



Rep. Jay Hoffman

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LRB100 08549 MJP 27080 a

1 AMENDMENT TO HOUSE BILL 2877

2 AMENDMENT NO. _____. Amend House Bill 2877 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Video Gaming Act is amended by changing the
5 Sections 5, 25, 30, 35, 45, 55, 58, and 60 as follows:

6 (230 ILCS 40/5)

7 Sec. 5. Definitions. As used in this Act:

8 "Board" means the Illinois Gaming Board.

9 "Credit" means one, 5, 10, or 25 cents either won or
10 purchased by a player.

11 "Distributor" means an individual, partnership,
12 corporation, or limited liability company licensed under this
13 Act to buy, sell, lease, or distribute video gaming terminals
14 or major components or parts of video gaming terminals to or
15 from terminal operators.

16 "Electronic card" means a card purchased from a licensed

1 establishment, licensed fraternal establishment, licensed
2 veterans establishment, or licensed truck stop establishment
3 for use in that establishment as a substitute for cash in the
4 conduct of gaming on a video gaming terminal.

5 "Electronic voucher" means a voucher printed by an
6 electronic video game machine that is redeemable in the
7 licensed establishment for which it was issued.

8 "Terminal operator" means an individual, partnership,
9 corporation, or limited liability company that is licensed
10 under this Act and that owns, services, and maintains video
11 gaming terminals for placement in licensed establishments,
12 licensed truck stop establishments, licensed fraternal
13 establishments, organization licensee locations, inter-track
14 wagering location licensee locations, or licensed veterans
15 establishments.

16 "Licensed technician" means an individual who is licensed
17 under this Act to repair, service, and maintain video gaming
18 terminals.

19 "Licensed terminal handler" means a person, including but
20 not limited to an employee or independent contractor working
21 for a manufacturer, distributor, supplier, technician, or
22 terminal operator, who is licensed under this Act to possess or
23 control a video gaming terminal or to have access to the inner
24 workings of a video gaming terminal. A licensed terminal
25 handler does not include an individual, partnership,
26 corporation, or limited liability company defined as a

1 manufacturer, distributor, supplier, technician, or terminal
2 operator under this Act.

3 "Manufacturer" means an individual, partnership,
4 corporation, or limited liability company that is licensed
5 under this Act and that manufactures or assembles video gaming
6 terminals.

7 "Supplier" means an individual, partnership, corporation,
8 or limited liability company that is licensed under this Act to
9 supply major components or parts to video gaming terminals to
10 licensed terminal operators.

11 "Net terminal income" means money put into a video gaming
12 terminal minus credits paid out to players.

13 "Video gaming terminal" means any electronic video game
14 machine that, upon insertion of cash, electronic cards or
15 vouchers, or any combination thereof, is available to play or
16 simulate the play of a video game, including but not limited to
17 video poker, line up, and blackjack, as authorized by the Board
18 utilizing a video display and microprocessors in which the
19 player may receive free games or credits that can be redeemed
20 for cash. The term does not include a machine that directly
21 dispenses coins, cash, or tokens or is for amusement purposes
22 only.

23 "Licensed establishment" means any licensed retail
24 establishment where alcoholic liquor is drawn, poured, mixed,
25 or otherwise served for consumption on the premises, whether
26 the establishment operates on a nonprofit or for-profit basis.

1 ~~"Licensed establishment" includes any such establishment that~~
2 ~~has a contractual relationship with an inter track wagering~~
3 ~~location licensee licensed under the Illinois Horse Racing Act~~
4 ~~of 1975, provided any contractual relationship shall not~~
5 ~~include any transfer or offer of revenue from the operation of~~
6 ~~video gaming under this Act to any licensee licensed under the~~
7 ~~Illinois Horse Racing Act of 1975. Provided, however, that the~~
8 ~~licensed establishment that has such a contractual~~
9 ~~relationship with an inter track wagering location licensee~~
10 ~~may not, itself, be (i) an inter track wagering location~~
11 ~~licensee, (ii) the corporate parent or subsidiary of any~~
12 ~~licensee licensed under the Illinois Horse Racing Act of 1975,~~
13 ~~or (iii) the corporate subsidiary of a corporation that is also~~
14 ~~the corporate parent or subsidiary of any licensee licensed~~
15 ~~under the Illinois Horse Racing Act of 1975. "Licensed~~
16 ~~establishment" does not include a facility operated by an~~
17 ~~organization licensee, an inter track wagering licensee, or an~~
18 ~~inter track wagering location licensee licensed under the~~
19 ~~Illinois Horse Racing Act of 1975 or a riverboat licensed under~~
20 ~~the Riverboat Gambling Act, except as provided in this~~
21 ~~paragraph. The changes made to this definition by Public Act~~
22 ~~98-587 are declarative of existing law.~~

23 "Licensed fraternal establishment" means the location
24 where a qualified fraternal organization that derives its
25 charter from a national fraternal organization regularly
26 meets.

1 "Licensed veterans establishment" means the location where
2 a qualified veterans organization that derives its charter from
3 a national veterans organization regularly meets.

4 "Licensed truck stop establishment" means a facility (i)
5 that is at least a 3-acre facility with a convenience store,
6 (ii) with separate diesel islands for fueling commercial motor
7 vehicles, (iii) that sells at retail more than 10,000 gallons
8 of diesel or biodiesel fuel per month, and (iv) with parking
9 spaces for commercial motor vehicles. "Commercial motor
10 vehicles" has the same meaning as defined in Section 18b-101 of
11 the Illinois Vehicle Code. The requirement of item (iii) of
12 this paragraph may be met by showing that estimated future
13 sales or past sales average at least 10,000 gallons per month.

14 "Organization licensee" means an organization licensee as
15 defined in the Illinois Horse Racing Act of 1975.

16 "Inter-track wagering location licensee" means an
17 inter-track wagering location licensee as defined in the
18 Illinois Horse Racing Act of 1975.

19 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
20 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
21 7-16-14.)

22 (230 ILCS 40/25)

23 Sec. 25. Restriction of licensees.

24 (a) Manufacturer. A person may not be licensed as a
25 manufacturer of a video gaming terminal in Illinois unless the

1 person has a valid manufacturer's license issued under this
2 Act. A manufacturer may only sell video gaming terminals for
3 use in Illinois to persons having a valid distributor's
4 license.

5 (b) Distributor. A person may not sell, distribute, or
6 lease or market a video gaming terminal in Illinois unless the
7 person has a valid distributor's license issued under this Act.
8 A distributor may only sell video gaming terminals for use in
9 Illinois to persons having a valid distributor's or terminal
10 operator's license.

11 (c) Terminal operator. A person may not own, maintain, or
12 place a video gaming terminal unless he has a valid terminal
13 operator's license issued under this Act. A terminal operator
14 may only place video gaming terminals for use in Illinois in
15 licensed establishments, licensed truck stop establishments,
16 licensed fraternal establishments, organization licensee
17 locations, inter-track wagering location licensee locations,
18 and licensed veterans establishments. No terminal operator may
19 give anything of value, including but not limited to a loan or
20 financing arrangement, to a licensed establishment, licensed
21 truck stop establishment, licensed fraternal establishment,
22 organization licensee location, inter-track wagering location
23 licensee location, or licensed veterans establishment as any
24 incentive or inducement to locate video terminals in that
25 establishment. Of the after-tax profits from a video gaming
26 terminal, 50% shall be paid to the terminal operator and 50%

1 shall be paid to the licensed establishment, licensed truck
2 stop establishment, licensed fraternal establishment,
3 organization licensee location, inter-track wagering location
4 licensee location, or licensed veterans establishment,
5 notwithstanding any agreement to the contrary. Organization
6 licensees and inter-track wagering location licensees shall
7 deposit 50% of their share of the net terminal income into the
8 horsemen purse accounts associated with their respective race
9 track. At a race track located in Cook County that races
10 multiple breeds, the share of net terminal income deposited
11 into the horsemen purse account shall be distributed equally
12 among the breeds unless the organization licensee and the
13 horsemen associations representing the largest number of
14 owners, trainers, jockeys, or standardbred drivers who race
15 horses at that organization licensee's racing meetings agree to
16 a different distribution. A video terminal operator that
17 violates one or more requirements of this subsection is guilty
18 of a Class 4 felony and is subject to termination of his or her
19 license by the Board.

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

25 (d-5) Licensed terminal handler. No person, including, but
26 not limited to, an employee or independent contractor working

1 for a manufacturer, distributor, supplier, technician, or
2 terminal operator licensed pursuant to this Act, shall have
3 possession or control of a video gaming terminal, or access to
4 the inner workings of a video gaming terminal, unless that
5 person possesses a valid terminal handler's license issued
6 under this Act.

7 (e) Licensed establishment. No video gaming terminal may be
8 placed in any licensed establishment, licensed veterans
9 establishment, licensed truck stop establishment, organization
10 licensee location, inter-track wagering location licensee
11 location, or licensed fraternal establishment unless the owner
12 or agent of the owner of the licensed establishment, licensed
13 veterans establishment, licensed truck stop establishment,
14 organization licensee, inter-track wagering location licensee,
15 or licensed fraternal establishment has entered into a written
16 use agreement with the terminal operator for placement of the
17 terminals. A copy of the use agreement shall be on file in the
18 terminal operator's place of business and available for
19 inspection by individuals authorized by the Board. A licensed
20 establishment, licensed truck stop establishment, licensed
21 veterans establishment, or licensed fraternal establishment
22 may operate up to 5 video gaming terminals on its premises at
23 any time, except that an organization licensee licensed under
24 the Illinois Horse Racing Act of 1975 who held that license in
25 2016 may operate up to 150 video gaming terminals at its
26 organization licensee location at any time and an inter-track

1 wagering location licensee may operate up to 5 video gaming
2 terminals at the inter-track wagering location licensee's
3 location or on the premises of the organization licensee with
4 which they are affiliated. An organization licensee may enter
5 into a written use agreement with multiple terminal operators
6 for placement of terminals on the organization licensee's
7 premises.

8 (f) (Blank).

9 (g) Financial interest restrictions. As used in this Act,
10 "substantial interest" in a partnership, a corporation, an
11 organization, an association, a business, or a limited
12 liability company means:

13 (A) When, with respect to a sole proprietorship, an
14 individual or his or her spouse owns, operates, manages, or
15 conducts, directly or indirectly, the organization,
16 association, or business, or any part thereof; or

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

20 (C) When, with respect to a corporation, an individual
21 or his or her spouse is an officer or director, or the
22 individual or his or her spouse is a holder, directly or
23 beneficially, of 5% or more of any class of stock of the
24 corporation; or

25 (D) When, with respect to an organization not covered
26 in (A), (B) or (C) above, an individual or his or her

1 spouse is an officer or manages the business affairs, or
2 the individual or his or her spouse is the owner of or
3 otherwise controls 10% or more of the assets of the
4 organization; or

5 (E) When an individual or his or her spouse furnishes
6 5% or more of the capital, whether in cash, goods, or
7 services, for the operation of any business, association,
8 or organization during any calendar year; or

9 (F) When, with respect to a limited liability company,
10 an individual or his or her spouse is a member, or the
11 individual or his or her spouse is a holder, directly or
12 beneficially, of 5% or more of the membership interest of
13 the limited liability company.

14 For purposes of this subsection (g), "individual" includes
15 all individuals or their spouses whose combined interest would
16 qualify as a substantial interest under this subsection (g) and
17 whose activities with respect to an organization, association,
18 or business are so closely aligned or coordinated as to
19 constitute the activities of a single entity.

20 (h) Location restriction. A licensed establishment,
21 licensed truck stop establishment, licensed fraternal
22 establishment, organization licensee location, inter-track
23 wagering location licensee location, or licensed veterans
24 establishment that is (i) located within 1,000 feet of ~~a~~
25 ~~facility operated by an organization licensee licensed under~~
26 ~~the Illinois Horse Racing Act of 1975 or~~ the home dock of a

1 riverboat licensed under the Riverboat Gambling Act or (ii)
2 located within 100 feet of a school or a place of worship under
3 the Religious Corporation Act~~7~~ is ineligible to operate a video
4 gaming terminal. The location restrictions in this subsection
5 (h) do not apply if (A) ~~a facility operated by an organization~~
6 ~~licensee~~, a school~~7~~ or a place of worship moves to or is
7 established within the restricted area after a licensed
8 establishment, licensed truck stop establishment, licensed
9 fraternal establishment, organization licensee, inter-track
10 wagering location licensee, or licensed veterans establishment
11 becomes licensed under this Act or (B) a school or place of
12 worship moves to or is established within the restricted area
13 after a licensed establishment, licensed truck stop
14 establishment, licensed fraternal establishment, organization
15 licensee, inter-track wagering location licensee, or licensed
16 veterans establishment obtains its original liquor license.
17 For the purpose of this subsection, "school" means an
18 elementary or secondary public school, or an elementary or
19 secondary private school registered with or recognized by the
20 State Board of Education.

21 Notwithstanding the provisions of this subsection (h), the
22 Board may waive the requirement that a licensed establishment,
23 licensed truck stop establishment, licensed fraternal
24 establishment, organization licensee location, inter-track
25 wagering location licensee location, or licensed veterans
26 establishment not be located within 1,000 feet from ~~a facility~~

1 ~~operated by an organization licensee licensed under the~~
2 ~~Illinois Horse Racing Act of 1975 or~~ the home dock of a
3 riverboat licensed under the Riverboat Gambling Act. The Board
4 shall not grant such waiver if there is any common ownership or
5 control, shared business activity, or contractual arrangement
6 of any type between the establishment and the ~~organization~~
7 ~~licensee or~~ owners licensee of a riverboat. The Board shall
8 adopt rules to implement the provisions of this paragraph.

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

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

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

24 (3) negatively impact the purposes of the Video Gaming
25 Act.

26 The Board shall adopt rules concerning undue economic

1 concentration with respect to the operation of video gaming
2 terminals in Illinois. The rules shall include, but not be
3 limited to, (i) limitations on the number of video gaming
4 terminals operated by any terminal operator within a defined
5 geographic radius and (ii) guidelines on the discontinuation of
6 operation of any such video gaming terminals the Board
7 determines will cause undue economic concentration.

8 (j) The provisions of the Illinois Antitrust Act are fully
9 and equally applicable to the activities of any licensee under
10 this Act.

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

13 (230 ILCS 40/30)

14 Sec. 30. Multiple types of licenses prohibited. A video
15 gaming terminal manufacturer may not be licensed as a video
16 gaming terminal operator or own, manage, or control a licensed
17 establishment, licensed truck stop establishment, licensed
18 fraternal establishment, organization licensee location,
19 inter-track wagering location licensee location, or licensed
20 veterans establishment, and shall be licensed to sell only to
21 persons having a valid distributor's license or, if the
22 manufacturer also holds a valid distributor's license, to sell,
23 distribute, lease, or market to persons having a valid terminal
24 operator's license. A video gaming terminal distributor may not
25 be licensed as a video gaming terminal operator or own, manage,

1 or control a licensed establishment, licensed truck stop
2 establishment, licensed fraternal establishment, or licensed
3 veterans establishment, and shall only contract with a licensed
4 terminal operator. A video gaming terminal operator may not be
5 licensed as a video gaming terminal manufacturer or distributor
6 or own, manage, or control a licensed establishment, licensed
7 truck stop establishment, licensed fraternal establishment, or
8 licensed veterans establishment, and shall be licensed only to
9 contract with licensed distributors and licensed
10 establishments, licensed truck stop establishments, licensed
11 fraternal establishments, and licensed veterans
12 establishments. An owner or manager of a licensed
13 establishment, licensed truck stop establishment, licensed
14 fraternal establishment, or licensed veterans establishment
15 may not be licensed as a video gaming terminal manufacturer,
16 distributor, or operator, and shall only contract with a
17 licensed operator to place and service this equipment.

18 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

19 (230 ILCS 40/35)

20 Sec. 35. Display of license; confiscation; violation as
21 felony.

22 (a) Each video gaming terminal shall be licensed by the
23 Board before placement or operation on the premises of a
24 licensed establishment, licensed truck stop establishment,
25 licensed fraternal establishment, organization licensee

1 location, inter-track wagering location licensee location, or
2 licensed veterans establishment. The license of each video
3 gaming terminal shall be maintained at the location where the
4 video gaming terminal is operated. Failure to do so is a petty
5 offense with a fine not to exceed \$100. Any licensed
6 establishment, licensed truck stop establishment, licensed
7 fraternal establishment, organization licensee location,
8 inter-track wagering location licensee location, or licensed
9 veterans establishment used for the conduct of gambling games
10 in violation of this Act shall be considered a gambling place
11 in violation of Section 28-3 of the Criminal Code of 2012.
12 Every gambling device found in a licensed establishment,
13 licensed truck stop establishment, licensed fraternal
14 establishment, organization licensee location, inter-track
15 wagering location licensee location, or licensed veterans
16 establishment operating gambling games in violation of this Act
17 shall be subject to seizure, confiscation, and destruction as
18 provided in Section 28-5 of the Criminal Code of 2012. Any
19 license issued under the Liquor Control Act of 1934 to any
20 owner or operator of a licensed establishment, licensed truck
21 stop establishment, licensed fraternal establishment,
22 organization licensee location, inter-track wagering location
23 licensee location, or licensed veterans establishment that
24 operates or permits the operation of a video gaming terminal
25 within its establishment in violation of this Act shall be
26 immediately revoked. No person may own, operate, have in his or

1 her possession or custody or under his or her control, or
2 permit to be kept in any place under his or her possession or
3 control, any device that awards credits and contains a circuit,
4 meter, or switch capable of removing and recording the removal
5 of credits when the award of credits is dependent upon chance.

6 Nothing in this Section shall be deemed to prohibit the use
7 of a game device only if the game device is used in an activity
8 that is not gambling under subsection (b) of Section 28-1 of
9 the Criminal Code of 2012.

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

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

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

25 (2) No video gaming terminal licensed under this Act may be
26 played except during the legal hours of operation allowed for

1 the consumption of alcoholic beverages at the licensed
2 establishment, licensed fraternal establishment, or licensed
3 veterans establishment. No video gaming terminal licensed
4 under this Act at a location operated by an organization
5 licensee or inter-track wagering location licensee may be
6 played except during the legal hours of operation allowed in
7 the Illinois Horse Racing Act of 1975. A licensed
8 establishment, licensed fraternal establishment, organization
9 licensee, inter-track wagering location licensee, or licensed
10 veterans establishment that violates this subsection is
11 subject to termination of its license by the Board.

12 (Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

13 (230 ILCS 40/45)

14 Sec. 45. Issuance of license.

15 (a) The burden is upon each applicant to demonstrate his
16 suitability for licensure. Each video gaming terminal
17 manufacturer, distributor, supplier, operator, handler,
18 licensed establishment, licensed truck stop establishment,
19 licensed fraternal establishment, organization licensee,
20 inter-track wagering location licensee, and licensed veterans
21 establishment shall be licensed by the Board. The Board may
22 issue or deny a license under this Act to any person pursuant
23 to the same criteria set forth in Section 9 of the Riverboat
24 Gambling Act.

25 (a-5) The Board shall not grant a license to a person who

1 has facilitated, enabled, or participated in the use of
2 coin-operated devices for gambling purposes or who is under the
3 significant influence or control of such a person. For the
4 purposes of this Act, "facilitated, enabled, or participated in
5 the use of coin-operated amusement devices for gambling
6 purposes" means that the person has been convicted of any
7 violation of Article 28 of the Criminal Code of 1961 or the
8 Criminal Code of 2012. If there is pending legal action against
9 a person for any such violation, then the Board shall delay the
10 licensure of that person until the legal action is resolved.

11 (b) Each person seeking and possessing a license as a video
12 gaming terminal manufacturer, distributor, supplier, operator,
13 handler, licensed establishment, licensed truck stop
14 establishment, licensed fraternal establishment, organization
15 licensee, inter-track wagering location licensee, or licensed
16 veterans establishment shall submit to a background
17 investigation conducted by the Board with the assistance of the
18 State Police or other law enforcement. To the extent that the
19 corporate structure of the applicant allows, the background
20 investigation shall include any or all of the following as the
21 Board deems appropriate or as provided by rule for each
22 category of licensure: (i) each beneficiary of a trust, (ii)
23 each partner of a partnership, (iii) each member of a limited
24 liability company, (iv) each director and officer of a publicly
25 or non-publicly held corporation, (v) each stockholder of a
26 non-publicly held corporation, (vi) each stockholder of 5% or

1 more of a publicly held corporation, or (vii) each stockholder
2 of 5% or more in a parent or subsidiary corporation.

3 (c) Each person seeking and possessing a license as a video
4 gaming terminal manufacturer, distributor, supplier, operator,
5 handler, licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, organization
7 licensee, inter-track wagering location licensee, or licensed
8 veterans establishment shall disclose the identity of every
9 person, association, trust, corporation, or limited liability
10 company having a greater than 1% direct or indirect pecuniary
11 interest in the video gaming terminal operation for which the
12 license is sought. If the disclosed entity is a trust, the
13 application shall disclose the names and addresses of the
14 beneficiaries; if a corporation, the names and addresses of all
15 stockholders and directors; if a limited liability company, the
16 names and addresses of all members; or if a partnership, the
17 names and addresses of all partners, both general and limited.

18 (d) No person may be licensed as a video gaming terminal
19 manufacturer, distributor, supplier, operator, handler,
20 licensed establishment, licensed truck stop establishment,
21 licensed fraternal establishment, organization licensee,
22 inter-track wagering location licensee, or licensed veterans
23 establishment if that person has been found by the Board to:

24 (1) have a background, including a criminal record,
25 reputation, habits, social or business associations, or
26 prior activities that pose a threat to the public interests

1 of the State or to the security and integrity of video
2 gaming;

3 (2) create or enhance the dangers of unsuitable,
4 unfair, or illegal practices, methods, and activities in
5 the conduct of video gaming; or

6 (3) present questionable business practices and
7 financial arrangements incidental to the conduct of video
8 gaming activities.

9 (e) Any applicant for any license under this Act has the
10 burden of proving his or her qualifications to the satisfaction
11 of the Board. The Board may adopt rules to establish additional
12 qualifications and requirements to preserve the integrity and
13 security of video gaming in this State.

14 (f) A non-refundable application fee shall be paid at the
15 time an application for a license is filed with the Board in
16 the following amounts:

- 17 (1) Manufacturer \$5,000
- 18 (2) Distributor..... \$5,000
- 19 (3) Terminal operator..... \$5,000
- 20 (4) Supplier \$2,500
- 21 (5) Technician \$100
- 22 (6) Terminal Handler \$50

23 (g) The Board shall establish an annual fee for each
24 license not to exceed the following:

- 25 (1) Manufacturer \$10,000
- 26 (2) Distributor..... \$10,000

- 1 (3) Terminal operator..... \$5,000
- 2 (4) Supplier \$2,000
- 3 (5) Technician \$100
- 4 (6) Licensed establishment, licensed truck stop
- 5 establishment, licensed fraternal establishment,
- 6 organization licensee, inter-track wagering location
- 7 licensee, or licensed veterans establishment \$100
- 8 (7) Video gaming terminal..... \$100
- 9 (8) Terminal Handler \$50
- 10 (h) A terminal operator and a licensed establishment,
- 11 licensed truck stop establishment, licensed fraternal
- 12 establishment, organization licensee, inter-track wagering
- 13 location licensee, or licensed veterans establishment shall
- 14 equally split the fees specified in item (7) of subsection (g).
- 15 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
- 16 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

17 (230 ILCS 40/55)

18 Sec. 55. Precondition for licensed location. In all cases
 19 of application for a licensed location, to operate a video
 20 gaming terminal, each licensed establishment, licensed
 21 fraternal establishment, or licensed veterans establishment
 22 shall possess a valid liquor license issued by the Illinois
 23 Liquor Control Commission in effect at the time of application
 24 and at all times thereafter during which a video gaming
 25 terminal is made available to the public for play at that

1 location. Video gaming terminals in a licensed location shall
2 be operated only during the same hours of operation generally
3 permitted to holders of a license under the Liquor Control Act
4 of 1934 within the unit of local government in which they are
5 located. Organization licensees and inter-track wagering
6 location licensees may operate video gaming terminals if they
7 hold an organization license or inter-track wagering location
8 license issued by the Illinois Racing Board. A licensed truck
9 stop establishment that does not hold a liquor license may
10 operate video gaming terminals on a continuous basis. A
11 licensed fraternal establishment or licensed veterans
12 establishment that does not hold a liquor license may operate
13 video gaming terminals if (i) the establishment is located in a
14 county with a population between 6,500 and 7,000, based on the
15 2000 U.S. Census, (ii) the county prohibits by ordinance the
16 sale of alcohol, and (iii) the establishment is in a portion of
17 the county where the sale of alcohol is prohibited. A licensed
18 fraternal establishment or licensed veterans establishment
19 that does not hold a liquor license may operate video gaming
20 terminals if (i) the establishment is located in a municipality
21 within a county with a population between 8,500 and 9,000 based
22 on the 2000 U.S. Census and (ii) the municipality or county
23 prohibits or limits the sale of alcohol by ordinance in a way
24 that prohibits the establishment from selling alcohol.

25 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;
26 97-594, eff. 8-26-11.)

1 (230 ILCS 40/58)

2 Sec. 58. Location of terminals. Video gaming terminals
3 must be located in an area restricted to persons over 21 years
4 of age the entrance to which is within the view of at least one
5 employee, who is over 21 years of age, of the establishment in
6 which they are located. The placement of video gaming terminals
7 in licensed establishments, licensed truck stop
8 establishments, licensed fraternal establishments,
9 organization licensee locations, inter-track wagering location
10 licensee locations, and licensed veterans establishments shall
11 be subject to the rules promulgated by the Board pursuant to
12 the Illinois Administrative Procedure Act.

13 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

14 (230 ILCS 40/60)

15 Sec. 60. Imposition and distribution of tax.

16 (a) A tax of 30% is imposed on net terminal income and
17 shall be collected by the Board.

18 (b) Of the tax collected under this Section, five-sixths
19 shall be deposited into the Capital Projects Fund and one-sixth
20 shall be deposited into the Local Government Video Gaming
21 Distributive Fund.

22 (c) Revenues generated from the play of video gaming
23 terminals shall be deposited by the terminal operator, who is
24 responsible for tax payments, in a specially created, separate

1 bank account maintained by the video gaming terminal operator
2 to allow for electronic fund transfers of moneys for tax
3 payment.

4 (d) Each licensed establishment, licensed truck stop
5 establishment, licensed fraternal establishment, organization
6 licensee, inter-track wagering location licensee, and licensed
7 veterans establishment shall maintain an adequate video gaming
8 fund, with the amount to be determined by the Board.

9 (e) The State's percentage of net terminal income shall be
10 reported and remitted to the Board within 15 days after the
11 15th day of each month and within 15 days after the end of each
12 month by the video terminal operator. A video terminal operator
13 who falsely reports or fails to report the amount due required
14 by this Section is guilty of a Class 4 felony and is subject to
15 termination of his or her license by the Board. Each video
16 terminal operator shall keep a record of net terminal income in
17 such form as the Board may require. All payments not remitted
18 when due shall be paid together with a penalty assessment on
19 the unpaid balance at a rate of 1.5% per month.

20 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

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

23 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

24 Sec. 28-1. Gambling.

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

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

5 (2) knowingly makes a wager upon the result of any
6 game, contest, or any political nomination, appointment or
7 election;

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

11 (4) contracts to have or give himself or herself or
12 another the option to buy or sell, or contracts to buy or
13 sell, at a future time, any grain or other commodity
14 whatsoever, or any stock or security of any company, where
15 it is at the time of making such contract intended by both
16 parties thereto that the contract to buy or sell, or the
17 option, whenever exercised, or the contract resulting
18 therefrom, shall be settled, not by the receipt or delivery
19 of such property, but by the payment only of differences in
20 prices thereof; however, the issuance, purchase, sale,
21 exercise, endorsement or guarantee, by or through a person
22 registered with the Secretary of State pursuant to Section
23 8 of the Illinois Securities Law of 1953, or by or through
24 a person exempt from such registration under said Section
25 8, of a put, call, or other option to buy or sell
26 securities which have been registered with the Secretary of

1 State or which are exempt from such registration under
2 Section 3 of the Illinois Securities Law of 1953 is not
3 gambling within the meaning of this paragraph (4);

4 (5) knowingly owns or possesses any book, instrument or
5 apparatus by means of which bets or wagers have been, or
6 are, recorded or registered, or knowingly possesses any
7 money which he has received in the course of a bet or
8 wager;

9 (6) knowingly sells pools upon the result of any game
10 or contest of skill or chance, political nomination,
11 appointment or election;

12 (7) knowingly sets up or promotes any lottery or sells,
13 offers to sell or transfers any ticket or share for any
14 lottery;

15 (8) knowingly sets up or promotes any policy game or
16 sells, offers to sell or knowingly possesses or transfers
17 any policy ticket, slip, record, document or other similar
18 device;

19 (9) knowingly drafts, prints or publishes any lottery
20 ticket or share, or any policy ticket, slip, record,
21 document or similar device, except for such activity
22 related to lotteries, bingo games and raffles authorized by
23 and conducted in accordance with the laws of Illinois or
24 any other state or foreign government;

25 (10) knowingly advertises any lottery or policy game,
26 except for such activity related to lotteries, bingo games

1 and raffles authorized by and conducted in accordance with
2 the laws of Illinois or any other state;

3 (11) knowingly transmits information as to wagers,
4 betting odds, or changes in betting odds by telephone,
5 telegraph, radio, semaphore or similar means; or knowingly
6 installs or maintains equipment for the transmission or
7 receipt of such information; except that nothing in this
8 subdivision (11) prohibits transmission or receipt of such
9 information for use in news reporting of sporting events or
10 contests; or

11 (12) knowingly establishes, maintains, or operates an
12 Internet site that permits a person to play a game of
13 chance or skill for money or other thing of value by means
14 of the Internet or to make a wager upon the result of any
15 game, contest, political nomination, appointment, or
16 election by means of the Internet. This item (12) does not
17 apply to activities referenced in items (6) and (6.1) of
18 subsection (b) of this Section.

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

21 (1) Agreements to compensate for loss caused by the
22 happening of chance including without limitation contracts
23 of indemnity or guaranty and life or health or accident
24 insurance.

25 (2) Offers of prizes, award or compensation to the
26 actual contestants in any bona fide contest for the

1 determination of skill, speed, strength or endurance or to
2 the owners of animals or vehicles entered in such contest.

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

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

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

16 (6) Lotteries when conducted by the State of Illinois
17 in accordance with the Illinois Lottery Law. This exemption
18 includes any activity conducted by the Department of
19 Revenue to sell lottery tickets pursuant to the provisions
20 of the Illinois Lottery Law and its rules.

21 (6.1) The purchase of lottery tickets through the
22 Internet for a lottery conducted by the State of Illinois
23 under the program established in Section 7.12 of the
24 Illinois Lottery Law.

25 (7) Possession of an antique slot machine that is
26 neither used nor intended to be used in the operation or

1 promotion of any unlawful gambling activity or enterprise.
2 For the purpose of this subparagraph (b)(7), an antique
3 slot machine is one manufactured 25 years ago or earlier.

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

6 (9) Charitable games when conducted in accordance with
7 the Charitable Games Act.

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

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

12 (12) Video gaming terminal games at a licensed
13 establishment, licensed truck stop establishment, licensed
14 fraternal establishment, organization licensee location,
15 inter-track wagering location licensee location, or
16 licensed veterans establishment when conducted in
17 accordance with the Video Gaming Act.

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

21 (14) Savings promotion raffles authorized under
22 Section 5g of the Illinois Banking Act, Section 7008 of the
23 Savings Bank Act, Section 42.7 of the Illinois Credit Union
24 Act, Section 5136B of the National Bank Act (12 U.S.C.
25 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
26 1463).

1 (c) Sentence.

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

5 (d) Circumstantial evidence.

6 In prosecutions under this Section circumstantial evidence
7 shall have the same validity and weight as in any criminal
8 prosecution.

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