



Rep. Chad Hays

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LRB100 09208 MJP 26700 a

1 AMENDMENT TO SENATE BILL 1804

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1804 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, 45, and 80 and by adding Section 78.5 as  
6 follows:

7 (230 ILCS 40/25)

8 Sec. 25. Restriction of licensees.

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

15 (b) Distributor. A person may not sell, distribute, or  
16 lease or market a video gaming terminal in Illinois unless the

1 person has a valid distributor's license issued under this Act.  
2 A distributor may only sell video gaming terminals for use in  
3 Illinois to persons having a valid distributor's or terminal  
4 operator's license.

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

25 (d) Licensed technician. A person may not service,  
26 maintain, or repair a video gaming terminal in this State

1 unless he or she (1) has a valid technician's license issued  
2 under this Act, (2) is a terminal operator, or (3) is employed  
3 by a terminal operator, distributor, or manufacturer.

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

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

1 (f) (Blank).

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

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

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

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

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

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

1 or organization during any calendar year; or

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

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

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

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

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

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

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

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

8 (A) the physical aspects of the location;

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

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

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

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

1       granting the license would create a local concentration of  
2       licensed video gaming locations.

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

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

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

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

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

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

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



1 that a terminal operator would have such actual or potential  
2 influence over video gaming terminals in Illinois as to:

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

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

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

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

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

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

22 (230 ILCS 40/27)

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

25 (a) A municipality may pass an ordinance prohibiting video

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

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

11 (1) license fees;

12 (2) occupation taxes;

13 (3) licensing requirements;

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

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

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

- 1           (7) limitations on hours of video gaming play;  
2           (8) zoning to limit the areas within a municipality or  
3           county where video gaming is permitted; or  
4           (9) other requirements intended to promote safety,  
5           morals, health, or welfare within the municipality or  
6           county.

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

8           (230 ILCS 40/45)

9           Sec. 45. Issuance of license.

10           (a) The burden is upon each applicant to demonstrate his  
11           suitability for licensure. Each video gaming terminal  
12           manufacturer, distributor, supplier, operator, handler,  
13           licensed establishment, licensed truck stop establishment,  
14           licensed fraternal establishment, and licensed veterans  
15           establishment shall be licensed by the Board. The Board may  
16           issue or deny a license under this Act to any person pursuant  
17           to the same criteria set forth in Section 9 of the Riverboat  
18           Gambling Act.

19           (a-5) The Board shall not grant a license to a person who  
20           has facilitated, enabled, or participated in the use of  
21           coin-operated devices for gambling purposes or who is under the  
22           significant influence or control of such a person. For the  
23           purposes of this Act, "facilitated, enabled, or participated in  
24           the use of coin-operated amusement devices for gambling  
25           purposes" means that the person has been convicted of any

1 violation of Article 28 of the Criminal Code of 1961 or the  
2 Criminal Code of 2012. If there is pending legal action against  
3 a person for any such violation, then the Board shall delay the  
4 licensure of that person until the legal action is resolved.

5 (b) Each person seeking and possessing a license as a video  
6 gaming terminal manufacturer, distributor, supplier, operator,  
7 handler, licensed establishment, licensed truck stop  
8 establishment, licensed fraternal establishment, or licensed  
9 veterans establishment shall submit to a background  
10 investigation conducted by the Board with the assistance of the  
11 State Police or other law enforcement. To the extent that the  
12 corporate structure of the applicant allows, the background  
13 investigation shall include any or all of the following as the  
14 Board deems appropriate or as provided by rule for each  
15 category of licensure: (i) each beneficiary of a trust, (ii)  
16 each partner of a partnership, (iii) each member of a limited  
17 liability company, (iv) each director and officer of a publicly  
18 or non-publicly held corporation, (v) each stockholder of a  
19 non-publicly held corporation, (vi) each stockholder of 5% or  
20 more of a publicly held corporation, or (vii) each stockholder  
21 of 5% or more in a parent or subsidiary corporation.

22 (c) Each person seeking and possessing a license as a video  
23 gaming terminal manufacturer, distributor, supplier, operator,  
24 handler, licensed establishment, licensed truck stop  
25 establishment, licensed fraternal establishment, or licensed  
26 veterans establishment shall disclose the identity of every

1 person, association, trust, corporation, or limited liability  
2 company having a greater than 1% direct or indirect pecuniary  
3 interest in the video gaming terminal operation for which the  
4 license is sought. If the disclosed entity is a trust, the  
5 application shall disclose the names and addresses of the  
6 beneficiaries; if a corporation, the names and addresses of all  
7 stockholders and directors; if a limited liability company, the  
8 names and addresses of all members; or if a partnership, the  
9 names and addresses of all partners, both general and limited.

10 (d) No person may be licensed as a video gaming terminal  
11 manufacturer, distributor, supplier, operator, handler,  
12 licensed establishment, licensed truck stop establishment,  
13 licensed fraternal establishment, or licensed veterans  
14 establishment if that person has been found by the Board to:

15 (1) have a background, including a criminal record,  
16 reputation, habits, social or business associations, or  
17 prior activities that pose a threat to the public interests  
18 of the State or to the security and integrity of video  
19 gaming;

20 (2) create or enhance the dangers of unsuitable,  
21 unfair, or illegal practices, methods, and activities in  
22 the conduct of video gaming; or

23 (3) present questionable business practices and  
24 financial arrangements incidental to the conduct of video  
25 gaming activities.

26 (e) Any applicant for any license under this Act has the

1 burden of proving his or her qualifications to the satisfaction  
2 of the Board. The Board may adopt rules to establish additional  
3 qualifications and requirements to preserve the integrity and  
4 security of video gaming in this State.

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

- 8 (1) Manufacturer ..... \$5,000
- 9 (2) Distributor..... \$5,000
- 10 (3) Terminal operator..... \$5,000
- 11 (4) Supplier ..... \$2,500
- 12 (5) Technician ..... \$100
- 13 (6) Terminal Handler ..... \$100 ~~\$50~~
- 14 (7) Licensed establishment, licensed truck stop
- 15 establishment, licensed fraternal establishment,
- 16 or licensed veterans establishment ..... \$100

17 (g) The Board shall establish an annual fee for each  
18 license not to exceed the following:

- 19 (1) Manufacturer ..... \$10,000
- 20 (2) Distributor..... \$10,000
- 21 (3) Terminal operator..... \$5,000
- 22 (4) Supplier ..... \$2,000
- 23 (5) Technician ..... \$100
- 24 (6) Licensed establishment, licensed truck stop
- 25 establishment, licensed fraternal establishment,
- 26 or licensed veterans establishment ..... \$100

1 (7) Video gaming terminal..... \$100

2 (8) Terminal Handler ..... \$100 ~~\$50~~

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

9 (230 ILCS 40/78.5 new)

10 Sec. 78.5. Civil penalties. Notwithstanding paragraph (15)  
11 of subsection (c) of Section 5 of the Riverboat Gambling Act,  
12 monetary civil penalties under this Act shall not exceed  
13 \$25,000 for individuals and \$50,000 for licensees per  
14 violation.

15 (230 ILCS 40/80)

16 Sec. 80. Applicability of Illinois Riverboat Gambling Act.  
17 The provisions of the Illinois Riverboat Gambling Act, and all  
18 rules promulgated thereunder, shall apply to the Video Gaming  
19 Act, except where there is a conflict between the 2 Acts. All  
20 current supplier licensees under the Riverboat Gambling Act  
21 shall be entitled to licensure under the Video Gaming Act as  
22 manufacturers, distributors, or suppliers without additional  
23 Board investigation or approval, except by vote of the Board;  
24 however, they are required to pay application and annual fees

1 under this Act. All provisions of the Uniform Penalty and  
2 Interest Act shall apply, as far as practicable, to the subject  
3 matter of this Act to the same extent as if such provisions  
4 were included herein.

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