



Sen. Kwame Raoul

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1 AMENDMENT TO SENATE BILL 208

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 208 by replacing  
3 everything after the enacting clause with the following:

4 "Article 1. Fantasy Sports Contest Act

5 Section 1-1. Short title. This Article may be cited as the  
6 Fantasy Sports Contest Act. References in this Article to "this  
7 Act" mean this Article.

8 Section 1-5. Legislative intent.

9 (a) The General Assembly hereby finds and declares that:

10 (1) Interactive fantasy sports contests are contests  
11 of skill in which fantasy or simulation teams are selected  
12 based upon the skill and knowledge of the participants and  
13 not based solely on the membership of an actual team.

14 (2) Interactive fantasy sports contests are not wagers  
15 on future contingent events not under the contestants'

1 control or influence because contestants have control over  
2 which players they choose and the outcome of each contest  
3 is not dependent upon the performance of any one player or  
4 any one actual team. The outcome of any interactive fantasy  
5 sports contest does not correspond to the outcome of any  
6 one real-life competitive event. Instead, the outcome  
7 depends on how the performances of participants' fantasy  
8 roster choices compared to the performance of others'  
9 roster choices.

10 (b) Based on the findings in this Section, the General  
11 Assembly declares that interactive fantasy sports contests do  
12 not constitute gambling as defined in Section 28-1 of the  
13 Criminal Code of 2012.

14 (c) The General Assembly further finds that as the Internet  
15 has become an integral part of society, and interactive fantasy  
16 sports contests a major form of entertainment for many  
17 consumers, any interactive fantasy sports enforcement and  
18 regulatory structure must begin from the bedrock premise that  
19 participation in a lawful and licensed interactive fantasy  
20 sports industry is a privilege and not a right, and that  
21 regulatory oversight is intended to safeguard the integrity of  
22 the games and participants and to ensure accountability and the  
23 public trust.

24 Section 1-10. Definitions. As used in this Act:

25 "Authorized player" means an individual located in this

1 State that participates in an interactive fantasy sports  
2 contest offered by an interactive fantasy sports operator.

3 "Beginner fantasy sports player" means an individual who is  
4 at least 21 years of age and who has entered fewer than 51  
5 interactive fantasy sports contests offered by a single  
6 interactive fantasy sports operator.

7 "Board" means the Illinois Gaming Board.

8 "Collegiate sport or athletic event" means a sport or  
9 athletic event offered or sponsored by or played in connection  
10 with a public or private institution that offers education  
11 services beyond the secondary level.

12 "Entry fee" means cash or cash equivalent that is paid by  
13 an authorized player to an interactive fantasy sports operator  
14 to participate in an interactive fantasy sports contest offered  
15 by that interactive fantasy sports operator.

16 "High school sport or athletic event" means a sport or  
17 athletic event offered or sponsored by or played in connection  
18 with a public or private institution that offers education  
19 services at the secondary level.

20 "Highly experienced player" means an authorized player who  
21 has:

22 (1) entered more than 1,000 interactive fantasy sports  
23 contests offered by a single interactive fantasy sports  
24 operator; or

25 (2) won more than 3 prizes valued at \$1,000 each or  
26 more from a single interactive fantasy sports operator.

1 "Interactive fantasy sports contest" means a fantasy  
2 contest, in which:

3 (1) the value of all prizes and awards offered to  
4 winning participants are established and made known to the  
5 participants in advance of the contest and their value is  
6 not determined by the number of participants or the amount  
7 of any fees paid by those participants;

8 (2) all winning outcomes are determined predominantly  
9 by accumulated statistical results of the performance of  
10 individual athletes in real-world professional athletic  
11 competitions; a professional athletic competition does not  
12 include any amateur or collegiate level sport; and

13 (3) no winning outcome is based on the score, point  
14 spread, or any performance or performances of any single  
15 actual team or combination of such teams or solely on any  
16 single performance of an individual athlete or player in  
17 any single actual event.

18 "Interactive fantasy sports gross revenue" means the  
19 amount equal to the total of all entry fees that an interactive  
20 fantasy sports operator collects from all players, multiplied  
21 by the location percentage for the State.

22 "Interactive fantasy sports operator" means a person or  
23 entity that engages in the business of offering, by means of  
24 the Internet, a smart phone application, or other similar  
25 electronic or digital media or communication technologies,  
26 multiple interactive fantasy sports contests to persons.

1 "Interactive fantasy sports platform" means any website,  
2 smart phone application, or other portal providing access to an  
3 interactive fantasy sports contest.

4 "Location percentage" means, for each interactive fantasy  
5 sports contest, the percentage, rounded to the nearest tenth of  
6 a percent, of the total entry fees collected by an interactive  
7 fantasy sports operator from players located in this State,  
8 divided by the total entry fees collected by an interactive  
9 fantasy sports operator from all players in interactive fantasy  
10 sports contests.

11 "Minor" means a person under the age of 21 years.

12 "Permitted sports event" means a professional sport or  
13 athletic event or other competitive event. "Permitted sports  
14 event" does not include a prohibited sports event.

15 "Prohibited sports event" means an amateur sport or  
16 athletic event, a collegiate sport or athletic event, or a high  
17 school sport or athletic event.

18 Section 1-15. Applicability. This Act and all rules adopted  
19 under the authority of this Act shall apply only to interactive  
20 fantasy sports contests for which an authorized player pays an  
21 entry fee.

22 Section 1-20. Licensing.

23 (a) No interactive fantasy sports operator shall  
24 administer, manage, or otherwise make available an interactive

1 fantasy sports platform to persons located in the State unless  
2 licensed by the Board under this Act.

3 (b) A qualified person may apply to the Board for an  
4 interactive fantasy sports operator license to conduct  
5 interactive fantasy sports contests as provided in this Act.  
6 The application shall be made on forms provided by the Board.  
7 The burden is upon each applicant to demonstrate suitability  
8 for licensure. Each interactive fantasy sports operator shall  
9 be licensed by the Board. The Board may issue a license for a  
10 period of up to 2 years or, in the case of interactive fantasy  
11 sports operators with annual interactive fantasy sports gross  
12 revenues less than \$100,000, for up to 3 years.

13 (c) Each person seeking and possessing a license as an  
14 interactive fantasy sports operator shall submit to a  
15 background investigation conducted by the Board with the  
16 assistance of the State Police or other law enforcement. To the  
17 extent that the corporate structure of the applicant allows,  
18 the background investigation shall include any or all of the  
19 following as the Board deems appropriate or as provided by  
20 rule: (i) each beneficiary of a trust, (ii) each partner of a  
21 partnership, (iii) each member of a limited liability company,  
22 (iv) each director and officer of a publicly or non-publicly  
23 held corporation, (v) each stockholder of a non-publicly held  
24 corporation, (vi) each stockholder of 5% or more of a publicly  
25 held corporation, or (vii) each stockholder of 5% or more in a  
26 parent or subsidiary corporation.

1           (d) Each person seeking and possessing a license as an  
2 interactive fantasy sports operator shall disclose the  
3 identity of every person, association, trust, corporation, or  
4 limited liability company having a greater than 1% direct or  
5 indirect pecuniary interest in the interactive fantasy sports  
6 operator for which the license is sought. If the disclosed  
7 entity is a trust, the application shall disclose the names and  
8 addresses of the beneficiaries; if a corporation, the names and  
9 addresses of all stockholders and directors; if a limited  
10 liability company, the names and addresses of all members; or  
11 if a partnership, the names and addresses of all partners, both  
12 general and limited.

13           (e) All information, records, interviews, reports,  
14 statements, memoranda, or other data supplied to or used by the  
15 Board in the course of its review or investigation of an  
16 application for a license or a renewal under this Act shall be  
17 privileged and strictly confidential and shall be used only for  
18 the purpose of evaluating an applicant for a license or a  
19 renewal. The information, records, interviews, reports,  
20 statements, memoranda, or other data shall not be admissible as  
21 evidence nor discoverable in any action of any kind in any  
22 court or before any tribunal, board, agency, or person, except  
23 for any action deemed necessary by the Board.

24           (f) No person may be licensed as an interactive fantasy  
25 sports operator if that person has been found by the Board to:

26           (1) have a background, including a criminal record,

1 reputation, habits, social or business associations, or  
2 prior activities, that poses a threat to the public  
3 interests of the State or to the security and integrity of  
4 interactive fantasy sports contests;

5 (2) create or enhance the dangers of unsuitable,  
6 unfair, or illegal practices, methods, and activities in  
7 the conduct of interactive fantasy sports contests; or

8 (3) present questionable business practices and  
9 financial arrangements incidental to the conduct of  
10 interactive fantasy sports contests.

11 (g) Any applicant for a license under this Act has the  
12 burden of proving his or her qualifications to the satisfaction  
13 of the Board. The Board may adopt rules to establish additional  
14 qualifications and requirements to preserve the integrity and  
15 security of interactive fantasy sports contests in this State.

16 (h) An interactive fantasy sports operator that has been  
17 operating in Illinois for at least 6 months on December 23,  
18 2015 may operate in Illinois until a final decision is rendered  
19 on the application for an interactive fantasy sports operator  
20 license.

21 (i) The Board, by rule, shall establish a process for  
22 license renewal.

23 (j) The Board shall publish a list of all interactive  
24 fantasy sports operators licensed in this State under this  
25 Section on the Board's website for public use.



1 Section 1-25. Operators; required safeguards; minimum  
2 standards.

3 (a) As a condition of licensure in this State, each  
4 interactive fantasy sports operator shall implement and  
5 maintain commercially reasonable measures to:

6 (1) limit each authorized player to one username and  
7 one account and verify a fantasy sports player's true  
8 identity;

9 (2) prohibit minors from participating in an  
10 interactive fantasy sports contest, including:

11 (A) if the interactive fantasy sports operator  
12 becomes or is made aware that a minor has participated  
13 in one of its interactive fantasy sports contests,  
14 promptly refund any deposit received from the minor,  
15 whether or not the minor has engaged in or attempted to  
16 engage in an interactive fantasy sports contest;  
17 however, any refund may be offset by any prizes already  
18 awarded;

19 (B) publishing and facilitating parental control  
20 procedures to allow parents or guardians to exclude  
21 minors from access to any interactive fantasy sports  
22 contest or interactive fantasy sports platform; and

23 (C) taking appropriate steps to confirm that an  
24 individual opening an account is not a minor;

25 (3) when referencing the likelihood of winning in  
26 advertisements or upon interactive fantasy sports contest

1 entry, make clear and conspicuous statements that are not  
2 inaccurate or misleading concerning the likelihood of  
3 winning and the number of winners;

4 (4) enable authorized players to restrict themselves  
5 from interactive fantasy sports contests and take  
6 reasonable steps to prevent these players from entering an  
7 interactive fantasy sports contest from which they have  
8 excluded themselves; these restrictions shall include, but  
9 not be limited to: (A) interactive fantasy sports contest  
10 entry limits, (B) limiting play to interactive fantasy  
11 sports contest with entry fees below an established limit,  
12 and (C) self-imposed deposit limits less than allowed under  
13 this Act; interactive fantasy sports operators shall  
14 implement and prominently publish procedures for fantasy  
15 sports players to implement the restrictions; fantasy  
16 sports players shall have the option to adjust these limits  
17 to make them more restrictive of gameplay as often as they  
18 like, but shall not have the option to make limits less  
19 restrictive of gameplay within 90 days after setting the  
20 limits;

21 (5) offer introductory procedures for authorized  
22 players, that shall be prominently displayed on the  
23 interactive fantasy sports operator's interactive fantasy  
24 sports platform, that explain interactive fantasy sports  
25 contest play and how to identify a highly experienced  
26 player;

1           (6) identify all highly experienced players in an  
2 interactive fantasy sports contest by a symbol attached to  
3 the players' user names, or by other easily visible means,  
4 on all interactive fantasy sports platforms supported by an  
5 interactive fantasy sports operator;

6           (7) disclose the number of entries a single authorized  
7 player may submit to each interactive fantasy sports  
8 contest;

9           (8) disclose the maximum number of total entries  
10 allowed for each interactive fantasy sports contest;

11           (9) implement measures to comply with all applicable  
12 State and federal requirements for data security,  
13 including, but not limited to, age verification and  
14 location software;

15           (10) offer all authorized players access to his or her  
16 account history and account details;

17           (11) ensure funds in fantasy sports players' accounts  
18 are held in segregated accounts by the interactive fantasy  
19 sports operators for the fantasy sports players that  
20 establish the accounts; interactive fantasy sports  
21 operators shall implement and prominently publish  
22 procedures that:

23                   (A) prevent unauthorized withdrawals from fantasy  
24 sports player accounts by interactive fantasy sports  
25 operators or others;

26                   (B) prevent commingling of funds in a fantasy

1 sports player's account with other funds, including,  
2 without limitation, funds of the interactive fantasy  
3 sports operator; fantasy sports player funds shall be  
4 segregated from interactive fantasy sports operators'  
5 operational funds and any other funds held by the  
6 interactive fantasy sports operator; and

7 (C) address reporting on complaints by fantasy  
8 sports players that their accounts have been  
9 misallocated, compromised, or otherwise mishandled;

10 (12) provide on the interactive fantasy sports  
11 platform, in a prominent place, information concerning  
12 assistance for compulsive play;

13 (13) prohibit the extension of credit from an  
14 interactive fantasy sports operator to an authorized  
15 player;

16 (14) develop policies to prevent the use of proxy  
17 servers for the purpose of misrepresenting a player's  
18 location in order to engage in interactive fantasy sports  
19 contests; and

20 (15) prevent one fantasy sports player from acting as a  
21 proxy for another.

22 (b) No interactive fantasy sports operator employee,  
23 principal, officer, director, or contractor shall play any  
24 interactive fantasy sports contest offered to the general  
25 public or play in such contest through another person as a  
26 proxy. For the purposes of this subsection (b), a contractor is

1 limited to a contractor who can access information of an  
2 interactive fantasy sports operator related to the conduct of  
3 an interactive fantasy sports contest that is not available to  
4 other fantasy sports players. Interactive fantasy sports  
5 operators shall make these restrictions known to all affected  
6 individuals and corporate entities.

7 (c) No interactive fantasy sports operator employee,  
8 principal, officer, director, or contractor shall disclose  
9 confidential information that may affect interactive fantasy  
10 sports contest gameplay to any person permitted to engage in  
11 interactive fantasy sports contest gameplay. Interactive  
12 fantasy sports operators shall make these restrictions known to  
13 all affected individuals and corporate entities.

14 (d) No interactive fantasy sports operator shall allow a  
15 professional athlete whose individual statistics or  
16 performance may be used to determine any part of the outcome of  
17 any interactive fantasy sports contest to enter interactive  
18 fantasy sports contests in the sports in which he or she  
19 participates. An interactive fantasy sports operator shall  
20 take commercially reasonable efforts to prevent a sports agent,  
21 team employee, referee, or league official associated with any  
22 competition that is the subject of interactive fantasy sports  
23 contests to enter interactive fantasy sports contests in the  
24 sport in which he or she participates, nor shall such athlete,  
25 sports agent, team official, team representative, referee, or  
26 league official play through another person as a proxy.

1           (1) Interactive fantasy sports operators shall take  
2           commercially reasonable efforts to obtain lists of persons  
3           described in this subsection (d) for the purpose of  
4           implementing this subsection (d).

5           (2) Interactive fantasy sports operators, upon  
6           learning of a violation of this subsection (d), shall bar  
7           the individual committing the violation from playing in any  
8           interactive fantasy sports contest by suspending the  
9           individual's account and banning the individual from  
10          further play, shall terminate any existing promotional  
11          agreements with the individual, and shall refuse to make  
12          any new promotional agreements that compensate the  
13          individual.

14          (3) Interactive fantasy sports operators shall make  
15          these restrictions known to all affected individuals and  
16          corporate entities.

17          (e) Each interactive fantasy sports operator shall:

18               (1) ensure the value of any prizes and awards offered  
19               to authorized players are established and made known to the  
20               players in advance of the interactive fantasy sports  
21               contest;

22               (2) ensure all winning outcomes reflect the relative  
23               knowledge and skill of the authorized players and are  
24               determined predominantly by accumulated statistical  
25               results of the performance of individuals in permitted  
26               sports events;

1           (3) ensure no winning outcome is based on the score,  
2           point spread, or performance of a single sports team, or a  
3           combination of sports teams;

4           (4) ensure no winning outcome is based solely on a  
5           single performance of an individual athlete in a single  
6           sport or athletic event; and

7           (5) ensure no interactive fantasy sports contest is  
8           based on a prohibited sports event.

9           (f) Interactive fantasy sports operators shall implement  
10          and prominently publish procedures that allow any fantasy  
11          sports player to permanently close an account at any time and  
12          for any reason. The procedures shall allow for cancellation by  
13          any means, including, without limitation, by a fantasy sports  
14          player on any interactive fantasy sports contest used by that  
15          fantasy sports player to make deposits into a fantasy sports  
16          player account. A copy of an interactive fantasy sports  
17          operator's procedures shall be submitted to the Board and any  
18          changes shall be submitted within 30 days.

19          (g) When a fantasy sports player account is closed, the  
20          interactive fantasy sports operator shall refund all funds in  
21          the account no later than 5 business days after submission of  
22          the request or 10 business days after submission of any tax  
23          reporting information required by law, whichever is later,  
24          unless the interactive fantasy sports operator makes a good  
25          faith determination that the fantasy sports player engaged in  
26          fraudulent or other conduct that would constitute a violation

1 of this Act, rules adopted pursuant to this Act, or the  
2 interactive fantasy sports operator's policies, in which case,  
3 upon notice to the fantasy sports player of that determination,  
4 the withdrawal may be held pending a reasonable investigative  
5 period to resolve its investigation. For the purposes of this  
6 subsection (g), a request for withdrawal shall be considered  
7 honored if it is processed by the interactive fantasy sports  
8 operator, but delayed by a payment processor, a credit card  
9 issuer, or the custodian of the financial account.

10 (h) If a prize is awarded to a fantasy sports player with a  
11 closed account, that prize, to the extent it consists of funds,  
12 shall be distributed by the interactive fantasy sports operator  
13 within 5 business days, or 10 business days of submission of  
14 any tax reporting information required by law, unless the  
15 interactive fantasy sports operator makes a good faith  
16 determination that the fantasy sports player engaged in  
17 fraudulent or other conduct that would constitute a violation  
18 of this Act or rules adopted pursuant to this Act. If such  
19 determination is made, then the prize may be withheld, provided  
20 that it is then awarded to another fantasy sports player in the  
21 same interactive fantasy sports contest who would have won the  
22 prize had the fantasy sports player with the closed account not  
23 participated.

24 (i) An interactive fantasy sports operator shall  
25 prominently publish all contractual terms and conditions and  
26 rules of general applicability that affect a fantasy sports



1 player's account. Presentation of such terms, conditions, and  
2 rules at the time of on boarding a new fantasy sports player  
3 shall not suffice.

4 (j) Interactive fantasy sports operators shall have  
5 prominently published rules that govern when each interactive  
6 fantasy sports contest shall close or lock. Each interactive  
7 fantasy sports contest operator shall also prominently  
8 disclose contest-specific information about the time that the  
9 interactive fantasy sports contest closes or locks in  
10 connection with each interactive fantasy sports contest  
11 offered. An interactive fantasy sports operator shall strictly  
12 enforce all disclosed closing or lock times.

13 (k) Fantasy sports player's deposits shall be limited to no  
14 more than \$1,000 per month. However, an interactive fantasy  
15 sports operator may establish and prominently publish  
16 procedures for temporarily or permanently increasing a fantasy  
17 sports player's deposit limit, at the request of the fantasy  
18 sports player, above \$1,000 per month. Such procedures shall be  
19 submitted to the Board.

20 If established by an interactive fantasy sports operator,  
21 such procedures shall include evaluation of information,  
22 including income or asset information, sufficient to establish  
23 that the fantasy sports player can afford losses that might  
24 result from gameplay at the deposit limit level requested.

25 When a temporary or permanent deposit level limit increase  
26 is approved, the interactive fantasy sports operator's

1 procedures shall provide for annual re-certification of a  
2 player's financial ability to afford losses.

3 (1) The following entry limits apply:

4 (1) interactive fantasy sports operators shall not  
5 allow players to submit more than one entry in an  
6 interactive fantasy sports contest involving 12 entries or  
7 fewer;

8 (2) interactive fantasy sports operators shall not  
9 allow players to submit more than 2 entries in an  
10 interactive fantasy sports contest involving more than 13  
11 entries but fewer than 36 entries;

12 (3) interactive fantasy sports operators shall not  
13 allow players to submit more than 3 entries in an  
14 interactive fantasy sports contest involving 36 or more  
15 entries but fewer than 101 entries; and

16 (4) interactive fantasy sports operators shall not  
17 allow fantasy sports players to submit more than 3% of all  
18 entries in an interactive fantasy sports contest involving  
19 101 or more entries.

20 An interactive fantasy sports operator may establish  
21 interactive fantasy sports contests, representing less  
22 than 2% of the total number of interactive fantasy sports  
23 contests that the interactive fantasy sports operator  
24 offers, in which there is no restriction on the number of  
25 entries, provided that (i) the interactive fantasy sports  
26 operator clearly discloses that there are no limits on the

1           number of entries by each player in the interactive fantasy  
2           sports contest and (ii) that the cost of participating in  
3           the interactive fantasy sports contest is \$50 or more per  
4           entry.

5           (m) Interactive fantasy sports operators shall not offer an  
6           interactive fantasy sports contest based on a prohibited sports  
7           event.

8           (n) An interactive fantasy sports operator shall not  
9           participate in an interactive fantasy sports contest offered by  
10          the interactive fantasy sports operator.

11          (o) An interactive fantasy sports operator shall not permit  
12          unauthorized scripts to be used on interactive fantasy sports  
13          platforms and shall use commercially reasonable efforts to  
14          monitor for and to prevent use of such scripts.

15          (p) Interactive fantasy sports operators shall develop and  
16          prominently display procedures on the interactive fantasy  
17          sports operator's interactive fantasy sports platform for the  
18          filing of a complaint by the authorized player against the  
19          interactive fantasy sports operator. The interactive fantasy  
20          sports operator shall give an initial response to the player  
21          within 48 hours after the player files the complaint. The  
22          interactive fantasy sports operator shall give a complete  
23          response to the player filing the complaint within 10 business  
24          days after the initial response is issued. An authorized player  
25          may file a complaint alleging a violation of the provisions of  
26          this Act with the Board.

1           (q) An interactive fantasy sports operator shall close any  
2 fantasy player account that is inactive for 2 years and notify  
3 the account holder that the account has been closed by email to  
4 the account holder's last known email address. When a fantasy  
5 sports player account is closed due to inactivity, the  
6 interactive fantasy sports operator shall take commercially  
7 reasonable steps to refund all funds in the fantasy sports  
8 player account within 30 days, subject to the receipt of any  
9 tax information required by law. In the event that funds in a  
10 closed fantasy sports player account exceed \$5 and cannot be  
11 refunded and remain unclaimed, the interactive fantasy sports  
12 operator shall provide notice of the existence of funds to the  
13 fantasy sports player. Such notice shall be provided by email  
14 to the account holder's last known email address. In the event  
15 that funds in a closed fantasy sports player account cannot be  
16 refunded and remain unclaimed by the fantasy sports player  
17 after 3 years, such funds shall be paid by the interactive  
18 fantasy sports operator to the Unclaimed Property Trust Fund in  
19 the Office of the State Treasurer. The interactive fantasy  
20 sports operator shall provide notice to the fantasy sports  
21 player's email address at least 60 days prior to paying the  
22 funds to the Unclaimed Property Trust Fund.

23           (r) Interactive fantasy sports operators shall develop  
24 games that are limited to beginner fantasy sports players and  
25 shall prohibit individuals who are not beginner fantasy sports  
26 players from participating in those games either directly or

1 through another person as a proxy. An interactive fantasy  
2 sports operator shall suspend the account of an individual who  
3 is not a beginner fantasy sports player and who enters a game  
4 limited to beginner fantasy sports players and shall ban the  
5 player from future play.

6 (s) All interactive fantasy sports operators shall develop  
7 games in which highly experienced fantasy sports players cannot  
8 participate either directly or through another person as a  
9 proxy. An interactive fantasy sports operator shall suspend the  
10 account of a highly experienced fantasy sports player who  
11 enters a game that excludes highly experienced fantasy sports  
12 players directly or through another person as a proxy and shall  
13 ban the individual from future play.

14 Section 1-30. Multiple interactive fantasy sports  
15 platforms; interactive fantasy sports contests. A licensee may  
16 use multiple interactive fantasy sports platforms and offer  
17 multiple types of interactive fantasy sports contests.

18 Section 1-35. Advertising.

19 (a) Advertisements of interactive fantasy sports operators  
20 shall not feature: (1) minors (other than professional athletes  
21 who may be minors), (2) students, (3) schools, colleges, or  
22 universities, or (4) school, college, or university settings.  
23 However, incidental depiction of non-featured minors or minors  
24 accompanying adults shall not be a violation of this subsection

1 (a) .

2 (b) Interactive fantasy sports operators shall not  
3 advertise on school, college, or university campuses.

4 (c) Interactive fantasy sports operators shall not  
5 advertise at amateur athletic competitions, except to the  
6 extent that those competitions are played in stadiums where  
7 professional competitions are held and where non-digital  
8 advertisements have been posted, erected, or otherwise  
9 displayed in a manner that would require substantial effort to  
10 remove.

11 Section 1-40. Powers and duties of the Board.

12 (a) The Board has jurisdiction over and shall supervise all  
13 interactive fantasy sports contests governed by this Act. The  
14 Board has all powers and duties necessary and proper to fully  
15 and exclusively execute the provisions of the Act, including,  
16 but not limited to, the following:

17 (1) To investigate applicants and determine the  
18 eligibility of applicants that best serve the interests of  
19 the citizens of Illinois.

20 (2) To provide for the establishment and collection of  
21 all fees, fines, and taxes imposed by this Act and the  
22 rules adopted under this Act.

23 (3) To suspend, revoke, or restrict licenses; to  
24 require the removal of an interactive fantasy sports  
25 operator or an employee of an interactive fantasy sports

1 operator for a violation of this Act; and to impose civil  
2 penalties of an amount up to \$5,000 against individuals and  
3 \$10,000 against licensees for each violation of the  
4 provisions of this Act.

5 (4) To approve and deny applications for licensure to  
6 conduct interactive fantasy sports contests in this State,  
7 and to suspend, refuse or renew, or revoke a license issued  
8 under this Act.

9 (5) To accept and investigate complaints of any kind  
10 from an authorized player and attempt to mediate the  
11 complaints where appropriate.

12 (6) To investigate alleged violations of this Act.

13 (7) To initiate proper enforcement proceedings where  
14 such action is deemed by the Board to be necessary or  
15 appropriate.

16 (8) To exercise all powers and duties assigned by this  
17 Act.

18 (b) The Board shall adopt rules to implement the provisions  
19 of and effectuate the policy and objectives of this Act as the  
20 Board may deem necessary or advisable, including, but not  
21 limited to, the development of the initial form of the  
22 application for licensure. These rules shall include, but not  
23 be limited to, responsible protections with regard to  
24 compulsive play and safeguards for fair play. The Board shall  
25 not adopt rules limiting or regulating:

26 (1) the rules or the administration of an individual

1 interactive fantasy sports contest;

2 (2) the statistical makeup of an interactive fantasy  
3 sports contest; or

4 (3) the digital interactive fantasy sports platform of  
5 an interactive fantasy sports operator.

6 (c) The Board shall adopt emergency rules to administer  
7 this Act in accordance with Section 5-45 of the Illinois  
8 Administrative Procedure Act. For the purposes of the Illinois  
9 Administrative Procedure Act, the General Assembly finds that  
10 the adoption of rules to implement this Act is deemed an  
11 emergency and necessary for the public interest, safety, and  
12 welfare.

13 Section 1-45. Annual report.

14 (a) Each licensee shall annually submit a report to the  
15 Board by no later than June 30 of each year that shall include  
16 the following information as it applies to accounts held by  
17 authorized players located in this State:

18 (1) the number of accounts held by authorized players  
19 on all interactive fantasy sports platforms offered by the  
20 interactive fantasy sports operator and the number of  
21 accounts held by highly experienced players on all  
22 interactive fantasy sports platforms offered by the  
23 interactive fantasy sports operator;

24 (2) the total number of new accounts established in the  
25 preceding year as well as the total number of accounts



1 permanently closed in the preceding year;

2 (3) the total amount of entry fees received from  
3 authorized players;

4 (4) the total amount of prizes awarded to authorized  
5 players;

6 (5) the total amount of interactive fantasy sports  
7 gross revenue received by the licensee; and

8 (6) the total number of authorized players that  
9 requested to exclude themselves from interactive fantasy  
10 sports contests.

11 (b) The Board shall annually publish a report based on the  
12 aggregate information provided by all interactive fantasy  
13 sports operators in accordance with this Section, that shall be  
14 published on the Board's website no later than 180 days after  
15 the deadline for the submission of individual reports as  
16 specified in this Section.

17 Section 1-50. State tax.

18 (a) A privilege tax is imposed on persons engaged in the  
19 business of operating an interactive fantasy sports contest in  
20 this State. For the privilege of conducting interactive fantasy  
21 sports contests in the State, interactive fantasy sports  
22 operators shall pay a tax at the following graduated rates:

23 (1) 5% of annual interactive fantasy sports gross  
24 revenue up to and including \$1,000,000;

25 (2) 7.5% of annual interactive fantasy sports gross

1 revenue in excess of \$1,000,000 but not exceeding  
2 \$3,000,000;

3 (3) 10% of annual interactive fantasy sports gross  
4 revenue in excess of \$3,000,000 but not exceeding  
5 \$8,000,000;

6 (4) 15% of annual interactive fantasy sports gross  
7 revenue in excess of \$8,000,000.

8 (b) The tax imposed by this Section shall be paid by the  
9 interactive fantasy sports operator to the Board not later than  
10 the 15th day of every month for the previous month's privilege  
11 taxes.

12 Section 1-55. Disposition of taxes. The Board shall pay  
13 into the Education Assistance Fund all taxes imposed by this  
14 Act, any interest and penalties imposed by the Board relating  
15 to those taxes, all penalties levied and collected by the  
16 Board, and the appropriate funds, cash, or prizes forfeited  
17 from interactive fantasy sports contests.

18 Section 1-60. Audits. All interactive fantasy sports  
19 operators with annual interactive fantasy sports contest gross  
20 revenue of \$100,000 or more shall annually be subject to an  
21 audit of the financial transactions and condition of the  
22 interactive fantasy sports operator's total operations as they  
23 relate to the offering and operating of interactive fantasy  
24 sports contests and to ensure compliance with all of the

1 requirements in this Act. Interactive fantasy sports operators  
2 with annual interactive fantasy sports contest gross revenues  
3 less than \$100,000 shall every 3 years be subject to an audit  
4 of the financial transactions and condition of the interactive  
5 fantasy sports operator's total operations as they relate to  
6 the offering and operating of interactive fantasy sports  
7 contests and to ensure compliance with all of the requirements  
8 in this Act. All audits and compliance engagements shall be  
9 conducted by certified public accountants or an independent  
10 testing laboratory approved by the Board. The compensation for  
11 each certified public accountant or independent testing  
12 laboratory shall be paid directly by the interactive fantasy  
13 sports operator to the certified public accountant or  
14 independent testing laboratory. The audit shall be conducted  
15 and submitted to the Board by June 30 of each year.

16 Section 1-65. Limitation on the taxation of interactive  
17 fantasy sports operators. Interactive fantasy sports operators  
18 shall not be subjected to an excise tax, license tax, permit  
19 tax, privilege tax, amusement tax, or occupation tax that is  
20 imposed upon the licensee by the State or any political  
21 subdivision thereof, except as provided in this Act.

22 Section 1-70. Application fees; license fees.

23 (a) A non-refundable application fee shall be paid at the  
24 time an application for licensure is filed with the Board in

1 the following amounts:

2 (1) Interactive fantasy sports operators with annual  
3 interactive fantasy sports gross revenue greater than  
4 \$10,000,000..... \$25,000

5 (2) Interactive fantasy sports operators with annual  
6 interactive fantasy sports gross revenue greater than  
7 \$5,000,000 but not more than \$10,000,000 ..... \$12,500

8 (3) Interactive fantasy sports operators with annual  
9 interactive fantasy sports gross revenue greater than  
10 \$1,000,000 but not more than \$5,000,000 ..... \$7,500

11 (4) Interactive fantasy sports operators with annual  
12 interactive fantasy sports gross revenue of at least  
13 \$100,000 but not more than \$1,000,000 ..... \$5,000

14 (5) Interactive fantasy sports operators with annual  
15 interactive fantasy sports gross revenue less than  
16 \$100,000 ..... \$500

17 (b) The Board shall establish a fee for each license not to  
18 exceed the following for the initial licensure period:

19 (1) Interactive fantasy sports operators with annual  
20 interactive fantasy sports gross revenue greater than  
21 \$10,000,000..... \$50,000

22 (2) Interactive fantasy sports operators with annual  
23 interactive fantasy sports gross revenue greater than  
24 \$5,000,000 but not more than \$10,000,000 ..... \$25,000

25 (3) Interactive fantasy sports operators with annual  
26 interactive fantasy sports gross revenue greater than

1 \$1,000,000 but not more than \$5,000,000 ..... \$15,000

2 (4) Interactive fantasy sports operators with annual  
3 interactive fantasy sports gross revenue of at least  
4 \$100,000 but not more than \$1,000,000 ..... \$10,000

5 (5) Interactive fantasy sports operators with annual  
6 interactive fantasy sports gross revenue less than  
7 \$100,000 ..... \$1,500

8 (c) For subsequent licensure periods, the renewal fee shall  
9 not exceed the following:

10 (1) Interactive fantasy sports operators with annual  
11 interactive fantasy sports gross revenue greater than  
12 \$10,000,000..... \$37,500

13 (2) Interactive fantasy sports operators with annual  
14 interactive fantasy sports gross revenue greater than  
15 \$5,000,000 but not more than \$10,000,000 ..... \$18,750

16 (3) Interactive fantasy sports operators with annual  
17 interactive fantasy sports gross revenue greater than  
18 \$1,000,000 but not more than \$5,000,000 ..... \$11,250

19 (4) Interactive fantasy sports operators with annual  
20 interactive fantasy sports gross revenue of at least  
21 \$100,000 but not more than \$1,000,000 ..... \$7,500

22 (5) Interactive fantasy sports operators with annual  
23 interactive fantasy sports gross revenue less than  
24 \$100,000 ..... \$1,125

25 (d) All fees collected under this Section shall be  
26 deposited into the State Gaming Fund.

1 (e) All fees collected under this Section shall be used for  
2 the administration of this Act.

3 Section 1-75. Interactive fantasy sports contests  
4 authorized. Interactive fantasy sports contests conducted in  
5 accordance with the provisions of this Act are hereby  
6 authorized.

7 Section 1-80. Interactive fantasy sports contests  
8 prohibited. The conduct of interactive fantasy sports contests  
9 by unlicensed operators is prohibited.

10 Section 1-85. Interactive fantasy sports contests;  
11 Criminal Code of 2012. Interactive fantasy sports contests  
12 offered in accordance with the provisions of this Act shall not  
13 constitute gambling as defined in Section 28-1 of the Criminal  
14 Code of 2012.

15 Section 1-900. Repeal. This Act is repealed on January 1,  
16 2021.

17 Article 5. Internet Gaming Act

18 Section 5-1. Short title. This Article may be cited as the  
19 Internet Gaming Act. References in this Article to "this Act"  
20 mean this Article.

1           Section 5-5. Legislative findings and intent. The General  
2 Assembly finds that the Internet has become an integral part of  
3 everyday life for a significant number of Illinois residents,  
4 not only in regard to their professional life, but also in  
5 regard to personal business and communication. Internet  
6 wagering on games of chance and games of skill is a core form  
7 of entertainment for millions of individuals worldwide. In  
8 multiple jurisdictions across the world, Internet gaming is  
9 legal, regulated, and taxed, generating millions of dollars in  
10 revenue for governments.

11           The General Assembly further finds that Illinois residents  
12 participate in illegal online gambling on unregulated Internet  
13 websites operated by offshore operators who are not subject to  
14 regulation or taxation in the United States. Neither federal  
15 nor Illinois laws provide sufficient consumer protections for  
16 Illinois residents who play games of chance or skill on these  
17 illegal websites, nor does the State realize any benefits from  
18 the revenues generated nor jobs created by illegal online  
19 gaming.

20           In an opinion dated September 20, 2011, the United States  
21 Department of Justice reversed its previous interpretation of  
22 the federal Wire Act, 18 U.S.C. 1084, allowing states, subject  
23 to certain restrictions, to legalize and regulate Internet  
24 gaming and capture the revenue for the benefit of state  
25 governments. The Department of Justice's opinion was prompted

1 in part by a request made by the Department of Revenue pursuant  
2 to Public Act 96-34. In order to protect Illinois residents who  
3 wager on games of chance and skill through the Internet and to  
4 capture revenues and create jobs generated from Internet  
5 gaming, it is in the best interest of the State and its  
6 citizens to regulate this activity by authorizing and  
7 establishing a secure, responsible, fair, and legal system of  
8 Internet gaming that complies with the United States Department  
9 of Justice's September 2011 opinion concerning the federal Wire  
10 Act.

11 The General Assembly additionally finds that pursuant to  
12 the federal Unlawful Internet Gambling Enforcement Act of 2006  
13 (UIGEA), 31 U.S.C. 5361, the provisions of this Act are  
14 consistent and comply with the UIGEA and specifically authorize  
15 use of the Internet to place, receive, or otherwise knowingly  
16 transmit a bet or wager where Internet wagering complies with  
17 this Act and rules adopted pursuant to this Act.

18 Section 5-10. Definitions. As used in this Act:

19 "Authorized participant" means a person who has a valid  
20 Internet wagering account with an Internet gaming licensee and  
21 is at least 21 years of age.

22 "Board" means the Illinois Gaming Board.

23 "Division" means the Division of Internet Gaming within the  
24 Illinois Gaming Board.

25 "Fee-based game" means a game determined by the Division to



1 be a fee-based game, where the Internet gaming licensee charges  
2 a fee, rake, or commission for operating the game.

3 "Gross fee-based gaming revenue" means the fee, rake, or  
4 commission charged by the Internet gaming licensee for  
5 operation of fee-based games.

6 "Gross gaming revenue" is the aggregate of gross fee-based  
7 gaming revenue and gross non-fee-based gaming revenue.

8 "Gross non-fee-based gaming revenue" means the aggregate  
9 of the amount of net wins received on all non-fee-based games.

10 "Internet" means the international computer network of  
11 interoperable packet-switched data networks, inclusive of such  
12 additional technological platforms as mobile, satellite, and  
13 other electronic distribution channels approved by the Board.

14 "Internet game" means a fee-based or non-fee-based game of  
15 skill or chance that is offered by an Internet gaming licensee,  
16 as authorized by the Board. "Internet game" includes gaming  
17 tournaments conducted via the Internet in which players compete  
18 against one another in one or more of the games authorized in  
19 this definition or by the Division or in approved variations or  
20 composites as authorized by the Division. "Internet game" does  
21 not include an interactive fantasy sports contest under the  
22 Fantasy Sports Contest Act.

23 "Internet gaming licensee" means a person, corporation,  
24 partnership, or other entity receiving an Internet gaming  
25 license from the Board to conduct Internet wagering.

26 "Internet gaming platform" means the combination of

1 hardware and software or other technology designed and used to  
2 manage, conduct, and record Internet gaming and the wagers  
3 associated with internet gaming, as approved by the Board.  
4 "Internet gaming platform" includes an emerging or new  
5 technology deployed to advance the conduct and operation of  
6 Internet gaming, as approved through rulemaking by the Board.

7 "Internet gaming skin" means the brand used by the Internet  
8 gaming licensee as presented through a portal, Internet  
9 website, or computer or mobile application or app through which  
10 authorized Internet gaming is made available to authorized  
11 participants by an Internet gaming licensee.

12 "Internet gaming vendor" means a person, corporation,  
13 partnership, or other entity that is certified by the Division  
14 to provide or offer to provide goods, software, or services to  
15 an Internet gaming licensee related to or supporting: (i) the  
16 acceptance, testing, auditing, management, operation, support,  
17 administration, or control of Internet wagers, Internet games,  
18 Internet wagering accounts, or Internet gaming platforms or  
19 (ii) the management, operation, administration, or control of  
20 payment processing systems. Notwithstanding this definition,  
21 the licensing of trademarks, names, likenesses, graphics, or  
22 other images, without more, shall not render a licensor of such  
23 intellectual property an Internet gaming vendor.

24 "Internet wagering" means the placing of wagers with an  
25 Internet gaming licensee by persons who are either physically  
26 present in Illinois when placing a wager or otherwise permitted

1 to place a wager by law. The intermediate routing of electronic  
2 data in connection with Internet wagering, including across  
3 state lines, shall not determine the location or locations in  
4 which a wager is initiated, received, or otherwise made.

5 "Internet wagering account" means an electronic ledger  
6 wherein the following types of transactions relative to the  
7 Internet gaming platform are recorded: (i) deposits; (ii)  
8 withdrawals; (iii) amounts wagered; (iv) amounts paid on  
9 winning wagers; (v) service or other transaction-related  
10 charges authorized by the patron, if any; (vi) adjustments to  
11 the account; and (vii) any other information required by the  
12 Division.

13 "Net wins" means the amount of Internet wagers received by  
14 the Internet gaming licensee on non-fee based games less the  
15 amount paid by the Internet gaming licensee as winnings on that  
16 non-fee based game.

17 "Non-fee-based game" means a game determined by the Board  
18 to be a non-fee-based game, where (i) the player plays against  
19 the Internet gaming licensee and (ii) the Internet gaming  
20 licensee is banking the game and its bottom line is affected by  
21 players' wins and losses.

22 Section 5-15. Authorization. Internet wagering, as  
23 defined in this Act, is hereby authorized to the extent that it  
24 is carried out in accordance with the provisions of this Act.

1           Section 5-20. Division of Internet Gaming. The Division of  
2 Internet Gaming is established within the Illinois Gaming Board  
3 and shall have all of the powers and duties specified in this  
4 Act and all other powers necessary and proper to enable it to  
5 fully and effectively execute the provisions of this Act for  
6 the purpose of administering, regulating, and enforcing the  
7 system of Internet gaming established by this Act. The Division  
8 of Internet Gaming's jurisdiction shall extend under this Act  
9 to every person, corporation, partnership, or other entity  
10 involved in Internet gaming operations. To the extent  
11 consistent with the provisions of this Act, the Division shall  
12 be subject to and governed by the laws and rules applicable to  
13 the Board. The Division of Internet Gaming is also authorized  
14 to enter into agreements with other gaming entities within the  
15 United States, including any State or United States territory  
16 or possession, for the purpose of facilitating, administering,  
17 and regulating Internet gaming to the extent consistent with  
18 federal laws and the laws of any State or United States  
19 territory or possession that is a party to the  
20 multijurisdictional agreement. The Division shall not  
21 authorize, administer, or otherwise maintain a system for  
22 offering wagering on any amateur or professional sporting event  
23 or contest. Notwithstanding any other provision of this Act,  
24 wagers may be accepted from persons who are in the United  
25 States but not physically present in this State if the Division  
26 determines that such wagering is not inconsistent with federal

1 law and the law of the United States jurisdiction in which any  
2 such person is located or such wagering is conducted in  
3 accordance with a multijurisdictional agreement that is not  
4 inconsistent with federal law to which this State is a party.  
5 The Division shall be funded with moneys appropriated to the  
6 Illinois Gaming Board.

7 Section 5-25. Application and eligibility for licensure.  
8 The Division of Internet Gaming is authorized to issue Internet  
9 gaming licenses to persons, firms, partnerships, or  
10 corporations that apply for such licensure upon a determination  
11 by the Division that the applicant is eligible for an Internet  
12 gaming license under this Act and rules adopted by the  
13 Division. An Internet gaming license issued under this Act  
14 shall be valid for a period of 5 years after the date of  
15 issuance and shall be renewable thereafter for an additional 5  
16 years based on a determination by the Division that the  
17 licensee continues to meet all the requirements of this Act and  
18 the Division's rules. Notwithstanding any other law to the  
19 contrary, any assignment or transfer of an interest in an  
20 Internet gaming license, or a greater than 10% interest, direct  
21 or indirect, in any entity holding such a license, is subject  
22 to the written approval by the Division. Approved transferees  
23 are subject to a \$250,000 non-refundable application fee.  
24 Eligibility for application for an Internet gaming license  
25 shall be limited to any person or entity that holds a valid and

1 unrevoked: (i) owners license issued pursuant to the Riverboat  
2 Gambling Act, or any affiliate thereof as defined by the Board  
3 in its administrative rules implementing such Act, or any  
4 person or entity who as of January 1, 2017 was designated by  
5 the Illinois Gaming Board as a key person of an owners licensee  
6 or is controlled by one or more key persons of an owners  
7 licensee; (ii) organization license issued pursuant to the  
8 Illinois Horse Racing Act of 1975, but only if the organization  
9 licensee conducted live racing in calendar year 2016; (iii)  
10 advance deposit wagering license issued pursuant to the  
11 Illinois Horse Racing Act of 1975, but only if the advance  
12 deposit wagering licensee conducted advance deposit wagering  
13 in Illinois in calendar year 2016. No Internet gaming license  
14 shall be granted to any applicant that has accepted, that has  
15 or had an affiliate that has accepted, or that has officers or  
16 directors who are or have been officers or directors of another  
17 party that accepted wagers via the Internet in contravention of  
18 this Act, Illinois law, or United States law in the 5 years  
19 preceding the application date.

20 A qualified applicant may apply to the Division for an  
21 Internet gaming license to offer wagering on Internet games as  
22 provided in this Act. The application shall be made on forms  
23 provided by the Division and shall contain such information as  
24 the Division prescribes, including, but not limited to,  
25 detailed information regarding the ownership and management of  
26 the applicant, detailed personal information regarding the

1 applicant, financial information regarding the applicant, and  
2 the gaming history and experience of the applicant in the  
3 United States and other jurisdictions. Each application shall  
4 be accompanied by a non-refundable application fee of \$250,000.  
5 An incomplete application shall be cause for denial of a  
6 license by the Division.

7 All information, records, interviews, reports, statements,  
8 memoranda, or other data supplied to or used by the Division in  
9 the course of its review or investigation of an application for  
10 an Internet gaming license or a renewal under this Act is  
11 subject to Section 5.1 and Section (d) of Section 6 of the  
12 Riverboat Gambling Act.

13 Any person, association, corporation, partnership, or  
14 entity who (i) knowingly makes materially false statements in  
15 order to obtain an Internet gaming license; (ii) knowingly  
16 advertises within the State of Illinois any game, product, or  
17 feature that is not authorized by his or her license; or (iii)  
18 violates any other provision of this Act or any rule adopted  
19 under this Act is guilty of a Class B misdemeanor for the first  
20 violation and is guilty of a Class A misdemeanor for a second  
21 or subsequent violation. In the case of an association,  
22 corporation, partnership, or entity, imprisonment may be  
23 imposed upon its officers who knowingly participated in the  
24 violation.

25 An application shall be filed and considered in accordance  
26 with the rules of the Division. The Division shall adopt rules

1 to effectuate the provisions of this Section within 30 days  
2 after the effective date of this Act.

3 A license fee of \$10,000,000 shall be paid to the Division  
4 by an Internet gaming licensee at the time of issuance of the  
5 license. All application and license fees shall be deposited  
6 into the State Gaming Fund. The license fee imposed by this  
7 Section shall constitute an advance payment of Internet  
8 wagering taxes owed by the Internet gaming licensee under  
9 Section 5-55 of this Act.

10 Section 5-30. Certification of Internet gaming vendors.  
11 The Division is authorized to certify Internet gaming vendors  
12 to provide goods, software, or services to Internet gaming  
13 licensees. Certification by the Division of an Internet gaming  
14 vendor shall be for a period of 5 years and shall be renewable  
15 thereafter for an additional 5 years based on a determination  
16 by the Division that the Internet gaming vendor continues to  
17 meet all the requirements of this Act and the Division's rules.  
18 The Division shall have the sole and exclusive jurisdiction to  
19 determine what persons, corporations, partnerships, or other  
20 entities require certification under this Act and the rules  
21 adopted under this Act.

22 A person, corporation, partnership, or other entity may  
23 apply to the Division to become an Internet gaming vendor as  
24 provided in this Act and the rules of the Division. The  
25 application shall be made on forms provided by the Division and



1 shall contain such information as the Division prescribes,  
2 including, but not limited to, detailed information regarding  
3 the ownership and management of the applicant, detailed  
4 personal information regarding the applicant, financial  
5 information regarding the applicant, and the gaming history and  
6 experience of the applicant in the United States and other  
7 jurisdictions. Each application shall be accompanied by a  
8 non-refundable application fee, the amount of which shall be  
9 determined by the Division, but shall not exceed \$250,000. An  
10 incomplete application shall be cause for denial of  
11 certification. No certification shall be granted to an Internet  
12 gaming vendor who has accepted wagers via the Internet in  
13 contravention of this Act or in contravention of any law of the  
14 United States.

15 All information, records, interviews, reports, statements,  
16 memoranda, or other data supplied to or used by the Division in  
17 the course of its review or investigation of an application for  
18 certification as an Internet gaming vendor is strictly  
19 confidential and shall only be used for the purpose of  
20 evaluating an applicant for a certification. Notwithstanding  
21 any law to the contrary, such information is subject to Section  
22 5.1 and subsection (d) of Section 6 of the Riverboat Gambling  
23 Act.

24 Any person, association, corporation, partnership, or  
25 entity who (i) knowingly makes materially false statements in  
26 order to obtain certification as an Internet gaming vendor or

1 (ii) violates any other provision of this Act or any rule  
2 adopted under this Act is guilty of a Class B misdemeanor for a  
3 first offense and is guilty of a Class A misdemeanor for a  
4 second or subsequent offense. In the case of an association,  
5 corporation, partnership, or entity, imprisonment may be  
6 imposed upon its officers who knowingly participate in the  
7 violation.

8 The Board shall adopt rules to ensure that all licensees  
9 are treated and all licensees act in a non-discriminatory  
10 manner and develop processes and penalties to enforce those  
11 rules.

12 Section 5-35. Authority of the Division.

13 (a) The Division shall have all the powers necessary or  
14 desirable to effectuate the provisions of this Act, including,  
15 but not limited to, the following powers:

16 (1) To develop qualifications, standards, and  
17 procedures for approval and licensure of Internet gaming  
18 licensees and certification of Internet gaming vendors.

19 (2) To decide promptly and in reasonable order all  
20 license applications and to approve, deny, suspend,  
21 revoke, restrict, or refuse to renew Internet gaming  
22 licenses and Internet gaming vendor certifications. Any  
23 party aggrieved by an action of the Division denying,  
24 suspending, revoking, restricting, or refusing to renew a  
25 license may request a hearing before the Division. A

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

9 (3) To conduct all hearings pertaining to civil  
10 violations of this Act or rules adopted under this Act.  
11 Such hearings shall be governed by Section 5 of the  
12 Riverboat Gambling Act. The Division shall further adopt  
13 hearing rules and procedures for conducting hearings under  
14 this Act. In such hearings, reproduced copies of any of the  
15 Division's records relating to an Internet gaming licensee  
16 or Internet gaming vendor, including (i) any notices  
17 prepared in the Division's ordinary course of business and  
18 (ii) any books, records, or other documents offered in the  
19 name of the Division under certificate of the Executive  
20 Director, or any officer or employee of the Division  
21 designated in writing by the Executive Director, shall,  
22 without further proof, be admitted into evidence in any  
23 hearing before the hearing officers or any legal proceeding  
24 and shall be prima facie proof of the information contained  
25 therein. The Office of the Attorney General shall prosecute  
26 all criminal violations of this Act or rules adopted under

1           this Act.

2           (4) To provide for the establishment and collection of  
3 all license and certification fees and taxes imposed by  
4 this Act and the rules adopted under this Act. All such  
5 fees and taxes shall be deposited into the State Gaming  
6 Fund.

7           (5) To develop and enforce testing, audit, and  
8 certification requirements and schedules for Internet  
9 gaming platforms, Internet gaming skins, Internet  
10 wagering, and Internet wagering accounts, including,  
11 without limitation, age and identification verification  
12 software, geolocation software, Internet games, and gaming  
13 hub software.

14           (6) To develop and enforce requirements for  
15 responsible gaming and player protection, including  
16 privacy and confidentiality standards and duties.

17           (7) To develop and enforce requirements for accepting  
18 Internet wagers, Internet wagering accounts, and  
19 authorized participants and minimum insurance  
20 requirements.

21           (8) To develop and promote standards governing  
22 contracts between Internet gaming licensees and the  
23 payments industry.

24           (9) To develop and enforce standards and requirements  
25 regarding anti-fraud, anti-money laundering, and  
26 anti-collusion methods.

1           (10) To develop protocols related to the security of  
2 and disputes arising over Internet wagers and Internet  
3 wagering accounts.

4           (11) To be present through its inspectors and agents  
5 upon the premises of any location where Internet gaming  
6 operations are conducted by an Internet gaming licensee or  
7 where components of an Internet gaming licensee's Internet  
8 gaming platform are located, housed, or otherwise  
9 maintained.

10          (12) To adopt by rule a code of conduct governing  
11 Division employees that ensures, to the maximum extent  
12 possible, that persons subject to this Act avoid  
13 situations, relationships, or associations that may  
14 represent or lead to an actual or perceived conflict of  
15 interest.

16          (13) To develop and administer civil penalties for  
17 Internet gaming licensees and Internet gaming vendors who  
18 violate this Act or the rules adopted under this Act.

19          (14) To audit and inspect, on reasonable notice, books  
20 and records relevant to Internet gaming operations,  
21 Internet wagers, Internet wagering accounts, Internet  
22 gaming skins, Internet games, or Internet gaming  
23 platforms, including, without limitation, those books and  
24 records regarding financing or accounting, marketing or  
25 operational materials, or any other such materials held by  
26 or in the custody of any Internet gaming licensee or

1 Internet gaming vendor. The Division may assert such  
2 authority by administrative subpoena, which may further  
3 set forth relevant document requests and interrogatories  
4 and which shall be enforceable in the Circuit Court of Cook  
5 County in the State of Illinois.

6 (15) To determine whether an Internet game is a  
7 fee-based game or non-fee-based game.

8 (16) To acquire or lease real property and make  
9 improvements thereon and acquire by lease or by purchase  
10 personal property, including, but not limited to:

11 (A) computer hardware;

12 (B) mechanical, electronic, and online equipment  
13 and terminals; and

14 (C) intangible property, including, but not  
15 limited to, computer programs, software, and systems.

16 (17) To adopt rules for the purpose of administering  
17 the provisions of this Act and to prescribe rules and  
18 conditions under which all Internet gaming in the State  
19 shall be conducted. Such rules are to provide for the  
20 prevention of practices detrimental to the public interest  
21 and for the best interests of Internet gaming, including  
22 rules (i) regarding the inspection of licensees and the  
23 review of any permits or licenses necessary to operate  
24 under any applicable laws or rules, (ii) to impose  
25 penalties for violations of this Act and its rules, and  
26 (iii) establishing standards for advertising of Internet

1 gaming.

2 (b) The Division shall adopt and enforce such rules  
3 governing the administration and conduct of Internet gaming as  
4 it deems necessary to carry out the purpose of this Act. These  
5 rules shall be subject to the provisions of the Illinois  
6 Administrative Procedure Act and may include, but shall not be  
7 limited to:

8 (1) the types of Internet games to be offered;

9 (2) price points for Internet games;

10 (3) player fees and percentage of rake commission or  
11 other fee for Internet games;

12 (4) forms of payment accepted for Internet games;

13 (5) the number, type, and amount of prizes for Internet  
14 games;

15 (6) the method of selecting winners and validating  
16 winnings;

17 (7) the frequency of Internet games;

18 (8) responsible gaming;

19 (9) technical and financial standards for Internet  
20 wagering, Internet wagering accounts, and Internet gaming  
21 platforms, systems, and software or other electronic  
22 components for Internet gaming; and

23 (10) such other matters necessary or desirable for the  
24 efficient and economical operation and administration of  
25 Internet gaming and for the convenience of authorized  
26 Internet gaming participants and Internet gaming licensees

1 and certified Internet gaming vendors.

2 (c) Notwithstanding any law to the contrary, the Board  
3 shall hire an Executive Director of the Division for a 5-year  
4 term who shall be responsible to the Board and shall serve  
5 subject only to removal by the Board for incompetence, neglect  
6 of duty, or malfeasance in office. The Executive Director shall  
7 be responsible for the supervision and direction of the  
8 Division staff and for the necessary administrative activities  
9 of the Division, subject only to the direction and approval of  
10 the Board notwithstanding any law to the contrary.

11 Notwithstanding any law to the contrary, the Executive  
12 Director shall hire and employ employees as may be necessary to  
13 carry out the provisions of this Act or to perform the duties  
14 and exercise the powers conferred by law upon the Division. All  
15 employees of the Division shall receive the compensation fixed  
16 by the Executive Director, and approved by the Board. The  
17 Board, Executive Director, and Division employees shall be  
18 reimbursed for all actual and necessary traveling and other  
19 expenses and disbursements necessarily incurred or made by them  
20 in the discharge of their official duties. The Board and  
21 Executive Director may also incur necessary expenses for office  
22 space, furniture, stationery, printing, operations, and other  
23 incidental expenses.

24 The Executive Director shall report monthly to the Gaming  
25 Board a full and complete statement of Internet gaming  
26 revenues, other expenses for each month, and the amounts to be



1 transferred to the State Gaming Fund in accordance with this  
2 Act. The Executive Director shall also make an annual report,  
3 which shall include a full and complete statement of Internet  
4 gaming revenues and other expenses, that shall be publicly  
5 disclosed on the Board's Internet website. All reports required  
6 by this subsection shall be public, and copies of all such  
7 reports shall be sent to the Speaker of the House of  
8 Representatives, the President of the Senate, the Minority  
9 Leader of the House of Representatives, and the Minority Leader  
10 of the Senate.

11 The Executive Director shall apprise himself or herself of:  
12 (i) the operation and the administration of similar Internet  
13 gaming laws that may be in effect in other states or countries;  
14 (ii) any relevant literature on Internet gaming that from time  
15 to time may be published or available; (iii) any federal laws  
16 and regulations that may affect the operation of Internet  
17 gaming; and (iv) the reaction of Illinois citizens to existing  
18 and potential features of Internet gaming with a view to  
19 recommending or effecting changes that will tend to serve the  
20 purposes of this Act.

21 Section 5-40. Internet gaming skins. Each internet gaming  
22 licensee shall be limited to not more than 2 Internet gaming  
23 skins, each of which must reflect a brand owned by the licensee  
24 or any affiliate of the licensee in the United States.

25 As used in this Section, "affiliate" means a person that

1 directly, or indirectly through one or more intermediaries,  
2 controls, is controlled by, or is under common control with a  
3 licensee.

4 Section 5-45. Place of public accommodation.

5 (a) No organization or commercial enterprise shall operate  
6 a place of public accommodation, club, including a club or  
7 association limited to dues-paying members or similar  
8 restricted groups, or similar establishment in which computer  
9 terminals or similar access devices are advertised or made  
10 available to be used principally for the purpose of accessing  
11 Internet games. No holder of (i) an owners license issued under  
12 the Riverboat Gambling Act or (ii) an organization license or  
13 advance deposit wagering license under the Illinois Horse  
14 Racing Act of 1975 shall offer or make available computer  
15 terminals or similar access devices to be used principally for  
16 the purpose of accessing Internet games within the premises of  
17 such license holder.

18 (b) Nothing in this Section shall be construed:

19 (1) to require the owner or operator of a hotel or  
20 motel or other public place of general use in this State to  
21 prohibit or block guests from playing Internet games; or

22 (2) to require an Internet gaming license holder to  
23 prohibit authorized participants within the premises of  
24 the license holder from playing Internet games.

1 Section 5-50. Age verification and responsible gaming.

2 (a) An Internet gaming licensee's Internet gaming platform  
3 shall provide one or more mechanisms to reasonably verify that  
4 a participant is 21 years of age or older and that wagering on  
5 Internet games is limited to transactions that are initiated  
6 and received or otherwise made exclusively within the State of  
7 Illinois. A participant must satisfy the verification  
8 requirements before he or she may establish an Internet gaming  
9 account and wager on Internet games offered by Internet gaming  
10 licensees. All servers on which any Internet games are operated  
11 and conducted, and all underlying material technology, shall be  
12 located in the State of Illinois, unless the Division has  
13 otherwise authorized another location, which the Division may  
14 so authorize in its discretion if it maintains the ability to  
15 access or obtain all relevant data from such servers in such  
16 manner as it may specify. At such a time that a legally  
17 compliant mechanism is established to permit wagering on  
18 Internet games by individuals physically located outside of the  
19 State, the Division may adopt rules and procedures to allow and  
20 govern wagering by those individuals and shall have the  
21 authority to enter into multijurisdictional agreements and  
22 related and ancillary agreements in order to effectuate such  
23 wagering. An Internet gaming licensee's Internet gaming  
24 platform shall also provide mechanisms designed to detect and  
25 prevent the unauthorized use of Internet wagering accounts and  
26 to detect and prevent fraud, money laundering, and collusion.

1 If a participant in Internet gaming violates any provision of  
2 this Act or rule adopted by the Division, then the  
3 participant's winnings shall be forfeited. Forfeited winnings  
4 shall be deposited into the State Gaming Fund.

5 The following persons shall not be authorized to establish  
6 Internet gaming accounts or wager on Internet games offered by  
7 Internet gaming licensees, except where required and  
8 authorized by the Division for testing purposes or to otherwise  
9 fulfill the purposes set forth in this Act: (i) a minor under  
10 21 years of age; (ii) a current member of the Lottery Control  
11 Board; (iii) a current officer or other person employed by the  
12 Department of the Lottery, the Division of Internet Gaming, the  
13 Illinois Racing Board, or the Illinois Gaming Board; (iv) a  
14 spouse, civil union partner, child, brother, sister, or parent  
15 residing as a member of the same household in the principal  
16 place of abode of any persons identified in (ii) or (iii); and  
17 (iv) an individual whose name appears in the Division's  
18 responsible gaming database.

19 (b) The Division shall develop responsible gaming  
20 measures, including a statewide responsible gaming database  
21 identifying individuals who shall be prohibited from  
22 establishing an Internet wagering account or participating in  
23 Internet gaming offered by an Internet gaming licensee. The  
24 Executive Director may place a person on the responsible gaming  
25 database if that person (i) has been convicted in any  
26 jurisdiction of a felony or a crime involving gaming; (ii) has

1 violated this Act, the Illinois Horse Racing Act of 1975, the  
2 Riverboat Gambling Act, the Raffles and Poker Runs Act, the  
3 Illinois Pull Tabs and Jar Games Act, the Bingo License and Tax  
4 Act, the Charitable Games Act, or the Video Gaming Act; (iii)  
5 has performed any act or had a notorious or unsavory reputation  
6 that would adversely affect public confidence and trust in  
7 gaming; or (iv) has his or her name on any valid and current  
8 exclusion list from another jurisdiction in the United States  
9 or foreign jurisdiction. By rule, the Division shall adopt  
10 procedures for the establishment and maintenance of the  
11 responsible gaming database. The Illinois Gaming Board and the  
12 Illinois Racing Board, in a format specified by the Division,  
13 provide the Division with names of individuals to be included  
14 in the responsible gaming database. The Division may impose  
15 reasonable fees on persons authorized to access and use the  
16 responsible gaming database.

17 An Internet gaming licensee's Internet gaming platform  
18 shall offer in a clear, conspicuous, and accessible manner,  
19 responsible gambling services and technical controls to  
20 participants, including both temporary and permanent  
21 self-exclusion for all games offered; the ability for  
22 participants to establish their own periodic deposit and  
23 wagering limits and maximum playing times; referrals to crisis  
24 counseling and referral services for individuals and families  
25 experiencing difficulty as a result of problem or compulsive  
26 gambling; and other services as the Division reasonably may

1 determine are necessary or appropriate to reduce and prevent  
2 problem gambling. Any authorized participant who is allowed to  
3 participate in Internet gaming may voluntarily prohibit  
4 themselves from establishing an Internet gaming account. The  
5 Division shall incorporate the voluntary self-exclusion list  
6 into the responsible gaming database and maintain both the  
7 self-exclusion list and the responsible gaming database in a  
8 confidential manner. Notwithstanding any law to the contrary,  
9 the self-exclusion list and responsible gaming database are not  
10 public records subject to copying and disclosure under the  
11 Freedom of Information Act.

12 (c) There is created the Responsible Internet Gaming  
13 Advisory Board to make recommendations to the Executive  
14 Director regarding the development of rules and procedures to  
15 reduce and prevent problem or compulsive gambling and youth  
16 gambling and to ensure the conduct of safe, fair, and  
17 responsible Internet gaming. The Advisory Board shall consist  
18 of the following members:

19 (1) the Chairman of the Illinois Gaming Board, who  
20 shall be an ex officio member and shall serve as  
21 Chairperson;

22 (2) the Executive Director of the Division of Internet  
23 Gaming, who shall be an ex officio member;

24 (3) one representative from a national organization  
25 dedicated to the study and prevention of problem gambling,  
26 appointed by the Board;

1           (4) one member who is an academic professional engaged  
2           in the study of problem gambling at a university or other  
3           institution of higher learning, appointed by the Board;

4           (5) one member who has professional experience and  
5           expertise in the field of technical and systemic controls  
6           for responsible Internet gaming, appointed by the Board;  
7           and

8           (6) one member who is an Illinois citizen and a member  
9           of the public, appointed by the Board.

10          Each Advisory Board member shall serve for a term of 4  
11          years and until his or her successor is appointed and  
12          qualified. However, in making initial appointments, 2 shall be  
13          appointed to serve for 2 years and 2 shall be appointed to  
14          serve for 4 years. Appointments to fill vacancies shall be made  
15          in the same manner as original appointments for the unexpired  
16          portion of the vacated term. Initial terms shall begin on the  
17          effective date of this Act. Each member of the Advisory Board  
18          shall be eligible for reappointment at the discretion of the  
19          Board. A member of the Advisory Board may be removed from  
20          office for just cause. Advisory Board members shall receive no  
21          compensation, but shall be reimbursed for expenses incurred in  
22          connection with their duties as Advisory Board members.

23          Four members shall constitute a quorum. A majority vote of  
24          the Advisory Board is required for an Advisory Board decision.  
25          The Advisory Board shall meet no less often than once every 6  
26          months and shall meet as often as the Chairperson deems

1 necessary. Advisory Board members shall not be liable for any  
2 of their acts, omissions, decisions, or any other conduct in  
3 connection with their duties on the Advisory Board, except  
4 those involving willful, wanton, or intentional misconduct.

5 The Advisory Board may have such powers as may be granted  
6 by the Executive Director to carry out the provisions of this  
7 Act regarding responsible Internet gaming.

8 Section 5-55. Tax rate and distribution.

9 (a) Except as otherwise provided in this subsection (a), a  
10 tax is hereby imposed on Internet gaming licensees, based on  
11 the gross gaming revenue received by an Internet gaming  
12 licensee from Internet games authorized under this Act, at the  
13 rate of 15% of annual gross gaming revenue for all fee-based  
14 games and all non-fee-based games.

15 The taxes imposed by this Section shall be paid by the  
16 Internet gaming licensee to the Division no later than 5:00  
17 p.m. on the day after the day when the wagers were made.

18 In recognition of the advance tax revenue paid by the  
19 Internet gaming licensee in its license fee, an Internet gaming  
20 licensee shall be taxed at the following rates during the  
21 initial 5-year license term:

22 (1) for all non-fee-based games, the tax shall be 10%  
23 of annual gross non-fee-based gaming revenue up to and  
24 including \$100,000,000 of gross gaming revenue and 15% of  
25 annual gross non-fee-based gaming revenue in excess



1           \$100,000,000 of gross gaming revenue; and

2           (2) for all fee-based games, the tax shall be 10% of  
3           annual gross fee-based gaming revenue up to and  
4           \$100,000,000 of gross gaming revenue and 15% of annual  
5           gross fee-based gaming revenue in excess \$100,000,000 of  
6           gross gaming revenue.

7           (b) \$10,000,000 from the tax revenue deposited in the State  
8           Gaming Fund under this Act shall be paid annually to the  
9           Department of Human Services for the administration of programs  
10          to treat problem gambling.

11          (c) From the tax revenue deposited into the State Gaming  
12          Fund under this Act, 5% shall be transferred into the Depressed  
13          Communities Economic Development Fund annually.

14          (d) After the amounts specified in subsections (b) and (c)  
15          have been paid or transferred, all remaining tax revenue  
16          deposited in the State Gaming Fund in accordance with this Act  
17          shall be transferred in equal parts to the Pension  
18          Stabilization Fund and Education Assistance Fund.

19          Section 5-60. Applicability of the Riverboat Gambling Act  
20          and the Uniform Penalty and Interest Act. The provisions of the  
21          Riverboat Gambling Act, and all rules adopted thereunder, shall  
22          apply to the Internet Gaming Act, except where there is a  
23          conflict between the 2 Acts. All provisions of the Uniform  
24          Penalty and Interest Act shall apply, as far as practicable, to  
25          the subject matter of this Act to the same extent as if such

1 provisions were included herein.

2 Section 5-65. Rulemaking. The Board shall adopt emergency  
3 rules to administer this Act in accordance with Section 5-45 of  
4 the Illinois Administrative Procedure Act. For the purposes of  
5 the Illinois Administrative Procedure Act, the General  
6 Assembly finds that the adoption of rules to implement this Act  
7 is deemed an emergency and necessary to the public interest,  
8 safety, and welfare.

9 Article 90. Amendatory Provisions

10 Section 90-5. The State Finance Act is amended by adding  
11 Section 5.878 as follows:

12 (30 ILCS 105/5.878 new)

13 Sec. 5.878. The Depressed Communities Economic Development  
14 Fund.

15 Section 90-10. The Department of Commerce and Economic  
16 Opportunity Law of the Civil Administrative Code of Illinois is  
17 amended by adding Section 605-530 as follows:

18 (20 ILCS 605/605-530 new)

19 Sec. 605-530. The Depressed Communities Economic  
20 Development Board.

1       (a) The Depressed Communities Economic Development Board  
2 is created as an advisory board within the Department of  
3 Commerce and Economic Opportunity. The Board shall consist of  
4 the following members:

5           (1) 2 members appointed by the Governor, one of whom  
6 shall be appointed to serve an initial term of one year and  
7 2 of whom shall be appointed to serve an initial term of 2  
8 years;

9           (2) 2 members appointed by the Speaker of the House of  
10 Representatives, one of whom shall be appointed to serve an  
11 initial term of one year and one of whom shall be appointed  
12 to serve an initial term of 2 years;

13           (3) 2 members appointed by the President of the Senate,  
14 one of whom shall be appointed to serve an initial term of  
15 one year and one of whom shall be appointed to serve an  
16 initial term of 2 years;

17           (4) 2 members appointed by the Minority Leader of the  
18 House of Representatives, one of whom shall be appointed to  
19 serve an initial term of one year and one of whom shall be  
20 appointed to serve an initial term of 2 years; and

21           (5) 2 members appointed by the Minority Leader of the  
22 Senate, one of whom shall be appointed to serve an initial  
23 term of one year and one of whom shall be appointed to  
24 serve an initial term of 2 years.

25       The members of the Board shall elect a member to serve as  
26 chair of the Board. The members of the Board shall reflect the

1 composition of the Illinois population with regard to ethnic  
2 and racial composition.

3 After the initial terms, each member shall be appointed to  
4 serve a term of 2 years and until his or her successor has been  
5 appointed and assumes office. If a vacancy occurs in the Board  
6 membership, then the vacancy shall be filled in the same manner  
7 as the initial appointment. No member of the Board shall, at  
8 the time of his or her appointment or within 2 years before the  
9 appointment, hold elected office or be appointed to a State  
10 board, commission, or agency. All Board members are subject to  
11 the State Officials and Employees Ethics Act.

12 (b) Board members shall serve without compensation, but may  
13 be reimbursed for their reasonable travel expenses from funds  
14 available for that purpose. The Department of Commerce and  
15 Economic Opportunity shall provide staff and administrative  
16 support services to the Board.

17 (c) The Board must make recommendations, which must be  
18 approved by a majority of the Board, to the Department of  
19 Commerce and Economic Opportunity concerning the award of  
20 grants from amounts appropriated to the Department from the  
21 Depressed Communities Economic Development Fund, a special  
22 fund created in the State treasury. The Department must make  
23 grants to public or private entities submitting proposals to  
24 the Board to revitalize an Illinois depressed community. Grants  
25 may be used by these entities only for those purposes  
26 conditioned with the grant. For the purposes of this subsection

1 (c), plans for revitalizing an Illinois depressed community  
2 include plans intended to curb high levels of poverty,  
3 unemployment, job and population loss, and general distress. An  
4 Illinois depressed community is an area where the poverty rate,  
5 as determined by using the most recent data released by the  
6 United States Census Bureau, is at least 3% greater than the  
7 State poverty rate as determined by using the most recent data  
8 released by the United States Census Bureau.

9 Section 90-15. The Criminal Code of 2012 is amended by  
10 changing Sections 28-1, 28-1.1, 28-3, and 28-5 as follows:

11 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

12 Sec. 28-1. Gambling.

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

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

17 (2) knowingly makes a wager upon the result of any  
18 game, contest, or any political nomination, appointment or  
19 election;

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

23 (4) contracts to have or give himself or herself or  
24 another the option to buy or sell, or contracts to buy or

1 sell, at a future time, any grain or other commodity  
2 whatsoever, or any stock or security of any company, where  
3 it is at the time of making such contract intended by both  
4 parties thereto that the contract to buy or sell, or the  
5 option, whenever exercised, or the contract resulting  
6 therefrom, shall be settled, not by the receipt or delivery  
7 of such property, but by the payment only of differences in  
8 prices thereof; however, the issuance, purchase, sale,  
9 exercise, endorsement or guarantee, by or through a person  
10 registered with the Secretary of State pursuant to Section  
11 8 of the Illinois Securities Law of 1953, or by or through  
12 a person exempt from such registration under said Section  
13 8, of a put, call, or other option to buy or sell  
14 securities which have been registered with the Secretary of  
15 State or which are exempt from such registration under  
16 Section 3 of the Illinois Securities Law of 1953 is not  
17 gambling within the meaning of this paragraph (4);

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

23 (6) knowingly sells pools upon the result of any game  
24 or contest of skill or chance, political nomination,  
25 appointment or election;

26 (7) knowingly sets up or promotes any lottery or sells,

1 offers to sell or transfers any ticket or share for any  
2 lottery;

3 (8) knowingly sets up or promotes any policy game or  
4 sells, offers to sell or knowingly possesses or transfers  
5 any policy ticket, slip, record, document or other similar  
6 device;

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

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

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

25 (12) knowingly establishes, maintains, or operates an  
26 Internet site that permits a person to play a game of

1 chance or skill for money or other thing of value by means  
2 of the Internet or to make a wager upon the result of any  
3 game, contest, political nomination, appointment, or  
4 election by means of the Internet. This item (12) does not  
5 apply to activities referenced in items (6), ~~and~~ (6.1) ~~and~~  
6 (15), or (16) of subsection (b) of this Section.

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

9 (1) Agreements to compensate for loss caused by the  
10 happening of chance including without limitation contracts  
11 of indemnity or guaranty and life or health or accident  
12 insurance.

13 (2) Offers of prizes, award or compensation to the  
14 actual contestants in any bona fide contest for the  
15 determination of skill, speed, strength or endurance or to  
16 the owners of animals or vehicles entered in such contest.

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

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



1 licensed to do so under the Video Gaming Act.

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

4 (6) Lotteries when conducted by the State of Illinois  
5 in accordance with the Illinois Lottery Law. This exemption  
6 includes any activity conducted by the Department of  
7 Revenue to sell lottery tickets pursuant to the provisions  
8 of the Illinois Lottery Law and its rules.

9 (6.1) The purchase of lottery tickets through the  
10 Internet for a lottery conducted by the State of Illinois  
11 under the program established in Section 7.12 of the  
12 Illinois Lottery Law.

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

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

20 (9) Charitable games when conducted in accordance with  
21 the Charitable Games Act.

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

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

26 (12) Video gaming terminal games at a licensed

1 establishment, licensed truck stop establishment, licensed  
2 fraternal establishment, or licensed veterans  
3 establishment when conducted in accordance with the Video  
4 Gaming Act.

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

8 (14) Savings promotion raffles authorized under  
9 Section 5g of the Illinois Banking Act, Section 7008 of the  
10 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
11 Act, Section 5136B of the National Bank Act (12 U.S.C.  
12 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
13 1463).

14 (15) Interactive fantasy sports contests and  
15 participation in interactive fantasy sports contests  
16 authorized under the Fantasy Sports Contest Act.

17 (16) Internet wagering when conducted in accordance  
18 with the Internet Gaming Act.

19 (c) Sentence.

20 Gambling is a Class A misdemeanor. A second or subsequent  
21 conviction under subsections (a) (3) through (a) (12), is a Class  
22 4 felony.

23 (d) Circumstantial evidence.

24 In prosecutions under this Section circumstantial evidence  
25 shall have the same validity and weight as in any criminal  
26 prosecution.

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

2 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

3 Sec. 28-1.1. Syndicated gambling.

4 (a) Declaration of Purpose. Recognizing the close  
5 relationship between professional gambling and other organized  
6 crime, it is declared to be the policy of the legislature to  
7 restrain persons from engaging in the business of gambling for  
8 profit in this State. This Section shall be liberally construed  
9 and administered with a view to carrying out this policy.

10 (b) A person commits syndicated gambling when he or she  
11 operates a "policy game" or engages in the business of  
12 bookmaking.

13 (c) A person "operates a policy game" when he or she  
14 knowingly uses any premises or property for the purpose of  
15 receiving or knowingly does receive from what is commonly  
16 called "policy":

17 (1) money from a person other than the bettor or player  
18 whose bets or plays are represented by the money; or

19 (2) written "policy game" records, made or used over  
20 any period of time, from a person other than the bettor or  
21 player whose bets or plays are represented by the written  
22 record.

23 (d) A person engages in bookmaking when he or she knowingly  
24 receives or accepts more than five bets or wagers upon the  
25 result of any trials or contests of skill, speed or power of

1 endurance or upon any lot, chance, casualty, unknown or  
2 contingent event whatsoever, which bets or wagers shall be of  
3 such size that the total of the amounts of money paid or  
4 promised to be paid to the bookmaker on account thereof shall  
5 exceed \$2,000. Bookmaking is the receiving or accepting of bets  
6 or wagers regardless of the form or manner in which the  
7 bookmaker records them.

8 (e) Participants in any of the following activities shall  
9 not be convicted of syndicated gambling:

10 (1) Agreements to compensate for loss caused by the  
11 happening of chance including without limitation contracts  
12 of indemnity or guaranty and life or health or accident  
13 insurance;

14 (2) Offers of prizes, award or compensation to the  
15 actual contestants in any bona fide contest for the  
16 determination of skill, speed, strength or endurance or to  
17 the owners of animals or vehicles entered in the contest;

18 (3) Pari-mutuel betting as authorized by law of this  
19 State;

20 (4) Manufacture of gambling devices, including the  
21 acquisition of essential parts therefor and the assembly  
22 thereof, for transportation in interstate or foreign  
23 commerce to any place outside this State when the  
24 transportation is not prohibited by any applicable Federal  
25 law;

26 (5) Raffles and poker runs when conducted in accordance

1 with the Raffles and Poker Runs Act;

2 (6) Gambling games conducted on riverboats when  
3 authorized by the Riverboat Gambling Act;

4 (7) Video gaming terminal games at a licensed  
5 establishment, licensed truck stop establishment, licensed  
6 fraternal establishment, or licensed veterans  
7 establishment when conducted in accordance with the Video  
8 Gaming Act; ~~and~~

9 (8) Savings promotion raffles authorized under Section  
10 5g of the Illinois Banking Act, Section 7008 of the Savings  
11 Bank Act, Section 42.7 of the Illinois Credit Union Act,  
12 Section 5136B of the National Bank Act (12 U.S.C. 25a), or  
13 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463);  
14 and;

15 (9) Internet wagering when conducted in accordance  
16 with the Internet Gaming Act.

17 (f) Sentence. Syndicated gambling is a Class 3 felony.

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

19 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

20 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is  
21 any real estate, vehicle, boat or any other property whatsoever  
22 used for the purposes of gambling other than gambling conducted  
23 in the manner authorized by the Riverboat Gambling Act,  
24 Internet Gaming Act, or the Video Gaming Act. Any person who  
25 knowingly permits any premises or property owned or occupied by

1 him or under his control to be used as a gambling place commits  
2 a Class A misdemeanor. Each subsequent offense is a Class 4  
3 felony. When any premises is determined by the circuit court to  
4 be a gambling place:

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

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

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

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

22 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

23 Sec. 28-5. Seizure of gambling devices and gambling funds.

24 (a) Every device designed for gambling which is incapable  
25 of lawful use or every device used unlawfully for gambling

1 shall be considered a "gambling device", and shall be subject  
2 to seizure, confiscation and destruction by the Department of  
3 State Police or by any municipal, or other local authority,  
4 within whose jurisdiction the same may be found. As used in  
5 this Section, a "gambling device" includes any slot machine,  
6 and includes any machine or device constructed for the  
7 reception of money or other thing of value and so constructed  
8 as to return, or to cause someone to return, on chance to the  
9 player thereof money, property or a right to receive money or  
10 property. With the exception of any device designed for  
11 gambling which is incapable of lawful use, no gambling device  
12 shall be forfeited or destroyed unless an individual with a  
13 property interest in said device knows of the unlawful use of  
14 the device.

15 (b) Every gambling device shall be seized and forfeited to  
16 the county wherein such seizure occurs. Any money or other  
17 thing of value integrally related to acts of gambling shall be  
18 seized and forfeited to the county wherein such seizure occurs.

19 (c) If, within 60 days after any seizure pursuant to  
20 subparagraph (b) of this Section, a person having any property  
21 interest in the seized property is charged with an offense, the  
22 court which renders judgment upon such charge shall, within 30  
23 days after such judgment, conduct a forfeiture hearing to  
24 determine whether such property was a gambling device at the  
25 time of seizure. Such hearing shall be commenced by a written  
26 petition by the State, including material allegations of fact,

1 the name and address of every person determined by the State to  
2 have any property interest in the seized property, a  
3 representation that written notice of the date, time and place  
4 of such hearing has been mailed to every such person by  
5 certified mail at least 10 days before such date, and a request  
6 for forfeiture. Every such person may appear as a party and  
7 present evidence at such hearing. The quantum of proof required  
8 shall be a preponderance of the evidence, and the burden of  
9 proof shall be on the State. If the court determines that the  
10 seized property was a gambling device at the time of seizure,  
11 an order of forfeiture and disposition of the seized property  
12 shall be entered: a gambling device shall be received by the  
13 State's Attorney, who shall effect its destruction, except that  
14 valuable parts thereof may be liquidated and the resultant  
15 money shall be deposited in the general fund of the county  
16 wherein such seizure occurred; money and other things of value  
17 shall be received by the State's Attorney and, upon  
18 liquidation, shall be deposited in the general fund of the  
19 county wherein such seizure occurred. However, in the event  
20 that a defendant raises the defense that the seized slot  
21 machine is an antique slot machine described in subparagraph  
22 (b) (7) of Section 28-1 of this Code and therefore he is exempt  
23 from the charge of a gambling activity participant, the seized  
24 antique slot machine shall not be destroyed or otherwise  
25 altered until a final determination is made by the Court as to  
26 whether it is such an antique slot machine. Upon a final



1 determination by the Court of this question in favor of the  
2 defendant, such slot machine shall be immediately returned to  
3 the defendant. Such order of forfeiture and disposition shall,  
4 for the purposes of appeal, be a final order and judgment in a  
5 civil proceeding.

6 (d) If a seizure pursuant to subparagraph (b) of this  
7 Section is not followed by a charge pursuant to subparagraph  
8 (c) of this Section, or if the prosecution of such charge is  
9 permanently terminated or indefinitely discontinued without  
10 any judgment of conviction or acquittal (1) the State's  
11 Attorney shall commence an in rem proceeding for the forfeiture  
12 and destruction of a gambling device, or for the forfeiture and  
13 deposit in the general fund of the county of any seized money  
14 or other things of value, or both, in the circuit court and (2)  
15 any person having any property interest in such seized gambling  
16 device, money or other thing of value may commence separate  
17 civil proceedings in the manner provided by law.

18 (e) Any gambling device displayed for sale to a riverboat  
19 gambling operation or Internet gaming operation or used to  
20 train occupational licensees of a riverboat gambling operation  
21 or Internet gaming operation as authorized under the Riverboat  
22 Gambling Act or Internet Gaming Act is exempt from seizure  
23 under this Section.

24 (f) Any gambling equipment, devices and supplies provided  
25 by a licensed supplier or licensed Internet gaming vendor in  
26 accordance with the Riverboat Gambling Act or Internet Gaming

1 Act which are removed from a ~~the~~ riverboat or Internet gaming  
2 facility for repair are exempt from seizure under this Section.

3 (g) The following video gaming terminals are exempt from  
4 seizure under this Section:

5 (1) Video gaming terminals for sale to a licensed  
6 distributor or operator under the Video Gaming Act.

7 (2) Video gaming terminals used to train licensed  
8 technicians or licensed terminal handlers.

9 (3) Video gaming terminals that are removed from a  
10 licensed establishment, licensed truck stop establishment,  
11 licensed fraternal establishment, or licensed veterans  
12 establishment for repair.

13 (Source: P.A. 98-31, eff. 6-24-13.)".