership,
10 corporation, limited liability company, or other legal
11 entity and of any other members who hold a 5% or
12 greater interest in the partnership, limited
13 partnership, corporation, limited liability company,
14 or other legal entity; and, where applicable, the
15 names, residence addresses, dates of birth, and social
16 security numbers of all principal officers and
17 directors; if the entity is a manager-managed limited
18 liability company, the names, residence addresses,
19 dates of birth, and social security numbers of all
20 managers; and the name and current telephone number of
21 any authorized agent;

22 (2) the length of time the applicant has been in a
23 business of that character or, in the case of a
24 corporation, the date when its charter was issued;

25 (3) the location of the place of business that is to be
26 operated under the license;

1 (4) a statement as to whether the applicant is not
2 disqualified to receive a license by reason of any
3 provision of this Act or the laws of the State of Illinois;

4 (5) a statement as to whether the applicant has ever
5 been convicted of a felony related to a gambling offense;
6 and

7 (6) a statement that the applicant will not violate
8 any of the laws of the State of Illinois or of the United
9 States in the conduct of business.

10 (c) Applicants for a distributor or operator license must
11 have a fingerprint-based criminal history background check
12 completed by an Illinois licensed live scan fingerprint
13 vendor.

14 (d) Applicants for a distributor or operator license shall
15 be issued and approved within 30 days after the application is
16 submitted to the Department of Revenue. No license shall be
17 issued if the applicant or any of its owners, partners,
18 shareholders, or members have been convicted of a felony
19 related to gambling.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.