**Section 1800.340 Change in Ownership of Terminal Operators and Assets Held by Terminal Operators**

a) Notwithstanding any other Subpart, any ownership interest in a licensed terminal operator may only be transferred with leave of the Board. Any ownership interest in a business entity, other than a publicly traded corporation that has an interest in a licensed terminal operator may only be transferred with leave of the Board.

1) Any person, other than a licensed terminal operator, seeking to acquire less than a 100% ownership interest in a licensed terminal operator must complete either a Business Entity or Personal Disclosure Form, whichever is applicable, and provide any other information specifically requested by the Board, including, but not limited to:

A) the reason for acquisition of ownership interest; and

B) disclosure of other ownership interests.

2) Any person, other than a licensed terminal operator, seeking to acquire a 100% ownership interest in a licensed terminal operator must complete a terminal operator application.

3) Any licensed terminal operator seeking to acquire an ownership interest in another licensed terminal operator must provide any information requested by the Board, including, but not limited to, the information specified in subsections (a)(1)(A) and (a)(1)(B).

4) The Board shall investigate persons seeking to acquire an ownership interest in a licensed terminal operator.

5) The Board shall grant leave to transfer an ownership interest in a terminal operator only after the Board is satisfied that the transaction does not adversely affect public confidence and trust in gaming, does not pose a threat to the public interests of the State or to the security and integrity of video gaming, and does not discredit or tend to discredit the Illinois gaming industry or the State of Illinois. The Board shall consider, without limitation, the licensing criteria found in the Act and in Section 1800.420 in deciding whether to grant leave to transfer an ownership interest.

6) The Board shall also consider whether granting leave to transfer an ownership interest in a terminal operator will result in undue economic concentration in the direct or indirect ownership, control or operation of video terminals in Illinois, as set forth in the Act and Section 1800.440. In determining whether transfer of an ownership interest in a terminal operator will result in undue economic concentration, the Board shall consider the criteria found in Section 1800.440(c). The Board shall have the authority to place any restrictions or qualifications on the terms of a transfer of an ownership interest in a terminal operator that it deems necessary to prevent or eliminate undue economic concentration.

7) If the Board denies a request to transfer an ownership interest of a licensed terminal operator, the Board shall issue a Notice of Denial and the denied person shall have the ability to contest the denial in accordance with Subpart G. The denied person may request a hearing under Subpart F.

8) Upon conclusion of disciplinary proceedings, the Board shall make a determination within the next two Board meetings on any request to transfer or sell ownership by a terminal operator.

9) The Board shall make a determination on a request for leave to transfer an ownership interest of a terminal operator within 90 days after the date upon which the requesting party has provided full and complete disclosure to the Board of all material terms of the proposed transfer, including but not limited to all information required under subsections (a)(1), (2) and (3) and Section 1800.520; provided that, if the terminal operator involved in the proposed transfer has received a disciplinary complaint from the Board, the period for Board determination shall extend further to the date of the second Board meeting following conclusion of the disciplinary proceedings.

b) Any information provided to the Board under this Section is strictly confidential and shall not be used for any purposes other than the analysis, evaluation and investigation carried out in connection with a request under this Section.

c) Except for equipment, no video gaming asset, including the right to place video gaming terminals at a licensed establishment, held by a licensed terminal operator may be transferred or assigned to another licensed terminal operator without prior approval from the Administrator.

d) The Administrator may deny the request of any terminal operator to transfer or assign a video gaming asset to another licensed terminal operator if the Administrator finds that the request is not in the best interest of gaming in the State. The Administrator shall determine whether a request to transfer or assign a video gaming asset is in the best interest of gaming in the State after considering all relevant factors, including but not limited to:

1) Undue economic concentration based upon the criteria found in Section 1800.440(c);

2) The integrity of the State's video gaming industry; and

3) The status of the licensees with the Board.

e) If the Administrator denies a request to transfer or assign a video gaming asset under this Section, the Administrator shall notify the parties in writing.

f) If the Administrator denies a request to transfer or assign a video gaming asset under this Section, the terminal operator may only transfer or assign the video gaming asset with leave from the Board.

(Source: Added at 44 Ill. Reg. 10891, effective June 10, 2020)