



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1664

Introduced 2/9/2017, by Sen. James F. Clayborne, Jr.

SYNOPSIS AS INTRODUCED:

230 ILCS 40/5
230 ILCS 40/20
230 ILCS 40/25
230 ILCS 40/35
230 ILCS 40/45
230 ILCS 40/55
230 ILCS 40/58
230 ILCS 40/60

Amends the Video Gaming Act. Provides for the licensure of a motorsports park under the Act. Provides that a licensed motorsports park may operate up to 200 video gaming terminals on its premises at any time. Requires the owner of the licensed motorsports park to enter into a written use agreement with a terminal operator for placement of the terminals. Makes conforming changes in provisions concerning receipt tickets, licensure of terminals, issuance of licenses and license fees, the necessity of a liquor license for licensure, location of terminals, and imposition of a tax. Effective immediately.

LRB100 07142 AMC 17198 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Video Gaming Act is amended by changing
5 Sections 5, 20, 25, 35, 45, 55, 58, and 60 as follows:

6 (230 ILCS 40/5)

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

8 "Board" means the Illinois Gaming Board.

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

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

16 "Electronic card" means a card purchased from a licensed
17 establishment, licensed fraternal establishment, licensed
18 veterans establishment, ~~or~~ licensed truck stop establishment,
19 or licensed motorsports park for use in that establishment as a
20 substitute for cash in the conduct of gaming on a video gaming
21 terminal.

22 "Electronic voucher" means a voucher printed by an
23 electronic video game machine that is redeemable in the

1 licensed establishment for which it was issued.

2 "Terminal operator" means an individual, partnership,
3 corporation, or limited liability company that is licensed
4 under this Act and that owns, services, and maintains video
5 gaming terminals for placement in licensed establishments,
6 licensed truck stop establishments, licensed fraternal
7 establishments, or licensed veterans establishments.

8 "Licensed technician" means an individual who is licensed
9 under this Act to repair, service, and maintain video gaming
10 terminals.

11 "Licensed terminal handler" means a person, including but
12 not limited to an employee or independent contractor working
13 for a manufacturer, distributor, supplier, technician, or
14 terminal operator, who is licensed under this Act to possess or
15 control a video gaming terminal or to have access to the inner
16 workings of a video gaming terminal. A licensed terminal
17 handler does not include an individual, partnership,
18 corporation, or limited liability company defined as a
19 manufacturer, distributor, supplier, technician, or terminal
20 operator under this Act.

21 "Manufacturer" means an individual, partnership,
22 corporation, or limited liability company that is licensed
23 under this Act and that manufactures or assembles video gaming
24 terminals.

25 "Supplier" means an individual, partnership, corporation,
26 or limited liability company that is licensed under this Act to

1 supply major components or parts to video gaming terminals to
2 licensed terminal operators.

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

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

15 "Licensed establishment" means any licensed retail
16 establishment where alcoholic liquor is drawn, poured, mixed,
17 or otherwise served for consumption on the premises, whether
18 the establishment operates on a nonprofit or for-profit basis.

19 "Licensed establishment" includes any such establishment that
20 has a contractual relationship with an inter-track wagering
21 location licensee licensed under the Illinois Horse Racing Act
22 of 1975, provided any contractual relationship shall not
23 include any transfer or offer of revenue from the operation of
24 video gaming under this Act to any licensee licensed under the
25 Illinois Horse Racing Act of 1975. Provided, however, that the
26 licensed establishment that has such a contractual

1 relationship with an inter-track wagering location licensee
2 may not, itself, be (i) an inter-track wagering location
3 licensee, (ii) the corporate parent or subsidiary of any
4 licensee licensed under the Illinois Horse Racing Act of 1975,
5 or (iii) the corporate subsidiary of a corporation that is also
6 the corporate parent or subsidiary of any licensee licensed
7 under the Illinois Horse Racing Act of 1975. "Licensed
8 establishment" does not include a facility operated by an
9 organization licensee, an inter-track wagering licensee, or an
10 inter-track wagering location licensee licensed under the
11 Illinois Horse Racing Act of 1975 or a riverboat licensed under
12 the Riverboat Gambling Act, except as provided in this
13 paragraph. The changes made to this definition by Public Act
14 98-587 are declarative of existing law.

15 "Licensed fraternal establishment" means the location
16 where a qualified fraternal organization that derives its
17 charter from a national fraternal organization regularly
18 meets.

19 "Licensed veterans establishment" means the location where
20 a qualified veterans organization that derives its charter from
21 a national veterans organization regularly meets.

22 "Licensed truck stop establishment" means a facility (i)
23 that is at least a 3-acre facility with a convenience store,
24 (ii) with separate diesel islands for fueling commercial motor
25 vehicles, (iii) that sells at retail more than 10,000 gallons
26 of diesel or biodiesel fuel per month, and (iv) with parking

1 spaces for commercial motor vehicles. "Commercial motor
2 vehicles" has the same meaning as defined in Section 18b-101 of
3 the Illinois Vehicle Code. The requirement of item (iii) of
4 this paragraph may be met by showing that estimated future
5 sales or past sales average at least 10,000 gallons per month.

6 "Licensed motorsports park" means a facility located in a
7 county with a population of 500,000 or less that is within 5
8 miles of 3 interstate highways and that has seating capacity
9 for motorsports of 50,000 people or more.

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

13 (230 ILCS 40/20)

14 Sec. 20. Direct dispensing of receipt tickets only. A video
15 gaming terminal may not directly dispense coins, cash, tokens,
16 or any other article of exchange or value except for receipt
17 tickets. Tickets shall be dispensed by pressing the ticket
18 dispensing button on the video gaming terminal at the end of
19 one's turn or play. The ticket shall indicate the total amount
20 of credits and the cash award, the time of day in a 24-hour
21 format showing hours and minutes, the date, the terminal serial
22 number, the sequential number of the ticket, and an encrypted
23 validation number from which the validity of the prize may be
24 determined. The player shall turn in this ticket to the
25 appropriate person at the licensed establishment, licensed

1 truck stop establishment, licensed fraternal establishment, ~~or~~
2 licensed veterans establishment, or licensed motorsports park
3 to receive the cash award. The cost of the credit shall be one
4 cent, 5 cents, 10 cents, or 25 cents, and the maximum wager
5 played per hand shall not exceed \$2. No cash award for the
6 maximum wager on any individual hand shall exceed \$500.

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

8 (230 ILCS 40/25)

9 Sec. 25. Restriction of licensees.

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

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

22 (c) Terminal operator. A person may not own, maintain, or
23 place a video gaming terminal unless he has a valid terminal
24 operator's license issued under this Act. A terminal operator
25 may only place video gaming terminals for use in Illinois in

1 licensed establishments, licensed truck stop establishments,
2 licensed fraternal establishments, and licensed veterans
3 establishments. No terminal operator may give anything of
4 value, including but not limited to a loan or financing
5 arrangement, to a licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment as any incentive or inducement to locate
8 video terminals in that establishment. Of the after-tax profits
9 from a video gaming terminal, 50% shall be paid to the terminal
10 operator and 50% shall be paid to the licensed establishment,
11 licensed truck stop establishment, licensed fraternal
12 establishment, or licensed veterans establishment,
13 notwithstanding any agreement to the contrary. A video terminal
14 operator that violates one or more requirements of this
15 subsection is guilty of a Class 4 felony and is subject to
16 termination of his or her license by the Board.

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

22 (d-5) Licensed terminal handler. No person, including, but
23 not limited to, an employee or independent contractor working
24 for a manufacturer, distributor, supplier, technician, or
25 terminal operator licensed pursuant to this Act, shall have
26 possession or control of a video gaming terminal, or access to

1 the inner workings of a video gaming terminal, unless that
2 person possesses a valid terminal handler's license issued
3 under this Act.

4 (e) Licensed establishment. No video gaming terminal may be
5 placed in any licensed establishment, licensed veterans
6 establishment, licensed truck stop establishment, or licensed
7 fraternal establishment unless the owner or agent of the owner
8 of the licensed establishment, licensed veterans
9 establishment, licensed truck stop establishment, or licensed
10 fraternal establishment has entered into a written use
11 agreement with the terminal operator for placement of the
12 terminals. A copy of the use agreement shall be on file in the
13 terminal operator's place of business and available for
14 inspection by individuals authorized by the Board. A licensed
15 establishment, licensed truck stop establishment, licensed
16 veterans establishment, or licensed fraternal establishment
17 may operate up to 5 video gaming terminals on its premises at
18 any time.

19 (e-5) Licensed motorsports park. No video gaming terminal
20 may be placed in a licensed motorsports park unless the owner
21 or agent of the owner of the licensed motorsports park has
22 entered into a written use agreement with the terminal operator
23 for placement of the terminals. A copy of the use agreement
24 shall be on file in the terminal operator's place of business
25 and available for inspection by individuals authorized by the
26 Board. A licensed motorsports park may operate up to 200 video

1 gaming terminals on its premises at any time.

2 (f) (Blank).

3 (g) Financial interest restrictions. As used in this Act,
4 "substantial interest" in a partnership, a corporation, an
5 organization, an association, a business, or a limited
6 liability company means:

7 (A) When, with respect to a sole proprietorship, an
8 individual or his or her spouse owns, operates, manages, or
9 conducts, directly or indirectly, the organization,
10 association, or business, or any part thereof; or

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

14 (C) When, with respect to a corporation, an individual
15 or his or her spouse is an officer or director, or the
16 individual or his or her spouse is a holder, directly or
17 beneficially, of 5% or more of any class of stock of the
18 corporation; or

19 (D) When, with respect to an organization not covered
20 in (A), (B) or (C) above, an individual or his or her
21 spouse is an officer or manages the business affairs, or
22 the individual or his or her spouse is the owner of or
23 otherwise controls 10% or more of the assets of the
24 organization; or

25 (E) When an individual or his or her spouse furnishes
26 5% or more of the capital, whether in cash, goods, or

1 services, for the operation of any business, association,
2 or organization during any calendar year; or

3 (F) When, with respect to a limited liability company,
4 an individual or his or her spouse is a member, or the
5 individual or his or her spouse is a holder, directly or
6 beneficially, of 5% or more of the membership interest of
7 the limited liability company.

8 For purposes of this subsection (g), "individual" includes
9 all individuals or their spouses whose combined interest would
10 qualify as a substantial interest under this subsection (g) and
11 whose activities with respect to an organization, association,
12 or business are so closely aligned or coordinated as to
13 constitute the activities of a single entity.

14 (h) Location restriction. A licensed establishment,
15 licensed truck stop establishment, licensed fraternal
16 establishment, ~~or~~ licensed veterans establishment, or licensed
17 motorsports park that is (i) located within 1,000 feet of a
18 facility operated by an organization licensee licensed under
19 the Illinois Horse Racing Act of 1975 or the home dock of a
20 riverboat licensed under the Riverboat Gambling Act or (ii)
21 located within 100 feet of a school or a place of worship under
22 the Religious Corporation Act, is ineligible to operate a video
23 gaming terminal. The location restrictions in this subsection
24 (h) do not apply if (A) a facility operated by an organization
25 licensee, a school, or a place of worship moves to or is
26 established within the restricted area after a licensed

1 establishment, licensed truck stop establishment, licensed
2 fraternal establishment, ~~or~~ licensed veterans establishment,
3 or licensed motorsports park becomes licensed under this Act or
4 (B) a school or place of worship moves to or is established
5 within the restricted area after a licensed establishment,
6 licensed truck stop establishment, licensed fraternal
7 establishment, ~~or~~ licensed veterans establishment, or licensed
8 motorsports park obtains its original liquor license. For the
9 purpose of this subsection, "school" means an elementary or
10 secondary public school, or an elementary or secondary private
11 school registered with or recognized by the State Board of
12 Education.

13 Notwithstanding the provisions of this subsection (h), the
14 Board may waive the requirement that a licensed establishment,
15 licensed truck stop establishment, licensed fraternal
16 establishment, ~~or~~ licensed veterans establishment, or licensed
17 motorsports park not be located within 1,000 feet from a
18 facility operated by an organization licensee licensed under
19 the Illinois Horse Racing Act of 1975 or the home dock of a
20 riverboat licensed under the Riverboat Gambling Act. The Board
21 shall not grant such waiver if there is any common ownership or
22 control, shared business activity, or contractual arrangement
23 of any type between the establishment and the organization
24 licensee or owners licensee of a riverboat. The Board shall
25 adopt rules to implement the provisions of this paragraph.

26 (i) Undue economic concentration. In addition to

1 considering all other requirements under this Act, in deciding
2 whether to approve the operation of video gaming terminals by a
3 terminal operator in a location, the Board shall consider the
4 impact of any economic concentration of such operation of video
5 gaming terminals. The Board shall not allow a terminal operator
6 to operate video gaming terminals if the Board determines such
7 operation will result in undue economic concentration. For
8 purposes of this Section, "undue economic concentration" means
9 that a terminal operator would have such actual or potential
10 influence over video gaming terminals in Illinois as to:

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

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

15 (3) negatively impact the purposes of the Video Gaming
16 Act.

17 The Board shall adopt rules concerning undue economic
18 concentration with respect to the operation of video gaming
19 terminals in Illinois. The rules shall include, but not be
20 limited to, (i) limitations on the number of video gaming
21 terminals operated by any terminal operator within a defined
22 geographic radius and (ii) guidelines on the discontinuation of
23 operation of any such video gaming terminals the Board
24 determines will cause undue economic concentration.

25 (j) The provisions of the Illinois Antitrust Act are fully
26 and equally applicable to the activities of any licensee under

1 this Act.

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

4 (230 ILCS 40/35)

5 Sec. 35. Display of license; confiscation; violation as
6 felony.

7 (a) Each video gaming terminal shall be licensed by the
8 Board before placement or operation on the premises of a
9 licensed establishment, licensed truck stop establishment,
10 licensed fraternal establishment, ~~or~~ licensed veterans
11 establishment, or licensed motorsports park. The license of
12 each video gaming terminal shall be maintained at the location
13 where the video gaming terminal is operated. Failure to do so
14 is a petty offense with a fine not to exceed \$100. Any licensed
15 establishment, licensed truck stop establishment, licensed
16 fraternal establishment, ~~or~~ licensed veterans establishment,
17 or licensed motorsports park used for the conduct of gambling
18 games in violation of this Act shall be considered a gambling
19 place in violation of Section 28-3 of the Criminal Code of
20 2012. Every gambling device found in a licensed establishment,
21 licensed truck stop establishment, licensed fraternal
22 establishment, ~~or~~ licensed veterans establishment, or licensed
23 motorsports park operating gambling games in violation of this
24 Act shall be subject to seizure, confiscation, and destruction
25 as provided in Section 28-5 of the Criminal Code of 2012. Any

1 license issued under the Liquor Control Act of 1934 to any
2 owner or operator of a licensed establishment, licensed truck
3 stop establishment, licensed fraternal establishment, ~~or~~
4 licensed veterans establishment, or licensed motorsports park
5 that operates or permits the operation of a video gaming
6 terminal within its establishment in violation of this Act
7 shall be immediately revoked. No person may own, operate, have
8 in his or her possession or custody or under his or her
9 control, or permit to be kept in any place under his or her
10 possession or control, any device that awards credits and
11 contains a circuit, meter, or switch capable of removing and
12 recording the removal of credits when the award of credits is
13 dependent upon chance.

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

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

23 The provisions of this Section do not apply to devices or
24 electronic video game terminals licensed pursuant to this Act.
25 A video gaming terminal operated for amusement only and bearing
26 a valid amusement tax sticker shall not be subject to this

1 Section until 30 days after the Board establishes that the
2 central communications system is functional.

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

7 (2) No video gaming terminal licensed under this Act may be
8 played except during the legal hours of operation allowed for
9 the consumption of alcoholic beverages at the licensed
10 establishment, licensed fraternal establishment, ~~or~~ licensed
11 veterans establishment, or licensed motorsports park. A
12 licensed establishment, licensed fraternal establishment, ~~or~~
13 licensed veterans establishment, or licensed motorsports park
14 that violates this subsection is subject to termination of its
15 license by the Board.

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

17 (230 ILCS 40/45)

18 Sec. 45. Issuance of license.

19 (a) The burden is upon each applicant to demonstrate his
20 suitability for licensure. Each video gaming terminal
21 manufacturer, distributor, supplier, operator, handler,
22 licensed establishment, licensed truck stop establishment,
23 licensed fraternal establishment, ~~and~~ licensed veterans
24 establishment, and licensed motorsports park shall be licensed
25 by the Board. The Board may issue or deny a license under this

1 Act to any person pursuant to the same criteria set forth in
2 Section 9 of the Riverboat Gambling Act.

3 (a-5) The Board shall not grant a license to a person who
4 has facilitated, enabled, or participated in the use of
5 coin-operated devices for gambling purposes or who is under the
6 significant influence or control of such a person. For the
7 purposes of this Act, "facilitated, enabled, or participated in
8 the use of coin-operated amusement devices for gambling
9 purposes" means that the person has been convicted of any
10 violation of Article 28 of the Criminal Code of 1961 or the
11 Criminal Code of 2012. If there is pending legal action against
12 a person for any such violation, then the Board shall delay the
13 licensure of that person until the legal action is resolved.

14 (b) Each person seeking and possessing a license as a video
15 gaming terminal manufacturer, distributor, supplier, operator,
16 handler, licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment, ~~or~~ licensed
18 veterans establishment, or licensed motorsports park shall
19 submit to a background investigation conducted by the Board
20 with the assistance of the State Police or other law
21 enforcement. To the extent that the corporate structure of the
22 applicant allows, the background investigation shall include
23 any or all of the following as the Board deems appropriate or
24 as provided by rule for each category of licensure: (i) each
25 beneficiary of a trust, (ii) each partner of a partnership,
26 (iii) each member of a limited liability company, (iv) each

1 director and officer of a publicly or non-publicly held
2 corporation, (v) each stockholder of a non-publicly held
3 corporation, (vi) each stockholder of 5% or more of a publicly
4 held corporation, or (vii) each stockholder of 5% or more in a
5 parent or subsidiary corporation.

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

21 (d) No person may be licensed as a video gaming terminal
22 manufacturer, distributor, supplier, operator, handler,
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, ~~or~~ licensed veterans
25 establishment, or licensed motorsports park if that person has
26 been found by the Board to:

1 (1) have a background, including a criminal record,
 2 reputation, habits, social or business associations, or
 3 prior activities that pose a threat to the public interests
 4 of the State or to the security and integrity of video
 5 gaming;

6 (2) create or enhance the dangers of unsuitable,
 7 unfair, or illegal practices, methods, and activities in
 8 the conduct of video gaming; or

9 (3) present questionable business practices and
 10 financial arrangements incidental to the conduct of video
 11 gaming activities.

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

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

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

26 (g) The Board shall establish an annual fee for each

1 license not to exceed the following:

- 2 (1) Manufacturer \$10,000
- 3 (2) Distributor..... \$10,000
- 4 (3) Terminal operator..... \$5,000
- 5 (4) Supplier \$2,000
- 6 (5) Technician \$100
- 7 (6) Licensed establishment, licensed truck stop
- 8 establishment, licensed fraternal establishment,
- 9 or licensed veterans establishment \$100
- 10 (7) Video gaming terminal..... \$100
- 11 (8) Terminal Handler \$50
- 12 (9) Licensed motorsports park..... \$5,000

13 (h) A terminal operator and a licensed establishment,
 14 licensed truck stop establishment, licensed fraternal
 15 establishment, or licensed veterans establishment shall
 16 equally split the fees specified in item (7) of subsection (g).
 17 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
 18 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

19 (230 ILCS 40/55)

20 Sec. 55. Precondition for licensed location. In all cases
 21 of application for a licensed location, to operate a video
 22 gaming terminal, each licensed establishment, licensed
 23 fraternal establishment, ~~or~~ licensed veterans establishment,
 24 or licensed motorsports park shall possess a valid liquor
 25 license issued by the Illinois Liquor Control Commission in

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

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

1 (230 ILCS 40/58)

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

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

13 (230 ILCS 40/60)

14 Sec. 60. Imposition and distribution of tax.

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

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

21 (c) Revenues generated from the play of video gaming
22 terminals shall be deposited by the terminal operator, who is
23 responsible for tax payments, in a specially created, separate
24 bank account maintained by the video gaming terminal operator
25 to allow for electronic fund transfers of moneys for tax

1 payment.

2 (d) Each licensed establishment, licensed truck stop
3 establishment, licensed fraternal establishment, ~~and~~ licensed
4 veterans establishment, and licensed motorsports park shall
5 maintain an adequate video gaming fund, with the amount to be
6 determined by the Board.

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

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

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