



Sen. Terry Link

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LRB100 04955 MJP 27248 a

1 AMENDMENT TO SENATE BILL 209

2 AMENDMENT NO. _____. Amend Senate Bill 209 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Video Gaming Act is amended by changing
5 Sections 20 and 25 as follows:

6 (230 ILCS 40/20)

7 Sec. 20. Direct dispensing of receipt tickets only. A video
8 gaming terminal may not directly dispense coins, cash, tokens,
9 or any other article of exchange or value except for receipt
10 tickets. Tickets shall be dispensed by pressing the ticket
11 dispensing button on the video gaming terminal at the end of
12 one's turn or play. The ticket shall indicate the total amount
13 of credits and the cash award, the time of day in a 24-hour
14 format showing hours and minutes, the date, the terminal serial
15 number, the sequential number of the ticket, and an encrypted
16 validation number from which the validity of the prize may be

1 determined. The player shall turn in this ticket to the
2 appropriate person at the licensed establishment, licensed
3 truck stop establishment, licensed fraternal establishment, or
4 licensed veterans establishment to receive the cash award. The
5 cost of the credit shall be one cent, 5 cents, 10 cents, or 25
6 cents, and the maximum wager played per hand shall not exceed
7 \$4 ~~\$2~~. No cash award for the maximum wager on any individual
8 hand shall exceed \$1,199 ~~\$500~~. No cash award for the maximum
9 wager on a jackpot, progressive or otherwise, shall exceed
10 \$10,000.

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

12 (230 ILCS 40/25)

13 Sec. 25. Restriction of licensees.

14 (a) Manufacturer. A person may not be licensed as a
15 manufacturer of a video gaming terminal in Illinois unless the
16 person has a valid manufacturer's license issued under this
17 Act. A manufacturer may only sell video gaming terminals for
18 use in Illinois to persons having a valid distributor's
19 license.

20 (b) Distributor. A person may not sell, distribute, or
21 lease or market a video gaming terminal in Illinois unless the
22 person has a valid distributor's license issued under this Act.
23 A distributor may only sell video gaming terminals for use in
24 Illinois to persons having a valid distributor's or terminal
25 operator's license.

1 (c) Terminal operator. A person may not own, maintain, or
2 place a video gaming terminal unless he has a valid terminal
3 operator's license issued under this Act. A terminal operator
4 may only place video gaming terminals for use in Illinois in
5 licensed establishments, licensed truck stop establishments,
6 licensed fraternal establishments, and licensed veterans
7 establishments. No terminal operator or officer, employee, or
8 agent of a terminal operator may offer, promise, or give
9 anything of value, including, but not limited to, a loan or
10 financing arrangement, to a licensed establishment, licensed
11 truck stop establishment, licensed fraternal establishment, or
12 licensed veterans establishment in accordance with an
13 agreement or arrangement or with the intent that the offer,
14 promise, or gift of the thing of value shall act as an any
15 incentive or inducement with respect to locating or maintaining
16 locate video terminals in that establishment. The following
17 items and activities are permissible and do not constitute "of
18 value" violations under this subsection:

19 (1) A terminal operator may reimburse a licensed
20 establishment, licensed truck stop establishment, licensed
21 fraternal establishment, or licensed veterans
22 establishment for the actual cost of the food or
23 non-alcoholic beverages given directly to video gaming
24 terminal players in an amount not to exceed 5% of the
25 terminal operator's monthly share of net terminal income if
26 the licensed location has, for the preceding 6 consecutive

1 calendar months, averaged monthly cumulative net terminal
2 income for the location equivalent to net terminal income
3 of at least \$120 per day per video gaming terminal
4 immediately on the premises, and if the reimbursement
5 terms, including the requirement that the terminal
6 operator be provided with receipts or documentation of the
7 actual cost of the food or non-alcoholic beverages, are set
8 forth in the written use agreement between the parties. In
9 the event of the authorization of a players' rewards
10 program, if food or non-alcoholic beverage awards are made
11 available through the program, then a terminal operator may
12 reimburse a licensed establishment, licensed truck stop
13 establishment, licensed fraternal establishment, or
14 licensed veterans establishment up to 50% of the actual
15 cost of the food or non-alcoholic beverages awarded, and
16 the reimbursement terms, including the requirement that
17 the terminal operator be provided with receipts or
18 documentation of the actual cost of the food or
19 non-alcoholic beverages, are set forth in the written use
20 agreement between the parties.

21 (2) A terminal operator may reimburse a licensed
22 establishment, licensed truck stop establishment, licensed
23 fraternal establishment, or licensed veterans
24 establishment for up to 50% of the actual cost of
25 promotional items, excluding food or non-alcoholic
26 beverages, of more than nominal value, such as vacation

1 trips and prizes that are given directly to video gaming
2 terminal players if the reimbursement terms, including the
3 requirement that the terminal operator be provided with
4 receipts or documentation of the actual cost of these
5 items, are set forth in the written use agreement between
6 the parties. The cost of promotional items of nominal value
7 that bear a logo or name and that are given to patrons or
8 video gaming terminal players, however, may not be
9 reimbursed or shared and shall be paid for entirely by the
10 terminal operator or the licensed location whose name or
11 logo appears on the item. As used in this paragraph,
12 "promotional items of nominal value" does not include gift
13 cards, gift certificates, cash, and cash equivalents.

14 (3) A terminal operator may reimburse a licensed
15 establishment, licensed truck stop establishment, licensed
16 fraternal establishment, or licensed veterans
17 establishment for up to 50% of the actual cost of
18 advertising that promotes video gaming at that licensed
19 location if the reimbursement terms, including the
20 requirement that the terminal operator be provided with
21 receipts or documentation of the actual cost of the
22 advertising, are set forth in the written use agreement
23 between the parties.

24 The Board shall adopt rules concerning the items and
25 activities permissible under this subsection as well as other
26 activities that do not constitute "of value" violations under

1 this subsection.

2 Of the after-tax profits from a video gaming terminal, 50%
3 shall be paid to the terminal operator and 50% shall be paid to
4 the licensed establishment, licensed truck stop establishment,
5 licensed fraternal establishment, or licensed veterans
6 establishment, notwithstanding any agreement to the contrary.
7 A video terminal operator or licensed location that violates
8 one or more requirements of this subsection is guilty of a
9 Class 4 felony and is subject to termination of his or her
10 license by the Board.

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

16 (d-5) Licensed terminal handler. No person, including, but
17 not limited to, an employee or independent contractor working
18 for a manufacturer, distributor, supplier, technician, or
19 terminal operator licensed pursuant to this Act, shall have
20 possession or control of a video gaming terminal, or access to
21 the inner workings of a video gaming terminal, unless that
22 person possesses a valid terminal handler's license issued
23 under this Act.

24 (e) Licensed establishment. No video gaming terminal may be
25 placed in any licensed establishment, licensed veterans
26 establishment, licensed truck stop establishment, or licensed

1 fraternal establishment unless the owner or agent of the owner
2 of the licensed establishment, licensed veterans
3 establishment, licensed truck stop establishment, or licensed
4 fraternal establishment has entered into a written use
5 agreement with the terminal operator for placement of the
6 terminals. A copy of the use agreement shall be on file in the
7 terminal operator's place of business and available for
8 inspection by individuals authorized by the Board.

9 (e-5) A licensed establishment, licensed truck stop
10 establishment, licensed veterans establishment, or licensed
11 fraternal establishment may operate up to 5 video gaming
12 terminals on its premises at any time.

13 (f) (Blank).

14 (g) Financial interest restrictions. As used in this Act,
15 "substantial interest" in a partnership, a corporation, an
16 organization, an association, a business, or a limited
17 liability company means:

18 (A) When, with respect to a sole proprietorship, an
19 individual or his or her spouse owns, operates, manages, or
20 conducts, directly or indirectly, the organization,
21 association, or business, or any part thereof; or

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

25 (C) When, with respect to a corporation, an individual
26 or his or her spouse is an officer or director, or the

1 individual or his or her spouse is a holder, directly or
2 beneficially, of 5% or more of any class of stock of the
3 corporation; or

4 (D) When, with respect to an organization not covered
5 in (A), (B) or (C) above, an individual or his or her
6 spouse is an officer or manages the business affairs, or
7 the individual or his or her spouse is the owner of or
8 otherwise controls 10% or more of the assets of the
9 organization; or

10 (E) When an individual or his or her spouse furnishes
11 5% or more of the capital, whether in cash, goods, or
12 services, for the operation of any business, association,
13 or organization during any calendar year; or

14 (F) When, with respect to a limited liability company,
15 an individual or his or her spouse is a member, or the
16 individual or his or her spouse is a holder, directly or
17 beneficially, of 5% or more of the membership interest of
18 the limited liability company.

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

25 (h) Location restriction. A licensed establishment,
26 licensed truck stop establishment, licensed fraternal

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

22 Notwithstanding the provisions of this subsection (h), the
23 Board may waive the requirement that a licensed establishment,
24 licensed truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment not be
26 located within 1,000 feet from a facility operated by an

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

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

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

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

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

26 The Board shall adopt rules concerning undue economic

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

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

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

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."