

# SB3144



## 98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3144

Introduced 2/11/2014, by Sen. Dave Syverson

### SYNOPSIS AS INTRODUCED:

230 ILCS 40/25

Amends the Video Gaming Act. Provides that a licensed truck stop establishment may operate up to 10 (rather than 5) video gaming terminals on its premises at any time.

LRB098 19378 ZMM 54532 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 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. A licensed truck stop establishment may operate up to  
19 10 video gaming terminals on its premises at any time.

20 (f) (Blank).

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

25 (A) When, with respect to a sole proprietorship, an  
26 individual or his or her spouse owns, operates, manages, or

1 conducts, directly or indirectly, the organization,  
2 association, or business, or any part thereof; or

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

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

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

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

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

26 For purposes of this subsection (g), "individual" includes

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

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

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

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

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

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

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

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

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

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

18           (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,  
19 eff. 7-15-13; 98-112, eff. 7-26-13; revised 10-17-13.)