



Sen. Dave Syverson

**Filed: 3/10/2017**

10000SB1806sam001

LRB100 09211 MJP 22861 a

1 AMENDMENT TO SENATE BILL 1806

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1806 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Video Gaming Act is amended by changing  
5 Sections 25, 27, 58, and 80 as follows:

6 (230 ILCS 40/25)

7 Sec. 25. Restriction of licensees.

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

14 (b) Distributor. A person may not sell, distribute, or  
15 lease or market a video gaming terminal in Illinois unless the  
16 person has a valid distributor's license issued under this Act.

1 A distributor may only sell video gaming terminals for use in  
2 Illinois to persons having a valid distributor's or terminal  
3 operator's license.

4 (c) Terminal operator. A person may not own, maintain, or  
5 place a video gaming terminal unless he has a valid terminal  
6 operator's license issued under this Act. A terminal operator  
7 may only place video gaming terminals for use in Illinois in  
8 licensed establishments, licensed truck stop establishments,  
9 licensed fraternal establishments, and licensed veterans  
10 establishments. No terminal operator may give anything of  
11 value, including but not limited to a loan or financing  
12 arrangement, to a licensed establishment, licensed truck stop  
13 establishment, licensed fraternal establishment, or licensed  
14 veterans establishment as any incentive or inducement to locate  
15 video terminals in that establishment. Of the after-tax profits  
16 from a video gaming terminal, 50% shall be paid to the terminal  
17 operator and 50% shall be paid to the licensed establishment,  
18 licensed truck stop establishment, licensed fraternal  
19 establishment, or licensed veterans establishment,  
20 notwithstanding any agreement to the contrary. A video terminal  
21 operator that violates one or more requirements of this  
22 subsection is guilty of a Class 4 felony and is subject to  
23 termination of his or her license by the Board.

24 (d) Licensed technician. A person may not service,  
25 maintain, or repair a video gaming terminal in this State  
26 unless he or she (1) has a valid technician's license issued

1 under this Act, (2) is a terminal operator, or (3) is employed  
2 by a terminal operator, distributor, or manufacturer.

3 (d-5) Licensed terminal handler. No person, including, but  
4 not limited to, an employee or independent contractor working  
5 for a manufacturer, distributor, supplier, technician, or  
6 terminal operator licensed pursuant to this Act, shall have  
7 possession or control of a video gaming terminal, or access to  
8 the inner workings of a video gaming terminal, unless that  
9 person possesses a valid terminal handler's license issued  
10 under this Act.

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

26 (f) (Blank).

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

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

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

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

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

23           (E) When an individual or his or her spouse furnishes  
24 5% or more of the capital, whether in cash, goods, or  
25 services, for the operation of any business, association,  
26 or organization during any calendar year; or

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

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

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

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

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

22 (h-5) Restrictions on licenses in malls. The Board shall  
23 not grant an application to become a licensed video gaming  
24 location if the Board determines that granting the application  
25 would more likely than not cause a terminal operator,  
26 individually or in combination with other terminal operators,

1 licensed video gaming location, or other person or entity, to  
2 operate the video gaming terminals in 2 or more licensed video  
3 gaming locations as a single video gaming operation.

4 (1) In making determinations under this subsection  
5 (h-5), factors to be considered by the Board shall include,  
6 but not be limited to, the following:

7 (A) the physical aspects of the location;

8 (B) the ownership, control, or management of the  
9 location;

10 (C) any arrangements, understandings, or  
11 agreements, written or otherwise, among or involving  
12 any persons or entities that involve the conducting of  
13 any video gaming business or the sharing of costs or  
14 revenues; and

15 (D) the manner in which any terminal operator or  
16 other related entity markets, advertises, or otherwise  
17 describes any location or locations to any other person  
18 or entity or to the public.

19 (2) The Board shall presume, subject to rebuttal, that  
20 the granting of an application to become a licensed video  
21 gaming location within a mall will cause a terminal  
22 operator, individually or in combination with other  
23 persons or entities, to operate the video gaming terminals  
24 in 2 or more licensed video gaming locations as a single  
25 video gaming operation if the Board determines that  
26 granting the license would create a local concentration of

1 licensed video gaming locations.

2 For the purposes of this subsection (h-5):

3 "Mall" means a building, or adjoining or connected  
4 buildings, containing 4 or more separate locations.

5 "Video gaming operation" means the conducting of video  
6 gaming and all related activities.

7 "Location" means a space within a mall containing a  
8 separate business, a place for a separate business, or a place  
9 subject to a separate leasing arrangement by the mall owner.

10 "Licensed video gaming location" means a licensed  
11 establishment, licensed fraternal establishment, licensed  
12 veterans establishment, or licensed truck stop.

13 "Local concentration of licensed video gaming locations"  
14 means that the combined number of licensed video gaming  
15 locations within a mall exceed half of the separate locations  
16 within the mall.

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



1 influence over video gaming terminals in Illinois as to:

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

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

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

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

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

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

21 (230 ILCS 40/27)

22 Sec. 27. Prohibition or limitation of video gaming by  
23 political subdivision.

24 (a) A municipality may pass an ordinance prohibiting video  
25 gaming within the corporate limits of the municipality. A

1 county board may, for the unincorporated area of the county,  
2 pass an ordinance prohibiting video gaming within the  
3 unincorporated area of the county.

4 (b) A municipality, or a county with respect to  
5 unincorporated portions of the county, may impose separate  
6 requirements on video gaming that provide sources of municipal  
7 or county revenue or impose limitations on video gaming more  
8 restrictive than those provided under this Act. These  
9 requirements may include one or more of the following:

10 (1) license fees;

11 (2) occupation taxes;

12 (3) licensing requirements;

13 (4) limitations on hours of video gaming terminal play  
14 more restrictive than those provided under the liquor  
15 license of a licensed establishment, licensed veterans  
16 organization, or licensed fraternal organization;

17 (5) limitations on the numbers of video gaming  
18 terminals within a licensed establishment, licensed  
19 veterans organization, licensed fraternal organization, or  
20 licensed truck stop;

21 (6) limitations on the total number of licensed  
22 establishments, licensed veterans organizations, licensed  
23 fraternal organizations, or licensed truck stops allowed  
24 within the municipality or county, or a specific portion of  
25 the municipality or county;

26 (7) limitations on hours of video gaming play;

1           (8) zoning to limit the areas within a municipality or  
2           county where video gaming is permitted; or

3           (9) other requirements intended to promote safety,  
4           morals, health, or welfare within the municipality or  
5           county.

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

7           (230 ILCS 40/58)

8           Sec. 58. Location of terminals. Video gaming terminals  
9           must be located in an area restricted to persons over 21 years  
10          of age the entrance to which is within the view of at least one  
11          employee, who is over 21 years of age, of the establishment in  
12          which they are located or, if a licensed truck stop  
13          establishment, monitored through a closed circuit television  
14          monitor located on the premises and within the direct view of  
15          at least one employee who is over 21 years of age. The  
16          placement of video gaming terminals in licensed  
17          establishments, licensed truck stop establishments, licensed  
18          fraternal establishments, and licensed veterans establishments  
19          shall be subject to the rules promulgated by the Board pursuant  
20          to the Illinois Administrative Procedure Act.

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

22          (230 ILCS 40/80)

23          Sec. 80. Applicability of Illinois Riverboat Gambling Act.  
24          The provisions of the Illinois Riverboat Gambling Act, and all

1 rules promulgated thereunder, shall apply to the Video Gaming  
2 Act, except where there is a conflict between the 2 Acts. All  
3 current supplier licensees under the Riverboat Gambling Act  
4 shall be entitled to licensure under the Video Gaming Act as  
5 manufacturers, distributors, or suppliers without additional  
6 Board investigation or approval, except by vote of the Board;  
7 however, they are required to pay application and annual fees  
8 under this Act. All provisions of the Uniform Penalty and  
9 Interest Act shall apply, as far as practicable, to the subject  
10 matter of this Act to the same extent as if such provisions  
11 were included herein.

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