

1 AMENDMENT TO HOUSE BILL 142

2 AMENDMENT NO. _____. Amend House Bill 142 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Video Gaming Act.

6 Section 5. Definitions. As used in this Act:

7 "Board" means the Illinois Gaming Board.

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

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

15 "Terminal operator" means an individual, partnership or
16 corporation that is licensed under this Act and that owns,
17 services, and maintains video gaming terminals for placement
18 in licensed establishments, licensed fraternal
19 establishments, or licensed veterans establishments.

20 "Licensed technician" means an individual who is licensed
21 under this Act to repair, service, and maintain video gaming
22 terminals.

1 "Manufacturer" means an individual, partnership, or
2 corporation that is licensed under this Act and that
3 manufactures or assembles video gaming terminals.

4 "Supplier" means an individual, partnership, or
5 corporation that is licensed under this Act to supply major
6 components or parts to video gaming terminals to licensed
7 terminal operators.

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

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

19 "Licensed establishment" means any licensed retail
20 establishment where alcoholic liquor is drawn, poured, mixed,
21 or otherwise served for consumption on the premises.

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

26 "Licensed veterans establishment" means the location
27 where a qualified veterans organization that derives its
28 charter from a national veterans organization regularly
29 meets.

30 Section 15. Minimum requirements for licensing and
31 registration. Every video gaming terminal offered for play
32 shall first be tested and approved pursuant to the rules of
33 the Board, and each video gaming terminal offered in this

1 State for play shall conform to an approved model. The Board
2 may contract with an independent outside vendor for the
3 examination of video gaming machines and associated equipment
4 as required by this Section. Each approved model shall, at a
5 minimum, meet the following criteria:

6 (1) It must conform to all requirements of federal
7 law and regulations, including FCC Class A Emissions
8 Standards.

9 (2) It must theoretically pay out a mathematically
10 demonstrable percentage during the expected lifetime of
11 the machine of all amounts played, which must not be less
12 than 80%. Video gaming terminals that may be affected by
13 skill must meet this standard when using a method of play
14 that will provide the greatest return to the player over
15 a period of continuous play.

16 (3) It must use a random selection process to
17 determine the outcome of each play of a game. The random
18 selection process must meet 99% confidence limits using a
19 standard chi-squared test for (randomness) goodness of
20 fit.

21 (4) It must display an accurate representation of
22 the game outcome.

23 (5) It must not automatically alter pay tables or
24 any function of the video gaming terminal based on
25 internal computation of hold percentage or have any means
26 of manipulation that affects the random selection process
27 or probabilities of winning a game.

28 (6) It must not be adversely affected by static
29 discharge or other electromagnetic interference.

30 (7) It must be capable of detecting and displaying
31 the following conditions during idle states or on demand:
32 power reset; door open; and door just closed.

33 (8) It must have the capacity to display complete
34 play history (outcome, intermediate play steps, credits

1 available, bets placed, credits paid, and credits cashed
2 out) for the most recent game played and 10 games prior
3 thereto.

4 (9) The theoretical payback percentage of a video
5 gaming terminal must not be capable of being changed
6 without making a hardware or software change in the video
7 gaming terminal.

8 (10) Video gaming terminals must be designed so
9 that replacement of parts or modules required for normal
10 maintenance does not necessitate replacement of the
11 electromechanical meters.

12 (11) It must have nonresettable meters housed in a
13 locked area of the terminal that keep a permanent record
14 of all cash inserted into the machine, all winnings made
15 by the terminal printer, credits played in for video
16 gaming terminals, and credits won by video gaming
17 players. The video gaming terminal must provide the
18 means for on-demand display of stored information as
19 determined by the Board.

20 (12) Electronically stored meter information
21 required by this Section must be preserved for a minimum
22 of 180 days after a power loss to the service.

23 (13) It must have one or more mechanisms that
24 accept coins or cash in the form of bills. The
25 mechanisms shall be designed to prevent obtaining credits
26 without paying by stringing, slamming, drilling, or other
27 means.

28 (14) It shall have accounting software that keeps
29 an electronic record which includes, but is not limited
30 to, the following: total cash inserted into the video
31 gaming terminal; the value of winning tickets claimed by
32 players; the total credits played; and the total credits
33 awarded by a video gaming terminal.

34 (15) It shall be linked by a central communications

1 system to provide auditing program information as
2 approved by the Board. In no event may the communications
3 system approved by the Board limit participation to only
4 one manufacturer of video gaming terminals by either the
5 cost in implementing the necessary program modifications
6 to communicate or the inability to communicate with the
7 central communications system.

8 Section 20. Direct dispensing of receipt tickets only.
9 A video gaming terminal may not directly dispense coins,
10 cash, tokens, or any other article of exchange or value
11 except for receipt tickets. Tickets shall be dispensed by
12 pressing the ticket dispensing button on the video gaming
13 terminal at the end of one's turn or play. The ticket shall
14 indicate the total amount of credits and the cash award, the
15 time of day in a 24-hour format showing hours and minutes,
16 the date, the terminal serial number, the sequential number
17 of the ticket, and an encrypted validation number from which
18 the validity of the prize may be determined. The player shall
19 turn in this ticket to the appropriate person at the licensed
20 establishment, licensed fraternal establishment, or licensed
21 veterans establishment to receive the cash award. The cost
22 of the credit shall be 5 cents, 10 cents, or 25 cents, and
23 the maximum wager played per hand shall not exceed \$2. No
24 cash award for the maximum wager on any individual hand shall
25 exceed \$500.

26 Section 25. Restriction of licensees.

27 (a) Manufacturer. A person may not be licensed as a
28 manufacturer of a video gaming terminal in Illinois unless
29 the person has a valid manufacturer's license issued under
30 this Act. A manufacturer may only sell video gaming
31 terminals for use in Illinois to persons having a valid
32 distributor's license.

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

7 (c) Terminal operator. A person may not own, service,
8 maintain, lease, or place a video gaming terminal unless he
9 has a valid terminal operator's license issued under this
10 Act. A terminal operator may only place video gaming
11 terminals for use in Illinois in licensed establishments,
12 licensed fraternal establishments, and licensed veterans
13 establishments. No terminal operator may give anything of
14 value, including but not limited to a loan or financing
15 arrangement, to a licensed establishment, licensed fraternal
16 establishment, or licensed veterans establishment as any
17 incentive or inducement to locate video terminals in that
18 establishment. Of the after-tax profits from a video gaming
19 terminal, 50% shall be paid to the terminal operator and 50%
20 shall be paid to the licensed establishment, licensed
21 fraternal establishment, or licensed veterans establishment.
22 A terminal operator shall be entitled to access all
23 information recorded by the operator's machines pursuant to
24 item (17) of Section 15. No terminal operator may own or have
25 a substantial interest in more than 5% of the video gaming
26 terminals licensed in this State.

27 (d) Licensed technician. A person may not service,
28 maintain, or repair a video gaming terminal in this State
29 unless he or she (1) has a valid technician's license issued
30 under this Act, (2) is a terminal operator, or (3) is
31 employed by a terminal operator, distributor, or
32 manufacturer.

33 (e) Licensed establishment. A valid liquor license
34 shall be prima facie evidence of compliance with the

1 licensing requirements of this Act. No video gaming terminal
2 may be placed in any licensed veterans establishment or
3 licensed fraternal establishment unless the owner or agent of
4 the owner of the licensed veterans establishment or licensed
5 fraternal establishment has entered into a written use
6 agreement with the terminal operator for placement of the
7 terminals. A copy of the use agreement shall be on file in
8 the terminal operator's place of business and available for
9 inspection by individuals authorized by the Board. A
10 licensed establishment may not have more than 3 video gaming
11 terminals on its premises at any time, unless the Board
12 authorizes a greater number. A licensed veterans
13 establishment or licensed fraternal establishment may have up
14 to 5 video gaming terminals on its premises at any time,
15 unless the Board authorizes a greater number.

16 (f) Residency requirement. Each licensed distributor
17 and terminal operator must be an Illinois resident. However,
18 if an out of state distributor or terminal operator has
19 performed its respective business within Illinois for at
20 least 48 months prior to the effective date of this Act, the
21 out of state person may be eligible for licensing under this
22 Act, upon application to and approval of the Board.

23 (g) Financial interest restrictions. As used in this
24 Act, "substantial interest" in an organization, association,
25 or business means:

26 (A) When, with respect to a sole
27 proprietorship, an individual or his or her marital
28 community owns, operates, manages, or conducts,
29 directly or indirectly, the organization,
30 association, or business, or any part thereof; or

31 (B) When, with respect to a partnership, the
32 individual or his or her marital community shares in
33 any of the profits, or potential profits, of the
34 partnership activities; or

1 (C) When, with respect to a corporation, an
2 individual or his or her spouse is an officer or
3 director, or the individual or his or her marital
4 community is a holder, directly or beneficially, of
5 5% or more of any class of stock of the corporation;
6 or

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

14 (E) When an individual or his or her marital
15 community furnishes 5% or more of the capital,
16 whether in cash, goods, or services, for the
17 operation of any business, association, or
18 organization during any calendar year.

19 (h) Location restriction. A licensed establishment,
20 licensed fraternal establishment, or licensed veterans
21 establishment that is located within 500 feet of a race track
22 licensed under the Illinois Horse Racing Act of 1975 or
23 within 1,000 feet of the home dock of a riverboat licensed
24 under the Riverboat Gambling Act is ineligible to operate a
25 video gaming terminal.

26 Section 27. Prohibition of video gaming by political
27 subdivision. A municipality may pass an ordinance
28 prohibiting video gaming within the corporate limits of the
29 municipality. A county board may, for the unincorporated area
30 of the county, pass an ordinance prohibiting video gaming
31 within the unincorporated area of the county.

32 Section 30. Multiple types of licenses prohibited. A

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

23 Section 35. Display of license; confiscation; violation
24 as felony. Each video gaming terminal shall be licensed by
25 the Board before placement or operation on the premises of a
26 licensed establishment. Each machine shall have the license
27 maintained at the location. Failure to do so is a petty
28 offense with a fine not to exceed \$100. Any licensed
29 establishment, licensed fraternal establishment, or licensed
30 veterans establishment used for the conduct of gambling games
31 in violation of this Act shall be considered a gambling place
32 in violation of Section 28-3 of the Criminal Code of 1961.
33 Every gambling device found in a licensed establishment,

1 licensed fraternal establishment, or licensed veterans
2 establishment operating gambling games in violation of this
3 Act shall be subject to seizure, confiscation, and
4 destruction as provided in Section 28-5 of the Criminal Code
5 of 1961. Any license issued under the Liquor Control Act of
6 1934 to any owner or operator of a licensed establishment,
7 licensed fraternal establishment, or licensed veterans
8 establishment that operates or permits the operation of a
9 video gaming terminal within its establishment in violation
10 of this Act shall be immediately revoked. No person may own,
11 operate, have in his or her possession or custody or under
12 his or her control, or permit to be kept in any place under
13 his or her possession or control, any device that awards
14 credits and contains a circuit, meter, or switch capable of
15 removing and recording the removal of credits when the award
16 of credits is dependent upon chance. A violation of this
17 Section is a Class 4 felony. All devices that are owned,
18 operated, or possessed in violation of this Section are
19 hereby declared to be public nuisances and shall be subject
20 to seizure, confiscation, and destruction as provided in
21 Section 28-5 of the Criminal Code of 1961. The provisions of
22 this Section do not apply to devices or electronic video game
23 terminals licensed pursuant to this Act.

24 Section 40. Video gaming terminal use by minors
25 prohibited. No licensee shall cause or permit any person
26 under the age of 21 years to use or play a video gaming
27 terminal. Any licensee who knowingly permits a person under
28 the age of 21 years to use or play a video gaming terminal is
29 guilty of a business offense and shall be fined an amount not
30 to exceed \$5,000.

31 Section 45. Issuance of license.

32 (a) The burden is upon each applicant to demonstrate his

1 suitability for licensure. Each video gaming terminal
2 manufacturer, distributor, operator, licensed establishment,
3 licensed fraternal establishment, and licensed veterans
4 establishment shall be licensed by the Board. The Board may
5 not issue a license under this Act to any person who, within
6 10 years of the date of the application, has been convicted
7 of a felony under the laws of this State, any other state, or
8 the United States, or to any firm or corporation in which
9 such a person is an officer, director, or managerial
10 employee.

11 (b) A non-refundable application fee shall be paid at
12 the time an application for a license is filed with the Board
13 in the following amounts:

- 14 (1) Manufacturer..... \$ 5,000
- 15 (2) Distributor..... \$ 5,000
- 16 (3) Terminal operator..... \$ 5,000
- 17 (4) Supplier..... \$ 2,500
- 18 (5) Technician..... \$ 100

19 (c) Any application not approved within 90 days of
20 receipt by the Board shall be deemed approved.

21 (d) Each licensed distributor, terminal operator, or
22 person with a substantial interest in a distributor or
23 terminal operator must have resided in Illinois for at least
24 24 months prior to application unless he or she has performed
25 his or her respective business in Illinois for at least 48
26 months prior to the effective date of this Act.

27 The Board shall establish an annual fee for each license
28 not to exceed the following:

- 29 (1) Manufacturer..... \$10,000
- 30 (2) Distributor..... \$10,000
- 31 (3) Terminal operator..... \$ 5,000
- 32 (4) Supplier..... \$ 2,000
- 33 (5) Technician..... \$ 100
- 34 (6) Licensed establishment, licensed

1	fraternal establishment, or licensed veterans	
2	establishment.....	\$ 100
3	(7) Video gaming terminal.....	\$ 100

4 Section 50. Distribution of license fees.

5 (a) All fees collected under Section 45 shall be
6 deposited in the General Revenue Fund.

7 (b) Fees collected under Section 45 shall be used as
8 follows:

9 (1) Twenty-five percent shall be paid to programs
10 for the treatment of compulsive gambling.

11 (2) Seventy-five percent shall be used for the
12 administration of this Act.

13 (c) All licenses issued by the Board under this Act are
14 renewable annually unless sooner cancelled or terminated. No
15 license issued under this Act is transferable or assignable.

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

24 Section 57. Insurance. Each licensed establishment,
25 licensed fraternal establishment, and licensed veterans
26 establishment shall maintain insurance on any gaming device
27 on its premises in an amount set by the Board.

28 Section 58. Location of terminals. Video gaming
29 terminals must be located in an area that is within the view
30 of at least one employee of the establishment in which they

1 are located.

2 Section 60. Imposition and distribution of tax.

3 (a) A tax of 20% is imposed on net terminal income and
4 shall be collected by the Board.

5 (b) Of the tax collected under this Section, 75% shall
6 be deposited in the General Revenue Fund and 25% shall be
7 deposited into the Local Government Video Gaming Distributive
8 Fund.

9 (c) Revenues generated from the play of video gaming
10 terminals shall be deposited by the terminal operator, who is
11 responsible for tax payments, in a specially created,
12 separate bank account maintained by the video gaming terminal
13 operator to allow for electronic fund transfers of moneys for
14 tax payment.

15 (d) Each licensed location shall maintain an adequate
16 video gaming fund, with the amount to be determined by the
17 Board.

18 Section 65. Fees. A non-home rule unit of government
19 may not impose any fee for the operation of a video gaming
20 terminal in excess of \$25 per year.

21 Section 70. Referendum. Upon the filing in the office of
22 the clerk, at least 90 days before an election in any
23 municipality or county, as the case may be, of a petition
24 directed to such clerk, containing the signatures of not less
25 than 25% of the legal voters of the municipality or county
26 which has prohibited video gaming, the clerk shall certify
27 such proposition to the proper election officials, who shall
28 submit the proposition at such election to the voters of such
29 municipality or county. The proposition shall be in the
30 following form:

31 -----

1	Shall video gaming	YES
2	be prohibited in	-----
3?	NO
4	-----	

5 If a majority of the voters voting upon such last mentioned
6 proposition in any municipality or county vote "NO", such
7 prohibition shall cease in such municipality or county; and
8 where a municipality is situated wholly or partly within the
9 boundaries of a township or road district having a similar
10 prohibition, a majority vote of the voters voting "NO" upon
11 such proposition as above described will result in the
12 prohibition ceasing in that part of the township or road
13 district situated within such municipality or county. In the
14 event the boundaries of such municipality or county have been
15 altered subsequent to the original election prohibiting video
16 gaming and prior to the filing of such petition for
17 resubmission of the question, only those voters actually
18 residing in the municipality or county shall be eligible as
19 signers of such resubmission petition, except that this
20 limitation shall not apply in the case of a resubmission
21 petition signed by at least 25% of the legal voters of a
22 municipality or county. The petition mentioned in this
23 Section shall be a public document and shall be subject to
24 inspection by the public.

25 Section 75. Revenue sharing; Local Government Video
26 Gaming Distributive Fund.

27 (a) Beginning July 1, 2003, as soon as may be after the
28 first day of each month, the Department of Revenue shall
29 certify to the Treasurer an amount equal to 25% of the net
30 revenue realized from the tax imposed by Section 60 during
31 the preceding month. Net revenue realized for a month shall
32 be defined as the revenue from the tax imposed by Section 60
33 during the month. Upon receipt of such certification, the

1 Treasurer shall transfer from the General Revenue Fund to a
2 special fund in the State treasury, to be known as the Local
3 Government Video Gaming Distributive Fund, the amount shown
4 on such certification.

5 All amounts paid into the Local Government Video Gaming
6 Distributive Fund and allocated in accordance with this
7 Section are appropriated on a continuing basis.

8 (b) As soon as may be after the first day of each month,
9 the Department of Revenue shall allocate among those
10 municipalities and counties of this State that have not
11 prohibited video gaming pursuant to Section 27 the amount
12 available in the Local Government Video Gaming Distributive
13 Fund, as provided in Section 60. The Department shall then
14 certify such allocations to the State Comptroller, who shall
15 pay over to those eligible municipalities and counties the
16 respective amounts allocated to them. The amount of such
17 funds allocable to each such municipality and county shall be
18 in proportion to the number of individual residents of such
19 municipality or county to the total population of those
20 eligible municipalities and counties determined in each case
21 on the basis of the latest census of the municipality or
22 county conducted by the federal government and certified by
23 the Secretary of State and for annexations to municipalities,
24 the latest federal, State, or municipal census of the annexed
25 area which has been certified by the Department of Revenue.
26 For the purpose of this Section, the number of individual
27 residents of a county shall be reduced by the number of
28 individuals residing therein in municipalities, but the
29 number of individual residents of the municipality shall
30 reflect the latest census of the municipality.

31 (c) The amounts allocated and paid to a municipality or
32 county of this State pursuant to the provisions of this
33 Section may be used for any general corporate purpose
34 authorized for that municipality or county.

1 (d) Upon determination by the Department that an amount
2 has been paid pursuant to this Section in excess of the
3 amount to which the county or municipality receiving such
4 payment was entitled, the county or municipality shall, upon
5 demand by the Department, repay such amount. If such
6 repayment is not made within a reasonable time, the
7 Department shall withhold from future payments an amount
8 equal to such overpayment. If the appropriation from which
9 such payment was originally made has not lapsed, the
10 Department shall redistribute the amount of such payment to
11 the county or municipality entitled thereto. If the
12 appropriation has lapsed, the repayment shall be deposited in
13 the General Revenue Fund in the State Treasury.

14 Section 185. The Riverboat Gambling Act is amended by
15 changing Section 5 as follows:

16 (230 ILCS 10/5) (from Ch. 120, par. 2405)

17 Sec. 5. Gaming Board.

18 (a) (1) There is hereby established within the
19 Department of Revenue an Illinois Gaming Board which shall
20 have the powers and duties specified in this Act, and all
21 other powers necessary and proper to fully and effectively
22 execute this Act for the purpose of administering,
23 regulating, and enforcing the system of riverboat gambling
24 established by this Act. Its jurisdiction shall extend under
25 this Act to every person, association, corporation,
26 partnership and trust involved in riverboat gambling
27 operations in the State of Illinois.

28 (2) The Board shall consist of 5 members to be appointed
29 by the Governor with the advice and consent of the Senate,
30 one of whom shall be designated by the Governor to be
31 chairman. Each member shall have a reasonable knowledge of
32 the practice, procedure and principles of gambling

1 operations. Each member shall either be a resident of
2 Illinois or shall certify that he will become a resident of
3 Illinois before taking office. At least one member shall be
4 experienced in law enforcement and criminal investigation, at
5 least one member shall be a certified public accountant
6 experienced in accounting and auditing, and at least one
7 member shall be a lawyer licensed to practice law in
8 Illinois.

9 (3) The terms of office of the Board members shall be 3
10 years, except that the terms of office of the initial Board
11 members appointed pursuant to this Act will commence from the
12 effective date of this Act and run as follows: one for a
13 term ending July 1, 1991, 2 for a term ending July 1, 1992,
14 and 2 for a term ending July 1, 1993. Upon the expiration of
15 the foregoing terms, the successors of such members shall
16 serve a term for 3 years and until their successors are
17 appointed and qualified for like terms. Vacancies in the
18 Board shall be filled for the unexpired term in like manner
19 as original appointments. Each member of the Board shall be
20 eligible for reappointment at the discretion of the Governor
21 with the advice and consent of the Senate.

22 (4) Each member of the Board shall receive \$300 for each
23 day the Board meets and for each day the member conducts any
24 hearing pursuant to this Act. Each member of the Board shall
25 also be reimbursed for all actual and necessary expenses and
26 disbursements incurred in the execution of official duties.

27 (5) No person shall be appointed a member of the Board
28 or continue to be a member of the Board who is, or whose
29 spouse, child or parent is, a member of the board of
30 directors of, or a person financially interested in, any
31 gambling operation subject to the jurisdiction of this Board,
32 or any race track, race meeting, racing association or the
33 operations thereof subject to the jurisdiction of the
34 Illinois Racing Board. No Board member shall hold any other

1 public office for which he shall receive compensation other
2 than necessary travel or other incidental expenses. No
3 person shall be a member of the Board who is not of good
4 moral character or who has been convicted of, or is under
5 indictment for, a felony under the laws of Illinois or any
6 other state, or the United States.

7 (6) Any member of the Board may be removed by the
8 Governor for neglect of duty, misfeasance, malfeasance, or
9 nonfeasance in office.

10 (7) Before entering upon the discharge of the duties of
11 his office, each member of the Board shall take an oath that
12 he will faithfully execute the duties of his office according
13 to the laws of the State and the rules and regulations
14 adopted therewith and shall give bond to the State of
15 Illinois, approved by the Governor, in the sum of \$25,000.
16 Every such bond, when duly executed and approved, shall be
17 recorded in the office of the Secretary of State. Whenever
18 the Governor determines that the bond of any member of the
19 Board has become or is likely to become invalid or
20 insufficient, he shall require such member forthwith to renew
21 his bond, which is to be approved by the Governor. Any
22 member of the Board who fails to take oath and give bond
23 within 30 days from the date of his appointment, or who fails
24 to renew his bond within 30 days after it is demanded by the
25 Governor, shall be guilty of neglect of duty and may be
26 removed by the Governor. The cost of any bond given by any
27 member of the Board under this Section shall be taken to be a
28 part of the necessary expenses of the Board.

29 (8) Upon the request of the Board, the Department shall
30 employ such personnel as may be necessary to carry out the
31 functions of the Board. No person shall be employed to serve
32 the Board who is, or whose spouse, parent or child is, an
33 official of, or has a financial interest in or financial
34 relation with, any operator engaged in gambling operations

1 within this State or any organization engaged in conducting
2 horse racing within this State. Any employee violating these
3 prohibitions shall be subject to termination of employment.

4 (9) An Administrator shall perform any and all duties
5 that the Board shall assign him. The salary of the
6 Administrator shall be determined by the Board and approved
7 by the Director of the Department and, in addition, he shall
8 be reimbursed for all actual and necessary expenses incurred
9 by him in discharge of his official duties. The
10 Administrator shall keep records of all proceedings of the
11 Board and shall preserve all records, books, documents and
12 other papers belonging to the Board or entrusted to its care.
13 The Administrator shall devote his full time to the duties of
14 the office and shall not hold any other office or employment.

15 (b) The Board shall have general responsibility for the
16 implementation of this Act. Its duties include, without
17 limitation, the following:

18 (1) To decide promptly and in reasonable order all
19 license applications. Any party aggrieved by an action of
20 the Board denying, suspending, revoking, restricting or
21 refusing to renew a license may request a hearing before
22 the Board. A request for a hearing must be made to the
23 Board in writing within 5 days after service of notice of
24 the action of the Board. Notice of the action of the
25 Board shall be served either by personal delivery or by
26 certified mail, postage prepaid, to the aggrieved party.
27 Notice served by certified mail shall be deemed complete
28 on the business day following the date of such mailing.
29 The Board shall conduct all requested hearings promptly
30 and in reasonable order;

31 (2) To conduct all hearings pertaining to civil
32 violations of this Act or rules and regulations
33 promulgated hereunder;

34 (3) To promulgate such rules and regulations as in

1 its judgment may be necessary to protect or enhance the
2 credibility and integrity of gambling operations
3 authorized by this Act and the regulatory process
4 hereunder;

5 (4) To provide for the establishment and collection
6 of all license and registration fees and taxes imposed by
7 this Act and the rules and regulations issued pursuant
8 hereto. All such fees and taxes shall be deposited into
9 the State Gaming Fund;

10 (5) To provide for the levy and collection of
11 penalties and fines for the violation of provisions of
12 this Act and the rules and regulations promulgated
13 hereunder. All such fines and penalties shall be
14 deposited into the Education Assistance Fund, created by
15 Public Act 86-0018, of the State of Illinois;

16 (6) To be present through its inspectors and agents
17 any time gambling operations are conducted on any
18 riverboat for the purpose of certifying the revenue
19 thereof, receiving complaints from the public, and
20 conducting such other investigations into the conduct of
21 the gambling games and the maintenance of the equipment
22 as from time to time the Board may deem necessary and
23 proper;

24 (7) To review and rule upon any complaint by a
25 licensee regarding any investigative procedures of the
26 State which are unnecessarily disruptive of gambling
27 operations. The need to inspect and investigate shall be
28 presumed at all times. The disruption of a licensee's
29 operations shall be proved by clear and convincing
30 evidence, and establish that: (A) the procedures had no
31 reasonable law enforcement purposes, and (B) the
32 procedures were so disruptive as to unreasonably inhibit
33 gambling operations;

34 (8) To hold at least one meeting each quarter of

1 the fiscal year. In addition, special meetings may be
2 called by the Chairman or any 2 Board members upon 72
3 hours written notice to each member. All Board meetings
4 shall be subject to the Open Meetings Act. Three members
5 of the Board shall constitute a quorum, and 3 votes shall
6 be required for any final determination by the Board.
7 The Board shall keep a complete and accurate record of
8 all its meetings. A majority of the members of the Board
9 shall constitute a quorum for the transaction of any
10 business, for the performance of any duty, or for the
11 exercise of any power which this Act requires the Board
12 members to transact, perform or exercise en banc, except
13 that, upon order of the Board, one of the Board members
14 or an administrative law judge designated by the Board
15 may conduct any hearing provided for under this Act or by
16 Board rule and may recommend findings and decisions to
17 the Board. The Board member or administrative law judge
18 conducting such hearing shall have all powers and rights
19 granted to the Board in this Act. The record made at the
20 time of the hearing shall be reviewed by the Board, or a
21 majority thereof, and the findings and decision of the
22 majority of the Board shall constitute the order of the
23 Board in such case;

24 (9) To maintain records which are separate and
25 distinct from the records of any other State board or
26 commission. Such records shall be available for public
27 inspection and shall accurately reflect all Board
28 proceedings;

29 (10) To file a written annual report with the
30 Governor on or before March 1 each year and such
31 additional reports as the Governor may request. The
32 annual report shall include a statement of receipts and
33 disbursements by the Board, actions taken by the Board,
34 and any additional information and recommendations which

1 the Board may deem valuable or which the Governor may
2 request;

3 (11) (Blank); and

4 (12) To assume responsibility for the
5 administration and enforcement of the Bingo License and
6 Tax Act, the Charitable Games Act, and the Pull Tabs and
7 Jar Games Act if such responsibility is delegated to it
8 by the Director of Revenue; and-

9 (13) To assume responsibility for administration
10 and enforcement of the Video Gaming Act.

11 (c) The Board shall have jurisdiction over and shall
12 supervise all gambling operations governed by this Act. The
13 Board shall have all powers necessary and proper to fully and
14 effectively execute the provisions of this Act, including,
15 but not limited to, the following:

16 (1) To investigate applicants and determine the
17 eligibility of applicants for licenses and to select
18 among competing applicants the applicants which best
19 serve the interests of the citizens of Illinois.

20 (2) To have jurisdiction and supervision over all
21 riverboat gambling operations in this State and all
22 persons on riverboats where gambling operations are
23 conducted.

24 (3) To promulgate rules and regulations for the
25 purpose of administering the provisions of this Act and
26 to prescribe rules, regulations and conditions under
27 which all riverboat gambling in the State shall be
28 conducted. Such rules and regulations are to provide for
29 the prevention of practices detrimental to the public
30 interest and for the best interests of riverboat
31 gambling, including rules and regulations regarding the
32 inspection of such riverboats and the review of any
33 permits or licenses necessary to operate a riverboat
34 under any laws or regulations applicable to riverboats,

1 and to impose penalties for violations thereof.

2 (4) To enter the office, riverboats, facilities, or
3 other places of business of a licensee, where evidence of
4 the compliance or noncompliance with the provisions of
5 this Act is likely to be found.

6 (5) To investigate alleged violations of this Act
7 or the rules of the Board and to take appropriate
8 disciplinary action against a licensee or a holder of an
9 occupational license for a violation, or institute
10 appropriate legal action for enforcement, or both.

11 (6) To adopt standards for the licensing of all
12 persons under this Act, as well as for electronic or
13 mechanical gambling games, and to establish fees for such
14 licenses.

15 (7) To adopt appropriate standards for all
16 riverboats and facilities.

17 (8) To require that the records, including
18 financial or other statements of any licensee under this
19 Act, shall be kept in such manner as prescribed by the
20 Board and that any such licensee involved in the
21 ownership or management of gambling operations submit to
22 the Board an annual balance sheet and profit and loss
23 statement, list of the stockholders or other persons
24 having a 1% or greater beneficial interest in the
25 gambling activities of each licensee, and any other
26 information the Board deems necessary in order to
27 effectively administer this Act and all rules,
28 regulations, orders and final decisions promulgated under
29 this Act.

30 (9) To conduct hearings, issue subpoenas for the
31 attendance of witnesses and subpoenas duces tecum for the
32 production of books, records and other pertinent
33 documents in accordance with the Illinois Administrative
34 Procedure Act, and to administer oaths and affirmations

1 to the witnesses, when, in the judgment of the Board, it
2 is necessary to administer or enforce this Act or the
3 Board rules.

4 (10) To prescribe a form to be used by any licensee
5 involved in the ownership or management of gambling
6 operations as an application for employment for their
7 employees.

8 (11) To revoke or suspend licenses, as the Board
9 may see fit and in compliance with applicable laws of the
10 State regarding administrative procedures, and to review
11 applications for the renewal of licenses. The Board may
12 suspend an owners license, without notice or hearing upon
13 a determination that the safety or health of patrons or
14 employees is jeopardized by continuing a riverboat's
15 operation. The suspension may remain in effect until the
16 Board determines that the cause for suspension has been
17 abated. The Board may revoke the owners license upon a
18 determination that the owner has not made satisfactory
19 progress toward abating the hazard.

20 (12) To eject or exclude or authorize the ejection
21 or exclusion of, any person from riverboat gambling
22 facilities where such person is in violation of this Act,
23 rules and regulations thereunder, or final orders of the
24 Board, or where such person's conduct or reputation is
25 such that his presence within the riverboat gambling
26 facilities may, in the opinion of the Board, call into
27 question the honesty and integrity of the gambling
28 operations or interfere with orderly conduct thereof;
29 provided that the propriety of such ejection or exclusion
30 is subject to subsequent hearing by the Board.

31 (13) To require all licensees of gambling
32 operations to utilize a cashless wagering system whereby
33 all players' money is converted to tokens, electronic
34 cards, or chips which shall be used only for wagering in

1 the gambling establishment.

2 (14) (Blank).

3 (15) To suspend, revoke or restrict licenses, to
4 require the removal of a licensee or an employee of a
5 licensee for a violation of this Act or a Board rule or
6 for engaging in a fraudulent practice, and to impose
7 civil penalties of up to \$5,000 against individuals and
8 up to \$10,000 or an amount equal to the daily gross
9 receipts, whichever is larger, against licensees for each
10 violation of any provision of the Act, any rules adopted
11 by the Board, any order of the Board or any other action
12 which, in the Board's discretion, is a detriment or
13 impediment to riverboat gambling operations.

14 (16) To hire employees to gather information,
15 conduct investigations and carry out any other tasks
16 contemplated under this Act.

17 (17) To establish minimum levels of insurance to be
18 maintained by licensees.

19 (18) To authorize a licensee to sell or serve
20 alcoholic liquors, wine or beer as defined in the Liquor
21 Control Act of 1934 on board a riverboat and to have
22 exclusive authority to establish the hours for sale and
23 consumption of alcoholic liquor on board a riverboat,
24 notwithstanding any provision of the Liquor Control Act
25 of 1934 or any local ordinance, and regardless of whether
26 the riverboat makes excursions. The establishment of the
27 hours for sale and consumption of alcoholic liquor on
28 board a riverboat is an exclusive power and function of
29 the State. A home rule unit may not establish the hours
30 for sale and consumption of alcoholic liquor on board a
31 riverboat. This amendatory Act of 1991 is a denial and
32 limitation of home rule powers and functions under
33 subsection (h) of Section 6 of Article VII of the
34 Illinois Constitution.

1 (19) After consultation with the U.S. Army Corps of
2 Engineers, to establish binding emergency orders upon the
3 concurrence of a majority of the members of the Board
4 regarding the navigability of water, relative to
5 excursions, in the event of extreme weather conditions,
6 acts of God or other extreme circumstances.

7 (20) To delegate the execution of any of its powers
8 under this Act for the purpose of administering and
9 enforcing this Act and its rules and regulations
10 hereunder.

11 (21) To take any other action as may be reasonable
12 or appropriate to enforce this Act and rules and
13 regulations hereunder.

14 (d) The Board may seek and shall receive the cooperation
15 of the Department of State Police in conducting background
16 investigations of applicants and in fulfilling its
17 responsibilities under this Section. Costs incurred by the
18 Department of State Police as a result of such cooperation
19 shall be paid by the Board in conformance with the
20 requirements of Section 2605-400 of the Department of State
21 Police Law (20 ILCS 2605/2605-400).

22 (e) The Board must authorize to each investigator and to
23 any other employee of the Board exercising the powers of a
24 peace officer a distinct badge that, on its face, (i) clearly
25 states that the badge is authorized by the Board and (ii)
26 contains a unique identifying number. No other badge shall
27 be authorized by the Board.

28 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00;
29 91-883, eff. 1-1-01.)

30 Section 190. The Criminal Code of 1961 is amended by
31 changing Sections 28-1, 28-1.1, and 28-3 as follows:

32 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

1 Sec. 28-1. Gambling.

2 (a) A person commits gambling when he:

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

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

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

12 (4) Contracts to have or give himself or another
13 the option to buy or sell, or contracts to buy or sell,
14 at a future time, any grain or other commodity
15 whatsoever, or any stock or security of any company,
16 where it is at the time of making such contract intended
17 by both parties thereto that the contract to buy or sell,
18 or the option, whenever exercised, or the contract
19 resulting therefrom, shall be settled, not by the receipt
20 or delivery of such property, but by the payment only of
21 differences in prices thereof; however, the issuance,
22 purchase, sale, exercise, endorsement or guarantee, by or
23 through a person registered with the Secretary of State
24 pursuant to Section 8 of the Illinois Securities Law of
25 1953, or by or through a person exempt from such
26 registration under said Section 8, of a put, call, or
27 other option to buy or sell securities which have been
28 registered with the Secretary of State or which are
29 exempt from such registration under Section 3 of the
30 Illinois Securities Law of 1953 is not gambling within
31 the meaning of this paragraph (4); or

32 (5) Knowingly owns or possesses any book,
33 instrument or apparatus by means of which bets or wagers
34 have been, or are, recorded or registered, or knowingly

1 possesses any money which he has received in the course
2 of a bet or wager; or

3 (6) Sells pools upon the result of any game or
4 contest of skill or chance, political nomination,
5 appointment or election; or

6 (7) Sets up or promotes any lottery or sells,
7 offers to sell or transfers any ticket or share for any
8 lottery; or

9 (8) Sets up or promotes any policy game or sells,
10 offers to sell or knowingly possesses or transfers any
11 policy ticket, slip, record, document or other similar
12 device; or

13 (9) Knowingly drafts, prints or publishes any
14 lottery ticket or share, or any policy ticket, slip,
15 record, document or similar device, except for such
16 activity related to lotteries, bingo games and raffles
17 authorized by and conducted in accordance with the laws
18 of Illinois or any other state or foreign government; or

19 (10) Knowingly advertises any lottery or policy
20 game, except for such activity related to lotteries,
21 bingo games and raffles authorized by and conducted in
22 accordance with the laws of Illinois or any other state;
23 or

24 (11) Knowingly transmits information as to wagers,
25 betting odds, or changes in betting odds by telephone,
26 telegraph, radio, semaphore or similar means; or
27 knowingly installs or maintains equipment for the
28 transmission or receipt of such information; except that
29 nothing in this subdivision (11) prohibits transmission
30 or receipt of such information for use in news reporting
31 of sporting events or contests; or

32 (12) Knowingly establishes, maintains, or operates
33 an Internet site that permits a person to play a game of
34 chance or skill for money or other thing of value by

1 means of the Internet or to make a wager upon the result
2 of any game, contest, political nomination, appointment,
3 or election by means of the Internet.

4 (b) Participants in any of the following activities
5 shall not be convicted of gambling therefor:

6 (1) Agreements to compensate for loss caused by the
7 happening of chance including without limitation
8 contracts of indemnity or guaranty and life or health or
9 accident insurance;

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

15 (3) Pari-mutuel betting as authorized by the law of
16 this State;

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

27 (5) The game commonly known as "bingo", when
28 conducted in accordance with the Bingo License and Tax
29 Act;

30 (6) Lotteries when conducted by the State of
31 Illinois in accordance with the Illinois Lottery Law;

32 (7) Possession of an antique slot machine that is
33 neither used nor intended to be used in the operation or
34 promotion of any unlawful gambling activity or

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

4 (8) Raffles when conducted in accordance with the
5 Raffles Act;

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

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

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

12 (12) Video gaming terminal games at a licensed
13 establishment, licensed fraternal establishment, or
14 licensed veterans establishment when conducted in
15 accordance with the Video Gaming Act.

16 (c) Sentence.

17 Gambling under subsection (a)(1) or (a)(2) of this
18 Section is a Class A misdemeanor. Gambling under any of
19 subsections (a)(3) through (a)(11) of this Section is a Class
20 A misdemeanor. A second or subsequent conviction under any
21 of subsections (a)(3) through (a)(11), is a Class 4 felony.
22 Gambling under subsection (a)(12) of this Section is a Class
23 A misdemeanor. A second or subsequent conviction under
24 subsection (a)(12) is a Class 4 felony.

25 (d) Circumstantial evidence.

26 In prosecutions under subsection (a)(1) through (a)(12)
27 of this Section circumstantial evidence shall have the same
28 validity and weight as in any criminal prosecution.

29 (Source: P.A. 91-257, eff. 1-1-00.)

30 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)
31 Sec. 28-1.1. Syndicated gambling.

32 (a) Declaration of Purpose. Recognizing the close
33 relationship between professional gambling and other

1 organized crime, it is declared to be the policy of the
2 legislature to restrain persons from engaging in the business
3 of gambling for profit in this State. This Section shall be
4 liberally construed and administered with a view to carrying
5 out this policy.

6 (b) A person commits syndicated gambling when he
7 operates a "policy game" or engages in the business of
8 bookmaking.

9 (c) A person "operates a policy game" when he knowingly
10 uses any premises or property for the purpose of receiving or
11 knowingly does receive from what is commonly called "policy":

12 (1) money from a person other than the better or
13 player whose bets or plays are represented by such money;
14 or

15 (2) written "policy game" records, made or used
16 over any period of time, from a person other than the
17 better or player whose bets or plays are represented by
18 such written record.

19 (d) A person engages in bookmaking when he receives or
20 accepts more than five bets or wagers upon the result of any
21 trials or contests of skill, speed or power of endurance or
22 upon any lot, chance, casualty, unknown or contingent event
23 whatsoever, which bets or wagers shall be of such size that
24 the total of the amounts of money paid or promised to be paid
25 to such bookmaker on account thereof shall exceed \$2,000.
26 Bookmaking is the receiving or accepting of such bets or
27 wagers regardless of the form or manner in which the
28 bookmaker records them.

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

31 (1) Agreements to compensate for loss caused by the
32 happening of chance including without limitation
33 contracts of indemnity or guaranty and life or health or
34 accident insurance; and

1 (2) Offers of prizes, award or compensation to the
2 actual contestants in any bona fide contest for the
3 determination of skill, speed, strength or endurance or
4 to the owners of animals or vehicles entered in such
5 contest; and

6 (3) Pari-mutuel betting as authorized by law of
7 this State; and

8 (4) Manufacture of gambling devices, including the
9 acquisition of essential parts therefor and the assembly
10 thereof, for transportation in interstate or foreign
11 commerce to any place outside this State when such
12 transportation is not prohibited by any applicable
13 Federal law; and

14 (5) Raffles when conducted in accordance with the
15 Raffles Act; and

16 (6) Gambling games conducted on riverboats when
17 authorized by the Riverboat Gambling Act; and

18 (7) Video gaming terminal games at a licensed
19 establishment, licensed fraternal establishment, or
20 licensed veterans establishment when conducted in
21 accordance with the Video Gaming Act.

22 (f) Sentence. Syndicated gambling is a Class 3 felony.
23 (Source: P.A. 86-1029; 87-435.)

24 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)
25 Sec. 28-3. Keeping a Gambling Place. A "gambling place"
26 is any real estate, vehicle, boat or any other property
27 whatsoever used for the purposes of gambling other than
28 gambling conducted in the manner authorized by the Riverboat
29 Gambling Act or the Video Gaming Act. Any person who
30 knowingly permits any premises or property owned or occupied
31 by him or under his control to be used as a gambling place
32 commits a Class A misdemeanor. Each subsequent offense is a
33 Class 4 felony. When any premises is determined by the

1 circuit court to be a gambling place:

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

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

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

19 (Source: P.A. 86-1029.)

20 Section 195. The State Finance Act is amended by adding
21 Section 5.595 as follows:

22 (30 ILCS 105/5.595 new)

23 Sec. 5.595. The Local Government Video Gaming
24 Distributive Fund.

25 Section 999. Effective date. This Act takes effect upon
26 becoming law."