

**100TH GENERAL ASSEMBLY****State of Illinois****2017 and 2018****SB3387**

Introduced 2/16/2018, by Sen. Dave Syverson

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Riverboat Gambling Act. Provides that limitations on certain civil penalties shall not apply to civil penalties assessed under the Video Gaming Act. Provides that, in determining whether to grant an owners license to an applicant, the Illinois Gaming Board shall consider the extent to which the applicant considers veterans of the armed forces of the United States for employment. Requires the Board, by rule, to establish goals for the award of contracts by each owners licensee to businesses owned by veterans of service in the armed forces of the United States, expressed as percentages of an owners licensee's total dollar amount of contracts awarded during each calendar year. Removes provisions concerning the distribution of certain funds into the Horse Racing Equity Fund. Amends the Video Gaming Act. Provides that the Illinois Gaming Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator licensed video gaming location to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation. Provides factors to be considered by the Board in determining restrictions on licenses in malls. Changes the non-refundable license application fee for terminal handlers from \$50 to \$100. Adds provisions providing that the non-refundable license application fee for certain licenses shall be \$100. Provides that all current supplier licensees under the Riverboat Gambling Act shall be entitled to licensure under the Video Gaming Act as manufacturers, distributors, or suppliers without additional Board investigation or approval, except by vote of the Board. Makes other changes.

LRB100 19071 SMS 34327 b

FISCAL NOTE ACT  
MAY APPLYHOME RULE NOTE  
ACT MAY APPLY**A BILL FOR**

1 AN ACT concerning gaming.

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

4 Section 5. The Riverboat Gambling Act is amended by  
5 changing Sections 5, 7, 7.6, and 13 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established the Illinois Gaming  
9 Board, which shall have the powers and duties specified in this  
10 Act, and all other powers necessary and proper to fully and  
11 effectively execute this Act for the purpose of administering,  
12 regulating, and enforcing the system of riverboat gambling  
13 established by this Act. Its jurisdiction shall extend under  
14 this Act to every person, association, corporation,  
15 partnership and trust involved in riverboat gambling  
16 operations in the State of Illinois.

17 (2) The Board shall consist of 5 members to be appointed by  
18 the Governor with the advice and consent of the Senate, one of  
19 whom shall be designated by the Governor to be chairman. Each  
20 member shall have a reasonable knowledge of the practice,  
21 procedure and principles of gambling operations. Each member  
22 shall either be a resident of Illinois or shall certify that he  
23 will become a resident of Illinois before taking office. At

1 least one member shall be experienced in law enforcement and  
2 criminal investigation, at least one member shall be a  
3 certified public accountant experienced in accounting and  
4 auditing, and at least one member shall be a lawyer licensed to  
5 practice law in Illinois.

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

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

24 (5) No person shall be appointed a member of the Board or  
25 continue to be a member of the Board who is, or whose spouse,  
26 child or parent is, a member of the board of directors of, or a

1 person financially interested in, any gambling operation  
2 subject to the jurisdiction of this Board, or any race track,  
3 race meeting, racing association or the operations thereof  
4 subject to the jurisdiction of the Illinois Racing Board. No  
5 Board member shall hold any other public office. No person  
6 shall be a member of the Board who is not of good moral  
7 character or who has been convicted of, or is under indictment  
8 for, a felony under the laws of Illinois or any other state, or  
9 the United States.

10 (5.5) No member of the Board shall engage in any political  
11 activity. For the purposes of this Section, "political" means  
12 any activity in support of or in connection with any campaign  
13 for federal, State, or local elective office or any political  
14 organization, but does not include activities (i) relating to  
15 the support or opposition of any executive, legislative, or  
16 administrative action (as those terms are defined in Section 2  
17 of the Lobbyist Registration Act), (ii) relating to collective  
18 bargaining, or (iii) that are otherwise in furtherance of the  
19 person's official State duties or governmental and public  
20 service functions.

21 (6) Any member of the Board may be removed by the Governor  
22 for neglect of duty, misfeasance, malfeasance, or nonfeasance  
23 in office or for engaging in any political activity.

24 (7) Before entering upon the discharge of the duties of his  
25 office, each member of the Board shall take an oath that he  
26 will faithfully execute the duties of his office according to

1 the laws of the State and the rules and regulations adopted  
2 therewith and shall give bond to the State of Illinois,  
3 approved by the Governor, in the sum of \$25,000. Every such  
4 bond, when duly executed and approved, shall be recorded in the  
5 office of the Secretary of State. Whenever the Governor  
6 determines that the bond of any member of the Board has become  
7 or is likely to become invalid or insufficient, he shall  
8 require such member forthwith to renew his bond, which is to be  
9 approved by the Governor. Any member of the Board who fails to  
10 take oath and give bond within 30 days from the date of his  
11 appointment, or who fails to renew his bond within 30 days  
12 after it is demanded by the Governor, shall be guilty of  
13 neglect of duty and may be removed by the Governor. The cost of  
14 any bond given by any member of the Board under this Section  
15 shall be taken to be a part of the necessary expenses of the  
16 Board.

17 (7.5) For the examination of all mechanical,  
18 electromechanical, or electronic table games, slot machines,  
19 slot accounting systems, and other electronic gaming equipment  
20 for compliance with this Act, the Board may utilize the  
21 services of one or more independent outside testing  
22 laboratories that have been accredited by a national  
23 accreditation body and that, in the judgment of the Board, are  
24 qualified to perform such examinations.

25 (8) The Board shall employ such personnel as may be  
26 necessary to carry out its functions and shall determine the

1 salaries of all personnel, except those personnel whose  
2 salaries are determined under the terms of a collective  
3 bargaining agreement. No person shall be employed to serve the  
4 Board who is, or whose spouse, parent or child is, an official  
5 of, or has a financial interest in or financial relation with,  
6 any operator engaged in gambling operations within this State  
7 or any organization engaged in conducting horse racing within  
8 this State. Any employee violating these prohibitions shall be  
9 subject to termination of employment.

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

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

23 (1) To decide promptly and in reasonable order all  
24 license applications. Any party aggrieved by an action of  
25 the Board denying, suspending, revoking, restricting or  
26 refusing to renew a license may request a hearing before

1 the Board. A request for a hearing must be made to the  
2 Board in writing within 5 days after service of notice of  
3 the action of the Board. Notice of the action of the Board  
4 shall be served either by personal delivery or by certified  
5 mail, postage prepaid, to the aggrieved party. Notice  
6 served by certified mail shall be deemed complete on the  
7 business day following the date of such mailing. The Board  
8 shall conduct all requested hearings promptly and in  
9 reasonable order;

10 (2) To conduct all hearings pertaining to civil  
11 violations of this Act or rules and regulations promulgated  
12 hereunder;

13 (3) To promulgate such rules and regulations as in its  
14 judgment may be necessary to protect or enhance the  
15 credibility and integrity of gambling operations  
16 authorized by this Act and the regulatory process  
17 hereunder;

18 (4) To provide for the establishment and collection of  
19 all license and registration fees and taxes imposed by this  
20 Act and the rules and regulations issued pursuant hereto.  
21 All such fees and taxes shall be deposited into the State  
22 Gaming Fund;

23 (5) To provide for the levy and collection of penalties  
24 and fines for the violation of provisions of this Act and  
25 the rules and regulations promulgated hereunder. All such  
26 fines and penalties shall be deposited into the Education

1 Assistance Fund, created by Public Act 86-0018, of the  
2 State of Illinois;

3 (6) To be present through its inspectors and agents any  
4 time gambling operations are conducted on any riverboat for  
5 the purpose of certifying the revenue thereof, receiving  
6 complaints from the public, and conducting such other  
7 investigations into the conduct of the gambling games and  
8 the maintenance of the equipment as from time to time the  
9 Board may deem necessary and proper;

10 (7) To review and rule upon any complaint by a licensee  
11 regarding any investigative procedures of the State which  
12 are unnecessarily disruptive of gambling operations. The  
13 need to inspect and investigate shall be presumed at all  
14 times. The disruption of a licensee's operations shall be  
15 proved by clear and convincing evidence, and establish  
16 that: (A) the procedures had no reasonable law enforcement  
17 purposes, and (B) the procedures were so disruptive as to  
18 unreasonably inhibit gambling operations;

19 (8) To hold at least one meeting each quarter of the  
20 fiscal year. In addition, special meetings may be called by  
21 the Chairman or any 2 Board members upon 72 hours written  
22 notice to each member. All Board meetings shall be subject  
23 to the Open Meetings Act. Three members of the Board shall  
24 constitute a quorum, and 3 votes shall be required for any  
25 final determination by the Board. The Board shall keep a  
26 complete and accurate record of all its meetings. A



1 majority of the members of the Board shall constitute a  
2 quorum for the transaction of any business, for the  
3 performance of any duty, or for the exercise of any power  
4 which this Act requires the Board members to transact,  
5 perform or exercise en banc, except that, upon order of the  
6 Board, one of the Board members or an administrative law  
7 judge designated by the Board may conduct any hearing  
8 provided for under this Act or by Board rule and may  
9 recommend findings and decisions to the Board. The Board  
10 member or administrative law judge conducting such hearing  
11 shall have all powers and rights granted to the Board in  
12 this Act. The record made at the time of the hearing shall  
13 be reviewed by the Board, or a majority thereof, and the  
14 findings and decision of the majority of the Board shall  
15 constitute the order of the Board in such case;

16 (9) To maintain records which are separate and distinct  
17 from the records of any other State board or commission.  
18 Such records shall be available for public inspection and  
19 shall accurately reflect all Board proceedings;

20 (10) To file a written annual report with the Governor  
21 on or before March 1 each year and such additional reports  
22 as the Governor may request. The annual report shall  
23 include a statement of receipts and disbursements by the  
24 Board, actions taken by the Board, and any additional  
25 information and recommendations which the Board may deem  
26 valuable or which the Governor may request;

1 (11) (Blank);

2 (12) (Blank);

3 (13) To assume responsibility for administration and  
4 enforcement of the Video Gaming Act; and

5 (14) To adopt, by rule, a code of conduct governing  
6 Board members and employees that ensure, to the maximum  
7 extent possible, that persons subject to this Code avoid  
8 situations, relationships, or associations that may  
9 represent or lead to a conflict of interest.

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

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

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

22 (3) To promulgate rules and regulations for the purpose  
23 of administering the provisions of this Act and to  
24 prescribe rules, regulations and conditions under which  
25 all riverboat gambling in the State shall be conducted.  
26 Such rules and regulations are to provide for the

1 prevention of practices detrimental to the public interest  
2 and for the best interests of riverboat gambling, including  
3 rules and regulations regarding the inspection of such  
4 riverboats and the review of any permits or licenses  
5 necessary to operate a riverboat under any laws or  
6 regulations applicable to riverboats, and to impose  
7 penalties for violations thereof.

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

12 (5) To investigate alleged violations of this Act or  
13 the rules of the Board and to take appropriate disciplinary  
14 action against a licensee or a holder of an occupational  
15 license for a violation, or institute appropriate legal  
16 action for enforcement, or both.

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

20 (7) To adopt appropriate standards for all riverboats  
21 and facilities.

22 (8) To require that the records, including financial or  
23 other statements of any licensee under this Act, shall be  
24 kept in such manner as prescribed by the Board and that any  
25 such licensee involved in the ownership or management of  
26 gambling operations submit to the Board an annual balance

1 sheet and profit and loss statement, list of the  
2 stockholders or other persons having a 1% or greater  
3 beneficial interest in the gambling activities of each  
4 licensee, and any other information the Board deems  
5 necessary in order to effectively administer this Act and  
6 all rules, regulations, orders and final decisions  
7 promulgated under this Act.

8 (9) To conduct hearings, issue subpoenas for the  
9 attendance of witnesses and subpoenas duces tecum for the  
10 production of books, records and other pertinent documents  
11 in accordance with the Illinois Administrative Procedure  
12 Act, and to administer oaths and affirmations to the  
13 witnesses, when, in the judgment of the Board, it is  
14 necessary to administer or enforce this Act or the Board  
15 rules.

16 (10) To prescribe a form to be used by any licensee  
17 involved in the ownership or management of gambling  
18 operations as an application for employment for their  
19 employees.

20 (11) To revoke or suspend licenses, as the Board may  
21 see fit and in compliance with applicable laws of the State  
22 regarding administrative procedures, and to review  
23 applications for the renewal of licenses. The Board may  
24 suspend an owners license, without notice or hearing upon a  
25 determination that the safety or health of patrons or  
26 employees is jeopardized by continuing a riverboat's

1 operation. The suspension may remain in effect until the  
2 Board determines that the cause for suspension has been  
3 abated. The Board may revoke the owners license upon a  
4 determination that the owner has not made satisfactory  
5 progress toward abating the hazard.

6 (12) To eject or exclude or authorize the ejection or  
7 exclusion of, any person from riverboat gambling  
8 facilities where such person is in violation of this Act,  
9 rules and regulations thereunder, or final orders of the  
10 Board, or where such person's conduct or reputation is such  
11 that his presence within the riverboat gambling facilities  
12 may, in the opinion of the Board, call into question the  
13 honesty and integrity of the gambling operations or  
14 interfere with orderly conduct thereof; provided that the  
15 propriety of such ejection or exclusion is subject to  
16 subsequent hearing by the Board.

17 (13) To require all licensees of gambling operations to  
18 utilize a cashless wagering system whereby all players'  
19 money is converted to tokens, electronic cards, or chips  
20 which shall be used only for wagering in the gambling  
21 establishment.

22 (14) (Blank).

23 (15) To suspend, revoke or restrict licenses, to  
24 require the removal of a licensee or an employee of a  
25 licensee for a violation of this Act or a Board rule or for  
26 engaging in a fraudulent practice, and to impose civil

1 penalties of up to \$5,000 against individuals and up to  
2 \$10,000 or an amount equal to the daily gross receipts,  
3 whichever is larger, against licensees for each violation  
4 of any provision of the Act, any rules adopted by the  
5 Board, any order of the Board or any other action which, in  
6 the Board's discretion, is a detriment or impediment to  
7 riverboat gambling operations, provided that these  
8 limitations on civil penalties shall not apply to civil  
9 penalties assessed under the Video Gaming Act.

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

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

15 (18) To authorize a licensee to sell or serve alcoholic  
16 liquors, wine or beer as defined in the Liquor Control Act  
17 of 1934 on board a riverboat and to have exclusive  
18 authority to establish the hours for sale and consumption  
19 of alcoholic liquor on board a riverboat, notwithstanding  
20 any provision of the Liquor Control Act of 1934 or any  
21 local ordinance, and regardless of whether the riverboat  
22 makes excursions. The establishment of the hours for sale  
23 and consumption of alcoholic liquor on board a riverboat is  
24 an exclusive power and function of the State. A home rule  
25 unit may not establish the hours for sale and consumption  
26 of alcoholic liquor on board a riverboat. This amendatory

1 Act of 1991 is a denial and limitation of home rule powers  
2 and functions under subsection (h) of Section 6 of Article  
3 VII of the Illinois Constitution.

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

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

13 (20.5) To approve any contract entered into on its  
14 behalf.

15 (20.6) To appoint investigators to conduct  
16 investigations, searches, seizures, arrests, and other  
17 duties imposed under this Act, as deemed necessary by the  
18 Board. These investigators have and may exercise all of the  
19 rights and powers of peace officers, provided that these  
20 powers shall be limited to offenses or violations occurring  
21 or committed on a riverboat or dock, as defined in  
22 subsections (d) and (f) of Section 4, or as otherwise  
23 provided by this Act or any other law.

24 (20.7) To contract with the Department of State Police  
25 for the use of trained and qualified State police officers  
26 and with the Department of Revenue for the use of trained

1 and qualified Department of Revenue investigators to  
2 conduct investigations, searches, seizures, arrests, and  
3 other duties imposed under this Act and to exercise all of  
4 the rights and powers of peace officers, provided that the  
5 powers of Department of Revenue investigators under this  
6 subdivision (20.7) shall be limited to offenses or  
7 violations occurring or committed on a riverboat or dock,  
8 as defined in subsections (d) and (f) of Section 4, or as  
9 otherwise provided by this Act or any other law. In the  
10 event the Department of State Police or the Department of  
11 Revenue is unable to fill contracted police or  
12 investigative positions, the Board may appoint  
13 investigators to fill those positions pursuant to  
14 subdivision (20.6).

15 (21) To take any other action as may be reasonable or  
16 appropriate to enforce this Act and rules and regulations  
17 hereunder.

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

26 (e) The Board must authorize to each investigator and to



1 any other employee of the Board exercising the powers of a  
2 peace officer a distinct badge that, on its face, (i) clearly  
3 states that the badge is authorized by the Board and (ii)  
4 contains a unique identifying number. No other badge shall be  
5 authorized by the Board.

6 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

7 (230 ILCS 10/7) (from Ch. 120, par. 2407)

8 Sec. 7. Owners licenses.

9 (a) The Board shall issue owners licenses to persons, firms  
10 or corporations which apply for such licenses upon payment to  
11 the Board of the non-refundable license fee set by the Board,  
12 upon payment of a \$25,000 license fee for the first year of  
13 operation and a \$5,000 license fee for each succeeding year and  
14 upon a determination by the Board that the applicant is  
15 eligible for an owners license pursuant to this Act and the  
16 rules of the Board. From the effective date of this amendatory  
17 Act of the 95th General Assembly until (i) 3 years after the  
18 effective date of this amendatory Act of the 95th General  
19 Assembly, (ii) the date any organization licensee begins to  
20 operate a slot machine or video game of chance under the  
21 Illinois Horse Racing Act of 1975 or this Act, (iii) the date  
22 that payments begin under subsection (c-5) of Section 13 of the  
23 Act, or (iv) the wagering tax imposed under Section 13 of this  
24 Act is increased by law to reflect a tax rate that is at least  
25 as stringent or more stringent than the tax rate contained in

1 subsection (a-3) of Section 13, whichever occurs first, as a  
2 condition of licensure and as an alternative source of payment  
3 for those funds payable under subsection (c-5) of Section 13 of  
4 the Riverboat Gambling Act, any owners licensee that holds or  
5 receives its owners license on or after the effective date of  
6 this amendatory Act of the 94th General Assembly, other than an  
7 owners licensee operating a riverboat with adjusted gross  
8 receipts in calendar year 2004 of less than \$200,000,000, must  
9 pay into the Horse Racing Equity Trust Fund, in addition to any  
10 other payments required under this Act, an amount equal to 3%  
11 of the adjusted gross receipts received by the owners licensee.  
12 The payments required under this Section shall be made by the  
13 owners licensee to the State Treasurer no later than 3:00  
14 o'clock p.m. of the day after the day when the adjusted gross  
15 receipts were received by the owners licensee. A person, firm  
16 or corporation is ineligible to receive an owners license if:

17 (1) the person has been convicted of a felony under the  
18 laws of this State, any other state, or the United States;

19 (2) the person has been convicted of any violation of  
20 Article 28 of the Criminal Code of 1961 or the Criminal  
21 Code of 2012, or substantially similar laws of any other  
22 jurisdiction;

23 (3) the person has submitted an application for a  
24 license under this Act which contains false information;

25 (4) the person is a member of the Board;

26 (5) a person defined in (1), (2), (3) or (4) is an

1 officer, director or managerial employee of the firm or  
2 corporation;

3 (6) the firm or corporation employs a person defined in  
4 (1), (2), (3) or (4) who participates in the management or  
5 operation of gambling operations authorized under this  
6 Act;

7 (7) (blank); or

8 (8) a license of the person, firm or corporation issued  
9 under this Act, or a license to own or operate gambling  
10 facilities in any other jurisdiction, has been revoked.

11 The Board is expressly prohibited from making changes to  
12 the requirement that licensees make payment into the Horse  
13 Racing Equity Trust Fund without the express authority of the  
14 Illinois General Assembly and making any other rule to  
15 implement or interpret this amendatory Act of the 95th General  
16 Assembly. For the purposes of this paragraph, "rules" is given  
17 the meaning given to that term in Section 1-70 of the Illinois  
18 Administrative Procedure Act.

19 (b) In determining whether to grant an owners license to an  
20 applicant, the Board shall consider:

21 (1) the character, reputation, experience and  
22 financial integrity of the applicants and of any other or  
23 separate person that either:

24 (A) controls, directly or indirectly, such  
25 applicant, or

26 (B) is controlled, directly or indirectly, by such

1 applicant or by a person which controls, directly or  
2 indirectly, such applicant;

3 (2) the facilities or proposed facilities for the  
4 conduct of riverboat gambling;

5 (3) the highest prospective total revenue to be derived  
6 by the State from the conduct of riverboat gambling;

7 (4) the extent to which the ownership of the applicant  
8 reflects the diversity of the State by including minority  
9 persons, women, and persons with a disability and the good  
10 faith affirmative action plan of each applicant to recruit,  
11 train and upgrade minority persons, women, and persons with  
12 a disability in all employment classifications;

13 (4.5) the extent to which the ownership of the  
14 applicant includes veterans of service in the armed forces  
15 of the United States, and the good faith affirmative action  
16 plan of each applicant to recruit, train, and upgrade  
17 veterans of service in the armed forces of the United  
18 States in all employment classifications;

19 (5) the financial ability of the applicant to purchase  
20 and maintain adequate liability and casualty insurance;

21 (6) whether the applicant has adequate capitalization  
22 to provide and maintain, for the duration of a license, a  
23 riverboat;

24 (7) the extent to which the applicant exceeds or meets  
25 other standards for the issuance of an owners license which  
26 the Board may adopt by rule; and

1           (8) The amount of the applicant's license bid.

2           (c) Each owners license shall specify the place where  
3 riverboats shall operate and dock.

4           (d) Each applicant shall submit with his application, on  
5 forms provided by the Board, 2 sets of his fingerprints.

6           (e) The Board may issue up to 10 licenses authorizing the  
7 holders of such licenses to own riverboats. In the application  
8 for an owners license, the applicant shall state the dock at  
9 which the riverboat is based and the water on which the  
10 riverboat will be located. The Board shall issue 5 licenses to  
11 become effective not earlier than January 1, 1991. Three of  
12 such licenses shall authorize riverboat gambling on the  
13 Mississippi River, or, with approval by the municipality in  
14 which the riverboat was docked on August 7, 2003 and with Board  
15 approval, be authorized to relocate to a new location, in a  
16 municipality that (1) borders on the Mississippi River or is  
17 within 5 miles of the city limits of a municipality that  
18 borders on the Mississippi River and (2), on August 7, 2003,  
19 had a riverboat conducting riverboat gambling operations  
20 pursuant to a license issued under this Act; one of which shall  
21 authorize riverboat gambling from a home dock in the city of  
22 East St. Louis. One other license shall authorize riverboat  
23 gambling on the Illinois River south of Marshall County. The  
24 Board shall issue one additional license to become effective  
25 not earlier than March 1, 1992, which shall authorize riverboat  
26 gambling on the Des Plaines River in Will County. The Board may

1 issue 4 additional licenses to become effective not earlier  
2 than March 1, 1992. In determining the water upon which  
3 riverboats will operate, the Board shall consider the economic  
4 benefit which riverboat gambling confers on the State, and  
5 shall seek to assure that all regions of the State share in the  
6 economic benefits of riverboat gambling.

7 In granting all licenses, the Board may give favorable  
8 consideration to economically depressed areas of the State, to  
9 applicants presenting plans which provide for significant  
10 economic development over a large geographic area, and to  
11 applicants who currently operate non-gambling riverboats in  
12 Illinois. The Board shall review all applications for owners  
13 licenses, and shall inform each applicant of the Board's  
14 decision. The Board may grant an owners license to an applicant  
15 that has not submitted the highest license bid, but if it does  
16 not select the highest bidder, the Board shall issue a written  
17 decision explaining why another applicant was selected and  
18 identifying the factors set forth in this Section that favored  
19 the winning bidder.

20 In addition to any other revocation powers granted to the  
21 Board under this Act, the Board may revoke the owners license  
22 of a licensee which fails to begin conducting gambling within  
23 15 months of receipt of the Board's approval of the application  
24 if the Board determines that license revocation is in the best  
25 interests of the State.

26 (f) The first 10 owners licenses issued under this Act

1 shall permit the holder to own up to 2 riverboats and equipment  
2 thereon for a period of 3 years after the effective date of the  
3 license. Holders of the first 10 owners licenses must pay the  
4 annual license fee for each of the 3 years during which they  
5 are authorized to own riverboats.

6 (g) Upon the termination, expiration, or revocation of each  
7 of the first 10 licenses, which shall be issued for a 3 year  
8 period, all licenses are renewable annually upon payment of the  
9 fee and a determination by the Board that the licensee  
10 continues to meet all of the requirements of this Act and the  
11 Board's rules. However, for licenses renewed on or after May 1,  
12 1998, renewal shall be for a period of 4 years, unless the  
13 Board sets a shorter period.

14 (h) An owners license shall entitle the licensee to own up  
15 to 2 riverboats. A licensee shall limit the number of gambling  
16 participants to 1,200 for any such owners license. A licensee  
17 may operate both of its riverboats concurrently, provided that  
18 the total number of gambling participants on both riverboats  
19 does not exceed 1,200. Riverboats licensed to operate on the  
20 Mississippi River and the Illinois River south of Marshall  
21 County shall have an authorized capacity of at least 500  
22 persons. Any other riverboat licensed under this Act shall have  
23 an authorized capacity of at least 400 persons.

24 (i) A licensed owner is authorized to apply to the Board  
25 for and, if approved therefor, to receive all licenses from the  
26 Board necessary for the operation of a riverboat, including a

1 liquor license, a license to prepare and serve food for human  
2 consumption, and other necessary licenses. All use, occupation  
3 and excise taxes which apply to the sale of food and beverages  
4 in this State and all taxes imposed on the sale or use of  
5 tangible personal property apply to such sales aboard the  
6 riverboat.

7 (j) The Board may issue or re-issue a license authorizing a  
8 riverboat to dock in a municipality or approve a relocation  
9 under Section 11.2 only if, prior to the issuance or  
10 re-issuance of the license or approval, the governing body of  
11 the municipality in which the riverboat will dock has by a  
12 majority vote approved the docking of riverboats in the  
13 municipality. The Board may issue or re-issue a license  
14 authorizing a riverboat to dock in areas of a county outside  
15 any municipality or approve a relocation under Section 11.2  
16 only if, prior to the issuance or re-issuance of the license or  
17 approval, the governing body of the county has by a majority  
18 vote approved of the docking of riverboats within such areas.

19 (Source: P.A. 100-391, eff. 8-25-17.)

20 (230 ILCS 10/7.6)

21 Sec. 7.6. Business enterprise program.

22 (a) For the purposes of this Section, the terms "minority",  
23 "minority-owned business", "woman", "women-owned business",  
24 "person with a disability", and "business owned by a person  
25 with a disability" have the meanings ascribed to them in the



1 Business Enterprise for Minorities, Women, and Persons with  
2 Disabilities Act.

3 (b) The Board shall, by rule, establish goals for the award  
4 of contracts by each owners licensee to businesses owned by  
5 minorities, women, and persons with disabilities, expressed as  
6 percentages of an owners licensee's total dollar amount of  
7 contracts awarded during each calendar year. Each owners  
8 licensee must make every effort to meet the goals established  
9 by the Board pursuant to this Section. When setting the goals  
10 for the award of contracts, the Board shall not include  
11 contracts where: (1) any purchasing mandates would be dependent  
12 upon the availability of minority-owned businesses,  
13 women-owned businesses, and businesses owned by persons with  
14 disabilities ready, willing, and able with capacity to provide  
15 quality goods and services to a gaming operation at reasonable  
16 prices; (2) there are no or a limited number of licensed  
17 suppliers as defined by this Act for the goods or services  
18 provided to the licensee; (3) the licensee or its parent  
19 company owns a company that provides the goods or services; or  
20 (4) the goods or services are provided to the licensee by a  
21 publicly traded company.

22 (c) Each owners licensee shall file with the Board an  
23 annual report of its utilization of minority-owned businesses,  
24 women-owned businesses, and businesses owned by persons with  
25 disabilities during the preceding calendar year. The reports  
26 shall include a self-evaluation of the efforts of the owners

1 licensee to meet its goals under this Section.

2 (c-5) The Board shall, by rule, establish goals for the  
3 award of contracts by each owners licensee to businesses owned  
4 by veterans of service in the armed forces of the United  
5 States, expressed as percentages of an owners licensee's total  
6 dollar amount of contracts awarded during each calendar year.  
7 When setting the goals for the award of contracts, the Board  
8 shall not include contracts where: (1) any purchasing mandates  
9 would be dependent upon the availability of veteran-owned  
10 businesses ready, willing, and able with capacity to provide  
11 quality goods and services to a gaming operation at reasonable  
12 prices; (2) there are no or a limited number of licensed  
13 suppliers as defined in this Act for the goods or services  
14 provided to the licensee: (3) the licensee or its parent  
15 company owns a company that provides the goods or services; or  
16 (4) the goods or services are provided to the licensee by a  
17 publicly traded company.

18 Each owners licensee shall file with the Board an annual  
19 report of its utilization of veteran-owned businesses during  
20 the preceding calendar year. The reports shall include a  
21 self-evaluation of the efforts of the owners licensee to meet  
22 its goals under this Section.

23 (d) The owners licensee shall have the right to request a  
24 waiver from the requirements of this Section. The Board shall  
25 grant the waiver where the owners licensee demonstrates that  
26 there has been made a good faith effort to comply with the

1 goals for participation by minority-owned businesses,  
2 women-owned businesses, ~~and~~ businesses owned by persons with  
3 disabilities, and veteran-owned businesses.

4 (e) If the Board determines that its goals and policies are  
5 not being met by any owners licensee, then the Board may:

6 (1) adopt remedies for such violations; and

7 (2) recommend that the owners licensee provide  
8 additional opportunities for participation by  
9 minority-owned businesses, women-owned businesses, ~~and~~  
10 businesses owned by persons with disabilities, and  
11 veteran-owned businesses; such recommendations may  
12 include, but shall not be limited to:

13 (A) assurances of stronger and better focused  
14 solicitation efforts to obtain more minority-owned  
15 businesses, women-owned businesses, ~~and~~ businesses  
16 owned by persons with disabilities, and veteran-owned  
17 businesses as potential sources of supply;

18 (B) division of job or project requirements, when  
19 economically feasible, into tasks or quantities to  
20 permit participation of minority-owned businesses,  
21 women-owned businesses, ~~and~~ businesses owned by  
22 persons with disabilities, and veteran-owned  
23 businesses;

24 (C) elimination of extended experience or  
25 capitalization requirements, when programmatically  
26 feasible, to permit participation of minority-owned

1 businesses, women-owned businesses, ~~and~~ businesses  
2 owned by persons with disabilities, and veteran-owned  
3 businesses;

4 (D) identification of specific proposed contracts  
5 as particularly attractive or appropriate for  
6 participation by minority-owned businesses,  
7 women-owned businesses, ~~and~~ businesses owned by  
8 persons with disabilities, and veteran-owned  
9 businesses, such identification to result from and be  
10 coupled with the efforts of items (A) through (C); and

11 (E) implementation of regulations established for  
12 the use of the sheltered market process.

13 (f) The Board shall file, no later than March 1 of each  
14 year, an annual report that shall detail the level of  
15 achievement toward the goals specified in this Section over the  
16 3 most recent fiscal years. The annual report shall include,  
17 but need not be limited to:

18 (1) a summary detailing expenditures subject to the  
19 goals, the actual goals specified, and the goals attained  
20 by each owners licensee; and

21 (2) an analysis of the level of overall goal  
22 achievement concerning purchases from minority-owned  
23 businesses, women-owned businesses, ~~and~~ businesses owned  
24 by persons with disabilities, and veteran-owned  
25 businesses.

26 (Source: P.A. 99-78, eff. 7-20-15; 100-391, eff. 8-25-17.)

1 (230 ILCS 10/13) (from Ch. 120, par. 2413)

2 Sec. 13. Wagering tax; rate; distribution.

3 (a) Until January 1, 1998, a tax is imposed on the adjusted  
4 gross receipts received from gambling games authorized under  
5 this Act at the rate of 20%.

6 (a-1) From January 1, 1998 until July 1, 2002, a privilege  
7 tax is imposed on persons engaged in the business of conducting  
8 riverboat gambling operations, based on the adjusted gross  
9 receipts received by a licensed owner from gambling games  
10 authorized under this Act at the following rates:

11 15% of annual adjusted gross receipts up to and  
12 including \$25,000,000;

13 20% of annual adjusted gross receipts in excess of  
14 \$25,000,000 but not exceeding \$50,000,000;

15 25% of annual adjusted gross receipts in excess of  
16 \$50,000,000 but not exceeding \$75,000,000;

17 30% of annual adjusted gross receipts in excess of  
18 \$75,000,000 but not exceeding \$100,000,000;

19 35% of annual adjusted gross receipts in excess of  
20 \$100,000,000.

21 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
22 is imposed on persons engaged in the business of conducting  
23 riverboat gambling operations, other than licensed managers  
24 conducting riverboat gambling operations on behalf of the  
25 State, based on the adjusted gross receipts received by a

1 licensed owner from gambling games authorized under this Act at  
2 the following rates:

3 15% of annual adjusted gross receipts up to and  
4 including \$25,000,000;

5 22.5% of annual adjusted gross receipts in excess of  
6 \$25,000,000 but not exceeding \$50,000,000;

7 27.5% of annual adjusted gross receipts in excess of  
8 \$50,000,000 but not exceeding \$75,000,000;

9 32.5% of annual adjusted gross receipts in excess of  
10 \$75,000,000 but not exceeding \$100,000,000;

11 37.5% of annual adjusted gross receipts in excess of  
12 \$100,000,000 but not exceeding \$150,000,000;

13 45% of annual adjusted gross receipts in excess of  
14 \$150,000,000 but not exceeding \$200,000,000;

15 50% of annual adjusted gross receipts in excess of  
16 \$200,000,000.

17 (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
18 persons engaged in the business of conducting riverboat  
19 gambling operations, other than licensed managers conducting  
20 riverboat gambling operations on behalf of the State, based on  
21 the adjusted gross receipts received by a licensed owner from  
22 gambling games authorized under this Act at the following  
23 rates:

24 15% of annual adjusted gross receipts up to and  
25 including \$25,000,000;

26 27.5% of annual adjusted gross receipts in excess of

1           \$25,000,000 but not exceeding \$37,500,000;  
2           32.5% of annual adjusted gross receipts in excess of  
3           \$37,500,000 but not exceeding \$50,000,000;  
4           37.5% of annual adjusted gross receipts in excess of  
5           \$50,000,000 but not exceeding \$75,000,000;  
6           45% of annual adjusted gross receipts in excess of  
7           \$75,000,000 but not exceeding \$100,000,000;  
8           50% of annual adjusted gross receipts in excess of  
9           \$100,000,000 but not exceeding \$250,000,000;  
10          70% of annual adjusted gross receipts in excess of  
11          \$250,000,000.

12          An amount equal to the amount of wagering taxes collected  
13          under this subsection (a-3) that are in addition to the amount  
14          of wagering taxes that would have been collected if the  
15          wagering tax rates under subsection (a-2) were in effect shall  
16          be paid into the Common School Fund.

17          The privilege tax imposed under this subsection (a-3) shall  
18          no longer be imposed beginning on the earlier of (i) July 1,  
19          2005; (ii) the first date after June 20, 2003 that riverboat  
20          gambling operations are conducted pursuant to a dormant  
21          license; or (iii) the first day that riverboat gambling  
22          operations are conducted under the authority of an owners  
23          license that is in addition to the 10 owners licenses initially  
24          authorized under this Act. For the purposes of this subsection  
25          (a-3), the term "dormant license" means an owners license that  
26          is authorized by this Act under which no riverboat gambling

1 operations are being conducted on June 20, 2003.

2 (a-4) Beginning on the first day on which the tax imposed  
3 under subsection (a-3) is no longer imposed, a privilege tax is  
4 imposed on persons engaged in the business of conducting  
5 riverboat gambling operations, other than licensed managers  
6 conducting riverboat gambling operations on behalf of the  
7 State, based on the adjusted gross receipts received by a  
8 licensed owner from gambling games authorized under this Act at  
9 the following rates:

10 15% of annual adjusted gross receipts up to and  
11 including \$25,000,000;

12 22.5% of annual adjusted gross receipts in excess of  
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual adjusted gross receipts in excess of  
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual adjusted gross receipts in excess of  
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual adjusted gross receipts in excess of  
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual adjusted gross receipts in excess of  
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual adjusted gross receipts in excess of  
23 \$200,000,000.

24 (a-8) Riverboat gambling operations conducted by a  
25 licensed manager on behalf of the State are not subject to the  
26 tax imposed under this Section.



1 (a-10) The taxes imposed by this Section shall be paid by  
2 the licensed owner to the Board not later than 5:00 o'clock  
3 p.m. of the day after the day when the wagers were made.

4 (a-15) If the privilege tax imposed under subsection (a-3)  
5 is no longer imposed pursuant to item (i) of the last paragraph  
6 of subsection (a-3), then by June 15 of each year, each owners  
7 licensee, other than an owners licensee that admitted 1,000,000  
8 persons or fewer in calendar year 2004, must, in addition to  
9 the payment of all amounts otherwise due under this Section,  
10 pay to the Board a reconciliation payment in the amount, if  
11 any, by which the licensed owner's base amount exceeds the  
12 amount of net privilege tax paid by the licensed owner to the  
13 Board in the then current State fiscal year. A licensed owner's  
14 net privilege tax obligation due for the balance of the State  
15 fiscal year shall be reduced up to the total of the amount paid  
16 by the licensed owner in its June 15 reconciliation payment.  
17 The obligation imposed by this subsection (a-15) is binding on  
18 any person, firm, corporation, or other entity that acquires an  
19 ownership interest in any such owners license. The obligation  
20 imposed under this subsection (a-15) terminates on the earliest  
21 of: (i) July 1, 2007, (ii) the first day after the effective  
22 date of this amendatory Act of the 94th General Assembly that  
23 riverboat gambling operations are conducted pursuant to a  
24 dormant license, (iii) the first day that riverboat gambling  
25 operations are conducted under the authority of an owners  
26 license that is in addition to the 10 owners licenses initially

1 authorized under this Act, or (iv) the first day that a  
2 licensee under the Illinois Horse Racing Act of 1975 conducts  
3 gaming operations with slot machines or other electronic gaming  
4 devices. The Board must reduce the obligation imposed under  
5 this subsection (a-15) by an amount the Board deems reasonable  
6 for any of the following reasons: (A) an act or acts of God,  
7 (B) an act of bioterrorism or terrorism or a bioterrorism or  
8 terrorism threat that was investigated by a law enforcement  
9 agency, or (C) a condition beyond the control of the owners  
10 licensee that does not result from any act or omission by the  
11 owners licensee or any of its agents and that poses a hazardous  
12 threat to the health and safety of patrons. If an owners  
13 licensee pays an amount in excess of its liability under this  
14 Section, the Board shall apply the overpayment to future  
15 payments required under this Section.

16 For purposes of this subsection (a-15):

17 "Act of God" means an incident caused by the operation of  
18 an extraordinary force that cannot be foreseen, that cannot be  
19 avoided by the exercise of due care, and for which no person  
20 can be held liable.

21 "Base amount" means the following:

22 For a riverboat in Alton, \$31,000,000.

23 For a riverboat in East Peoria, \$43,000,000.

24 For the Empress riverboat in Joliet, \$86,000,000.

25 For a riverboat in Metropolis, \$45,000,000.

26 For the Harrah's riverboat in Joliet, \$114,000,000.

1           For a riverboat in Aurora, \$86,000,000.

2           For a riverboat in East St. Louis, \$48,500,000.

3           For a riverboat in Elgin, \$198,000,000.

4           "Dormant license" has the meaning ascribed to it in  
5 subsection (a-3).

6           "Net privilege tax" means all privilege taxes paid by a  
7 licensed owner to the Board under this Section, less all  
8 payments made from the State Gaming Fund pursuant to subsection  
9 (b) of this Section.

10          The changes made to this subsection (a-15) by Public Act  
11 94-839 are intended to restate and clarify the intent of Public  
12 Act 94-673 with respect to the amount of the payments required  
13 to be made under this subsection by an owners licensee to the  
14 Board.

15          (b) Until January 1, 1998, 25% of the tax revenue deposited  
16 in the State Gaming Fund under this Section shall be paid,  
17 subject to appropriation by the General Assembly, to the unit  
18 of local government which is designated as the home dock of the  
19 riverboat. Beginning January 1, 1998, from the tax revenue  
20 deposited in the State Gaming Fund under this Section, an  
21 amount equal to 5% of adjusted gross receipts generated by a  
22 riverboat shall be paid monthly, subject to appropriation by  
23 the General Assembly, to the unit of local government that is  
24 designated as the home dock of the riverboat. From the tax  
25 revenue deposited in the State Gaming Fund pursuant to  
26 riverboat gambling operations conducted by a licensed manager

1 on behalf of the State, an amount equal to 5% of adjusted gross  
2 receipts generated pursuant to those riverboat gambling  
3 operations shall be paid monthly, subject to appropriation by  
4 the General Assembly, to the unit of local government that is  
5 designated as the home dock of the riverboat upon which those  
6 riverboat gambling operations are conducted.

7 (c) Appropriations, as approved by the General Assembly,  
8 may be made from the State Gaming Fund to the Board (i) for the  
9 administration and enforcement of this Act and the Video Gaming  
10 Act, (ii) for distribution to the Department of State Police  
11 and to the Department of Revenue for the enforcement of this  
12 Act, and (iii) to the Department of Human Services for the  
13 administration of programs to treat problem gambling.

14 (c-5) (Blank). ~~Before May 26, 2006 (the effective date of~~  
15 ~~Public Act 94-804) and beginning on the effective date of this~~  
16 ~~amendatory Act of the 95th General Assembly, unless any~~  
17 ~~organization licensee under the Illinois Horse Racing Act of~~  
18 ~~1975 begins to operate a slot machine or video game of chance~~  
19 ~~under the Illinois Horse Racing Act of 1975 or this Act, after~~  
20 ~~the payments required under subsections (b) and (c) have been~~  
21 ~~made, an amount equal to 15% of the adjusted gross receipts of~~  
22 ~~(1) an owners licensee that relocates pursuant to Section 11.2,~~  
23 ~~(2) an owners licensee conducting riverboat gambling~~  
24 ~~operations pursuant to an owners license that is initially~~  
25 ~~issued after June 25, 1999, or (3) the first riverboat gambling~~  
26 ~~operations conducted by a licensed manager on behalf of the~~

1 ~~State under Section 7.3, whichever comes first, shall be paid~~  
2 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

3 (c-10) (Blank). ~~Each year the General Assembly shall~~  
4 ~~appropriate from the General Revenue Fund to the Education~~  
5 ~~Assistance Fund an amount equal to the amount paid into the~~  
6 ~~Horse Racing Equity Fund pursuant to subsection (c-5) in the~~  
7 ~~prior calendar year.~~

8 (c-15) After the payments required under subsections (b)  
9 ~~and~~, (c), ~~and (c-5)~~ have been made, an amount equal to 2% of  
10 the adjusted gross receipts of (1) an owners licensee that  
11 relocates pursuant to Section 11.2, (2) an owners licensee  
12 conducting riverboat gambling operations pursuant to an owners  
13 license that is initially issued after June 25, 1999, or (3)  
14 the first riverboat gambling operations conducted by a licensed  
15 manager on behalf of the State under Section 7.3, whichever  
16 comes first, shall be paid, subject to appropriation from the  
17 General Assembly, from the State Gaming Fund to each home rule  
18 county with a population of over 3,000,000 inhabitants for the  
19 purpose of enhancing the county's criminal justice system.

20 (c-20) Each year the General Assembly shall appropriate  
21 from the General Revenue Fund to the Education Assistance Fund  
22 an amount equal to the amount paid to each home rule county  
23 with a population of over 3,000,000 inhabitants pursuant to  
24 subsection (c-15) in the prior calendar year.

25 (c-25) On July 1, 2013 and each July 1 thereafter,  
26 \$1,600,000 shall be transferred from the State Gaming Fund to

1 the Chicago State University Education Improvement Fund.

2 (c-30) On July 1, 2013 or as soon as possible thereafter,  
3 \$92,000,000 shall be transferred from the State Gaming Fund to  
4 the School Infrastructure Fund and \$23,000,000 shall be  
5 transferred from the State Gaming Fund to the Horse Racing  
6 Equity Fund.

7 (c-35) Beginning on July 1, 2013, in addition to any amount  
8 transferred under subsection (c-30) of this Section,  
9 \$5,530,000 shall be transferred monthly from the State Gaming  
10 Fund to the School Infrastructure Fund.

11 (d) From time to time, the Board shall transfer the  
12 remainder of the funds generated by this Act into the Education  
13 Assistance Fund, created by Public Act 86-0018, of the State of  
14 Illinois.

15 (e) Nothing in this Act shall prohibit the unit of local  
16 government designated as the home dock of the riverboat from  
17 entering into agreements with other units of local government  
18 in this State or in other states to share its portion of the  
19 tax revenue.

20 (f) To the extent practicable, the Board shall administer  
21 and collect the wagering taxes imposed by this Section in a  
22 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
23 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
24 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
25 Penalty and Interest Act.

26 (Source: P.A. 98-18, eff. 6-7-13.)

1           Section 10. The Video Gaming Act is amended by changing  
2 Sections 25, 27, 45, and 80 as follows:

3           (230 ILCS 40/25)

4           Sec. 25. Restriction of licensees.

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

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

17           (c) Terminal operator. A person may not own, maintain, or  
18 place a video gaming terminal unless he has a valid terminal  
19 operator's license issued under this Act. A terminal operator  
20 may only place video gaming terminals for use in Illinois in  
21 licensed establishments, licensed truck stop establishments,  
22 licensed fraternal establishments, and licensed veterans  
23 establishments. No terminal operator may give anything of  
24 value, including but not limited to a loan or financing

1 arrangement, to a licensed establishment, licensed truck stop  
2 establishment, licensed fraternal establishment, or licensed  
3 veterans establishment as any incentive or inducement to locate  
4 video terminals in that establishment. Of the after-tax profits  
5 from a video gaming terminal, 50% shall be paid to the terminal  
6 operator and 50% shall be paid to the licensed establishment,  
7 licensed truck stop establishment, licensed fraternal  
8 establishment, or licensed veterans establishment,  
9 notwithstanding any agreement to the contrary. A video terminal  
10 operator that violates one or more requirements of this  
11 subsection is guilty of a Class 4 felony and is subject to  
12 termination of his or her license by the Board.

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

18 (d-5) Licensed terminal handler. No person, including, but  
19 not limited to, an employee or independent contractor working  
20 for a manufacturer, distributor, supplier, technician, or  
21 terminal operator licensed pursuant to this Act, shall have  
22 possession or control of a video gaming terminal, or access to  
23 the inner workings of a video gaming terminal, unless that  
24 person possesses a valid terminal handler's license issued  
25 under this Act.

26 (e) Licensed establishment. No video gaming terminal may be



1 placed in any licensed establishment, licensed veterans  
2 establishment, licensed truck stop establishment, or licensed  
3 fraternal establishment unless the owner or agent of the owner  
4 of the licensed establishment, licensed veterans  
5 establishment, licensed truck stop establishment, or licensed  
6 fraternal establishment has entered into a written use  
7 agreement with the terminal operator for placement of the  
8 terminals. A copy of the use agreement shall be on file in the  
9 terminal operator's place of business and available for  
10 inspection by individuals authorized by the Board. A licensed  
11 establishment, licensed truck stop establishment, licensed  
12 veterans establishment, or licensed fraternal establishment  
13 may operate up to 5 video gaming terminals on its premises at  
14 any time.

15 (f) (Blank).

16 (g) Financial interest restrictions. As used in this Act,  
17 "substantial interest" in a partnership, a corporation, an  
18 organization, an association, a business, or a limited  
19 liability company means:

20 (A) When, with respect to a sole proprietorship, an  
21 individual or his or her spouse owns, operates, manages, or  
22 conducts, directly or indirectly, the organization,  
23 association, or business, or any part thereof; or

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

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

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

12          (E) When an individual or his or her spouse furnishes  
13          5% or more of the capital, whether in cash, goods, or  
14          services, for the operation of any business, association,  
15          or organization during any calendar year; or

16          (F) When, with respect to a limited liability company,  
17          an individual or his or her spouse is a member, or the  
18          individual or his or her spouse is a holder, directly or  
19          beneficially, of 5% or more of the membership interest of  
20          the limited liability company.

21          For purposes of this subsection (g), "individual" includes  
22          all individuals or their spouses whose combined interest would  
23          qualify as a substantial interest under this subsection (g) and  
24          whose activities with respect to an organization, association,  
25          or business are so closely aligned or coordinated as to  
26          constitute the activities of a single entity.

1           (h) Location restriction. A licensed establishment,  
2 licensed truck stop establishment, licensed fraternal  
3 establishment, or licensed veterans establishment that is (i)  
4 located within 1,000 feet of a facility operated by an  
5 organization licensee licensed under the Illinois Horse Racing  
6 Act of 1975 or the home dock of a riverboat licensed under the  
7 Riverboat Gambling Act or (ii) located within 100 feet of a  
8 school or a place of worship under the Religious Corporation  
9 Act, is ineligible to operate a video gaming terminal. The  
10 location restrictions in this subsection (h) do not apply if  
11 (A) a facility operated by an organization licensee, a school,  
12 or a place of worship moves to or is established within the  
13 restricted area after a licensed establishment, licensed truck  
14 stop establishment, licensed fraternal establishment, or  
15 licensed veterans establishment becomes licensed under this  
16 Act or (B) a school or place of worship moves to or is  
17 established within the restricted area after a licensed  
18 establishment, licensed truck stop establishment, licensed  
19 fraternal establishment, or licensed veterans establishment  
20 obtains its original liquor license. For the purpose of this  
21 subsection, "school" means an elementary or secondary public  
22 school, or an elementary or secondary private school registered  
23 with or recognized by the State Board of Education.

24           Notwithstanding the provisions of this subsection (h), the  
25 Board may waive the requirement that a licensed establishment,  
26 licensed truck stop establishment, licensed fraternal

1 establishment, or licensed veterans establishment not be  
2 located within 1,000 feet from a facility operated by an  
3 organization licensee licensed under the Illinois Horse Racing  
4 Act of 1975 or the home dock of a riverboat licensed under the  
5 Riverboat Gambling Act. The Board shall not grant such waiver  
6 if there is any common ownership or control, shared business  
7 activity, or contractual arrangement of any type between the  
8 establishment and the organization licensee or owners licensee  
9 of a riverboat. The Board shall adopt rules to implement the  
10 provisions of this paragraph.

11 (h-5) Restrictions on licenses in malls. The Board shall  
12 not grant an application to become a licensed video gaming  
13 location if the Board determines that granting the application  
14 would more likely than not cause a terminal operator,  
15 individually or in combination with other terminal operators,  
16 licensed video gaming location, or other person or entity, to  
17 operate the video gaming terminals in 2 or more licensed video  
18 gaming locations as a single video gaming operation.

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

22 (A) the physical aspects of the location;

23 (B) the ownership, control, or management of the  
24 location;

25 (C) any arrangements, understandings, or  
26 agreements, written or otherwise, among or involving

1           any persons or entities that involve the conducting of  
2           any video gaming business or the sharing of costs or  
3           revenues; and

4           (D) the manner in which any terminal operator or  
5           other related entity markets, advertises, or otherwise  
6           describes any location or locations to any other person  
7           or entity or to the public.

8           (2) The Board shall presume, subject to rebuttal, that  
9           the granting of an application to become a licensed video  
10           gaming location within a mall will cause a terminal  
11           operator, individually or in combination with other  
12           persons or entities, to operate the video gaming terminals  
13           in 2 or more licensed video gaming locations as a single  
14           video gaming operation if the Board determines that  
15           granting the license would create a local concentration of  
16           licensed video gaming locations.

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

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

20           "Video gaming operation" means the conducting of video  
21           gaming and all related activities.

22           "Location" means a space within a mall containing a  
23           separate business, a place for a separate business, or a place  
24           subject to a separate leasing arrangement by the mall owner.

25           "Licensed video gaming location" means a licensed  
26           establishment, licensed fraternal establishment, licensed

1 veterans establishment, or licensed truck stop.

2 "Local concentration of licensed video gaming locations"  
3 means that the combined number of licensed video gaming  
4 locations within a mall exceed half of the separate locations  
5 within the mall.

6 (i) Undue economic concentration. In addition to  
7 considering all other requirements under this Act, in deciding  
8 whether to approve the operation of video gaming terminals by a  
9 terminal operator in a location, the Board shall consider the  
10 impact of any economic concentration of such operation of video  
11 gaming terminals. The Board shall not allow a terminal operator  
12 to operate video gaming terminals if the Board determines such  
13 operation will result in undue economic concentration. For  
14 purposes of this Section, "undue economic concentration" means  
15 that a terminal operator would have such actual or potential  
16 influence over video gaming terminals in Illinois as to:

17 (1) substantially impede or suppress competition among  
18 terminal operators;

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

21 (3) negatively impact the purposes of the Video Gaming  
22 Act.

23 The Board shall adopt rules concerning undue economic  
24 concentration with respect to the operation of video gaming  
25 terminals in Illinois. The rules shall include, but not be  
26 limited to, (i) limitations on the number of video gaming

1 terminals operated by any terminal operator within a defined  
2 geographic radius and (ii) guidelines on the discontinuation of  
3 operation of any such video gaming terminals the Board  
4 determines will cause undue economic concentration.

5 (j) The provisions of the Illinois Antitrust Act are fully  
6 and equally applicable to the activities of any licensee under  
7 this Act.

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

10 (230 ILCS 40/27)

11 Sec. 27. Prohibition or limitation of video gaming by  
12 political subdivision.

13 (a) A municipality may pass an ordinance prohibiting video  
14 gaming within the corporate limits of the municipality. A  
15 county board may, for the unincorporated area of the county,  
16 pass an ordinance prohibiting video gaming within the  
17 unincorporated area of the county.

18 (b) A home rule municipality, or a home rule county with  
19 respect to unincorporated portions of the county, may impose  
20 separate requirements on video gaming that provide sources of  
21 municipal or county revenue or impose limitations on video  
22 gaming more restrictive than those provided under this Act.  
23 These requirements may include the following:

24 (1) license fees;

25 (2) occupation taxes;

- 1           (3) licensing requirements;  
2           (4) limitations on hours of video gaming terminal play  
3 more restrictive than those provided under the liquor  
4 license of a licensed establishment, licensed veterans  
5 organization, or licensed fraternal organization;  
6           (5) limitations on the numbers of video gaming  
7 terminals within a licensed establishment, licensed  
8 veterans organization, licensed fraternal organization, or  
9 licensed truck stop;  
10           (6) limitations on the total number of licensed  
11 establishments, licensed veterans organizations, licensed  
12 fraternal organizations, or licensed truck stops allowed  
13 within the municipality or county, or a specific portion of  
14 the municipality or county;  
15           (7) limitations on hours of video gaming play;  
16           (8) zoning to limit the areas within a municipality or  
17 county where video gaming is permitted; or  
18           (9) other requirements intended to promote safety,  
19 morals, health, or welfare within the municipality or  
20 county.

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

22 (230 ILCS 40/45)

23 Sec. 45. Issuance of license.

24 (a) The burden is upon each applicant to demonstrate his  
25 suitability for licensure. Each video gaming terminal



1 manufacturer, distributor, supplier, operator, handler,  
2 licensed establishment, licensed truck stop establishment,  
3 licensed fraternal establishment, and licensed veterans  
4 establishment shall be licensed by the Board. The Board may  
5 issue or deny a license under this Act to any person pursuant  
6 to the same criteria set forth in Section 9 of the Riverboat  
7 Gambling Act.

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

19 (b) Each person seeking and possessing a license as a video  
20 gaming terminal manufacturer, distributor, supplier, operator,  
21 handler, licensed establishment, licensed truck stop  
22 establishment, licensed fraternal establishment, or licensed  
23 veterans establishment shall submit to a background  
24 investigation conducted by the Board with the assistance of the  
25 State Police or other law enforcement. To the extent that the  
26 corporate structure of the applicant allows, the background

1 investigation shall include any or all of the following as the  
2 Board deems appropriate or as provided by rule for each  
3 category of licensure: (i) each beneficiary of a trust, (ii)  
4 each partner of a partnership, (iii) each member of a limited  
5 liability company, (iv) each director and officer of a publicly  
6 or non-publicly held corporation, (v) each stockholder of a  
7 non-publicly held corporation, (vi) each stockholder of 5% or  
8 more of a publicly held corporation, or (vii) each stockholder  
9 of 5% or more in a parent or subsidiary corporation.

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

24 (d) No person may be licensed as a video gaming terminal  
25 manufacturer, distributor, supplier, operator, handler,  
26 licensed establishment, licensed truck stop establishment,

1 licensed fraternal establishment, or licensed veterans  
2 establishment if that person has been found by the Board to:

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

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

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

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

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

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

1 (6) Terminal Handler ..... \$100 ~~\$50~~

2 (7) Licensed establishment, licensed truck stop  
3 establishment, licensed fraternal establishment,  
4 or licensed veterans establishment ..... \$100

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

7 (1) Manufacturer ..... \$10,000

8 (2) Distributor..... \$10,000

9 (3) Terminal operator..... \$5,000

10 (4) Supplier ..... \$2,000

11 (5) Technician ..... \$100

12 (6) Licensed establishment, licensed truck stop  
13 establishment, licensed fraternal establishment,  
14 or licensed veterans establishment ..... \$100

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

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

17 (h) A terminal operator and a licensed establishment,  
18 licensed truck stop establishment, licensed fraternal  
19 establishment, or licensed veterans establishment shall  
20 equally split the fees specified in item (7) of subsection (g).

21 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;  
22 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

23 (230 ILCS 40/80)

24 Sec. 80. Applicability of Illinois Riverboat Gambling Act.

25 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.)

1 INDEX

2 Statutes amended in order of appearance

3 230 ILCS 10/5 from Ch. 120, par. 2405

4 230 ILCS 10/7 from Ch. 120, par. 2407

5 230 ILCS 10/7.6

6 230 ILCS 10/13 from Ch. 120, par. 2413

7 230 ILCS 40/25

8 230 ILCS 40/27

9 230 ILCS 40/45

10 230 ILCS 40/80