



Rep. William Davis

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1 AMENDMENT TO HOUSE BILL 3564

2 AMENDMENT NO. _____. Amend House Bill 3564 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Riverboat Gambling Act is amended by
5 changing Section 5 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.

1 (2) The Board shall consist of 5 members to be appointed by
2 the Governor with the advice and consent of the Senate, one of
3 whom shall be designated by the Governor to be chairman. Each
4 member shall have a reasonable knowledge of the practice,
5 procedure and principles of gambling operations. Each member
6 shall either be a resident of Illinois or shall certify that he
7 will become a resident of Illinois before taking office. At
8 least one member shall be experienced in law enforcement and
9 criminal investigation, at least one member shall be a
10 certified public accountant experienced in accounting and
11 auditing, and at least one member shall be a lawyer licensed to
12 practice law in Illinois.

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

26 (4) Each member of the Board shall receive \$300 for each

1 day the Board meets and for each day the member conducts any
2 hearing pursuant to this Act. Each member of the Board shall
3 also be reimbursed for all actual and necessary expenses and
4 disbursements incurred in the execution of official duties.

5 (5) No person shall be appointed a member of the Board or
6 continue to be a member of the Board who is, or whose spouse,
7 child or parent is, a member of the board of directors of, or a
8 person financially interested in, any gambling operation
9 subject to the jurisdiction of this Board, or any race track,
10 race meeting, racing association or the operations thereof
11 subject to the jurisdiction of the Illinois Racing Board. No
12 Board member shall hold any other public office. No person
13 shall be a member of the Board who is not of good moral
14 character or who has been convicted of, or is under indictment
15 for, a felony under the laws of Illinois or any other state, or
16 the United States.

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

1 service functions.

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

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

24 (7.5) For the examination of all mechanical,
25 electromechanical, or electronic table games, slot machines,
26 slot accounting systems, sports betting systems, ~~and~~ other

1 electronic gaming equipment, and the field inspection of such
2 systems, games, and machines for compliance with this Act, the
3 Board shall ~~may~~ utilize the services of ~~one or more~~ independent
4 outside testing laboratories that have been accredited in
5 accordance with ISO/IEC 17025 by an accreditation body that is
6 a signatory to the International Laboratory Accreditation
7 Cooperation Mutual Recognition Agreement signifying they are
8 qualified to ~~by a national accreditation body and that, in the~~
9 ~~judgment of the Board, are qualified to~~ perform such
10 examinations. Notwithstanding any law to the contrary, the
11 Board shall consider the licensing of independent outside
12 testing laboratory applicants in accordance with procedures
13 established by the Board by rule. The Board shall not withhold
14 its approval of an independent outside testing laboratory
15 license applicant that has been accredited as required under
16 this paragraph (7.5) and is licensed in a gaming jurisdiction
17 comparable to Illinois.

18 (8) The Board shall employ such personnel as may be
19 necessary to carry out its functions and shall determine the
20 salaries of all personnel, except those personnel whose
21 salaries are determined under the terms of a collective
22 bargaining agreement. No person shall be employed to serve the
23 Board who is, or whose spouse, parent or child is, an official
24 of, or has a financial interest in or financial relation with,
25 any operator engaged in gambling operations within this State
26 or any organization engaged in conducting horse racing within

1 this State. Any employee violating these prohibitions shall be
2 subject to termination of employment.

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

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

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

1 shall conduct all requested hearings promptly and in
2 reasonable order;

3 (2) To conduct all hearings pertaining to civil
4 violations of this Act or rules and regulations promulgated
5 hereunder;

6 (3) To promulgate such rules and regulations as in its
7 judgment may be necessary to protect or enhance the
8 credibility and integrity of gambling operations
9 authorized by this Act and the regulatory process
10 hereunder;

11 (4) To provide for the establishment and collection of
12 all license and registration fees and taxes imposed by this
13 Act and the rules and regulations issued pursuant hereto.
14 All such fees and taxes shall be deposited into the State
15 Gaming Fund;

16 (5) To provide for the levy and collection of penalties
17 and fines for the violation of provisions of this Act and
18 the rules and regulations promulgated hereunder. All such
19 fines and penalties shall be deposited into the Education
20 Assistance Fund, created by Public Act 86-0018, of the
21 State of Illinois;

22 (6) To be present through its inspectors and agents any
23 time gambling operations are conducted on any riverboat for
24 the purpose of certifying the revenue thereof, receiving
25 complaints from the public, and conducting such other
26 investigations into the conduct of the gambling games and

1 the maintenance of the equipment as from time to time the
2 Board may deem necessary and proper;

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

12 (8) To hold at least one meeting each quarter of the
13 fiscal year. In addition, special meetings may be called by
14 the Chairman or any 2 Board members upon 72 hours written
15 notice to each member. All Board meetings shall be subject
16 to the Open Meetings Act. Three members of the Board shall
17 constitute a quorum, and 3 votes shall be required for any
18 final determination by the Board. The Board shall keep a
19 complete and accurate record of all its meetings. A
20 majority of the members of the Board shall constitute a
21 quorum for the transaction of any business, for the
22 performance of any duty, or for the exercise of any power
23 which this Act requires the Board members to transact,
24 perform or exercise en banc, except that, upon order of the
25 Board, one of the Board members or an administrative law
26 judge designated by the Board may conduct any hearing

1 provided for under this Act or by Board rule and may
2 recommend findings and decisions to the Board. The Board
3 member or administrative law judge conducting such hearing
4 shall have all powers and rights granted to the Board in
5 this Act. The record made at the time of the hearing shall
6 be reviewed by the Board, or a majority thereof, and the
7 findings and decision of the majority of the Board shall
8 constitute the order of the Board in such case;

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

13 (10) To file a written annual report with the Governor
14 on or before July 1 each year and such additional reports
15 as the Governor may request. The annual report shall
16 include a statement of receipts and disbursements by the
17 Board, actions taken by the Board, and any additional
18 information and recommendations which the Board may deem
19 valuable or which the Governor may request;

20 (11) (Blank);

21 (12) (Blank);

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

24 (14) To adopt, by rule, a code of conduct governing
25 Board members and employees that ensure, to the maximum
26 extent possible, that persons subject to this Code avoid

1 situations, relationships, or associations that may
2 represent or lead to a conflict of interest.

3 (c) The Board shall have jurisdiction over and shall
4 supervise all gambling operations governed by this Act. The
5 Board shall have all powers necessary and proper to fully and
6 effectively execute the provisions of this Act, including, but
7 not limited to, the following:

8 (1) To investigate applicants and determine the
9 eligibility of applicants for licenses and to select among
10 competing applicants the applicants which best serve the
11 interests of the citizens of Illinois.

12 (2) To have jurisdiction and supervision over all
13 riverboat gambling operations in this State and all persons
14 on riverboats where gambling operations are conducted.

15 (3) To promulgate rules and regulations for the purpose
16 of administering the provisions of this Act and to
17 prescribe rules, regulations and conditions under which
18 all riverboat gambling in the State shall be conducted.
19 Such rules and regulations are to provide for the
20 prevention of practices detrimental to the public interest
21 and for the best interests of riverboat gambling, including
22 rules and regulations regarding the inspection of such
23 riverboats and the review of any permits or licenses
24 necessary to operate a riverboat under any laws or
25 regulations applicable to riverboats, and to impose
26 penalties for violations thereof.

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

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

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

13 (7) To adopt appropriate standards for all riverboats
14 and facilities.

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

1 (9) To conduct hearings, issue subpoenas for the
2 attendance of witnesses and subpoenas duces tecum for the
3 production of books, records and other pertinent documents
4 in accordance with the Illinois Administrative Procedure
5 Act, and to administer oaths and affirmations to the
6 witnesses, when, in the judgment of the Board, it is
7 necessary to administer or enforce this Act or the Board
8 rules.

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

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

25 (12) To eject or exclude or authorize the ejection or
26 exclusion of, any person from riverboat gambling

1 facilities where such person is in violation of this Act,
2 rules and regulations thereunder, or final orders of the
3 Board, or where such person's conduct or reputation is such
4 that his presence within the riverboat gambling facilities
5 may, in the opinion of the Board, call into question the
6 honesty and integrity of the gambling operations or
7 interfere with orderly conduct thereof; provided that the
8 propriety of such ejection or exclusion is subject to
9 subsequent hearing by the Board.

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

15 (14) (Blank).

16 (15) To suspend, revoke or restrict licenses, to
17 require the removal of a licensee or an employee of a
18 licensee for a violation of this Act or a Board rule or for
19 engaging in a fraudulent practice, and to impose civil
20 penalties of up to \$5,000 against individuals and up to
21 \$10,000 or an amount equal to the daily gross receipts,
22 whichever is larger, against licensees for each violation
23 of any provision of the Act, any rules adopted by the
24 Board, any order of the Board or any other action which, in
25 the Board's discretion, is a detriment or impediment to
26 riverboat gambling operations.

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

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

6 (18) To authorize a licensee to sell or serve alcoholic
7 liquors, wine or beer as defined in the Liquor Control Act
8 of 1934 on board a riverboat and to have exclusive
9 authority to establish the hours for sale and consumption
10 of alcoholic liquor on board a riverboat, notwithstanding
11 any provision of the Liquor Control Act of 1934 or any
12 local ordinance, and regardless of whether the riverboat
13 makes excursions. The establishment of the hours for sale
14 and consumption of alcoholic liquor on board a riverboat is
15 an exclusive power and function of the State. A home rule
16 unit may not establish the hours for sale and consumption
17 of alcoholic liquor on board a riverboat. This amendatory
18 Act of 1991 is a denial and limitation of home rule powers
19 and functions under subsection (h) of Section 6 of Article
20 VII of the Illinois Constitution.

21 (19) After consultation with the U.S. Army Corps of
22 Engineers, to establish binding emergency orders upon the
23 concurrence of a majority of the members of the Board
24 regarding the navigability of water, relative to
25 excursions, in the event of extreme weather conditions,
26 acts of God or other extreme circumstances.

1 (20) To delegate the execution of any of its powers
2 under this Act for the purpose of administering and
3 enforcing this Act and its rules and regulations hereunder.

4 (20.5) To approve any contract entered into on its
5 behalf.

6 (20.6) To appoint investigators to conduct
7 investigations, searches, seizures, arrests, and other
8 duties imposed under this Act, as deemed necessary by the
9 Board. These investigators have and may exercise all of the
10 rights and powers of peace officers, provided that these
11 powers shall be limited to offenses or violations occurring
12 or committed on a riverboat or dock, as defined in
13 subsections (d) and (f) of Section 4, or as otherwise
14 provided by this Act or any other law.

15 (20.7) To contract with the Department of State Police
16 for the use of trained and qualified State police officers
17 and with the Department of Revenue for the use of trained
18 and qualified Department of Revenue investigators to
19 conduct investigations, searches, seizures, arrests, and
20 other duties imposed under this Act and to exercise all of
21 the rights and powers of peace officers, provided that the
22 powers of Department of Revenue investigators under this
23 subdivision (20.7) shall be limited to offenses or
24 violations occurring or committed on a riverboat or dock,
25 as defined in subsections (d) and (f) of Section 4, or as
26 otherwise provided by this Act or any other law. In the

1 event the Department of State Police or the Department of
2 Revenue is unable to fill contracted police or
3 investigative positions, the Board may appoint
4 investigators to fill those positions pursuant to
5 subdivision (20.6).

6 (21) To take any other action as may be reasonable or
7 appropriate to enforce this Act and rules and regulations
8 hereunder.

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

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

23 (Source: P.A. 100-1152, eff. 12-14-18.)

24 Section 10. The Video Gaming Act is amended by changing
25 Section 15 as follows:

1 (230 ILCS 40/15)

2 Sec. 15. Minimum requirements for licensing and
3 registration. Every video gaming terminal offered for play
4 shall first be tested and approved pursuant to the rules of the
5 Board, and each video gaming terminal offered in this State for
6 play shall conform to an approved model. For the examination of
7 video gaming machines and associated equipment as required by
8 this Section, the Board shall ~~may~~ utilize the services of ~~one~~
9 ~~or more~~ independent outside testing laboratories that have been
10 accredited in accordance with ISO/IEC 17025 by an accreditation
11 body that is a signatory to the International Laboratory
12 Accreditation Cooperation Mutual Recognition Agreement
13 signifying they are qualified to ~~by a national accreditation~~
14 ~~body and that, in the judgment of the Board, are qualified to~~
15 perform such examinations. Notwithstanding any law to the
16 contrary, the Board shall consider the licensing of independent
17 outside testing laboratory applicants in accordance with
18 procedures established by the Board by rule. The Board shall
19 not withhold its approval of an independent outside testing
20 laboratory license applicant that has been accredited as
21 required by this Section and is licensed in a gaming
22 jurisdiction comparable to Illinois. Every video gaming
23 terminal offered in this State for play must meet minimum
24 standards ~~set by an independent outside testing laboratory~~
25 approved by the Board. Each approved model shall, at a minimum,

1 meet the following criteria:

2 (1) It must conform to all requirements of federal law
3 and regulations, including FCC Class A Emissions
4 Standards.

5 (2) It must theoretically pay out a mathematically
6 demonstrable percentage during the expected lifetime of
7 the machine of all amounts played, which must not be less
8 than 80%. The Board shall establish a maximum payout
9 percentage for approved models by rule. Video gaming
10 terminals that may be affected by skill must meet this
11 standard when using a method of play that will provide the
12 greatest return to the player over a period of continuous
13 play.

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

18 (4) It must display an accurate representation of the
19 game outcome.

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

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

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

4 (8) It must have the capacity to display complete play
5 history (outcome, intermediate play steps, credits
6 available, bets placed, credits paid, and credits cashed
7 out) for the most recent game played and 10 games prior
8 thereto.

9 (9) The theoretical payback percentage of a video
10 gaming terminal must not be capable of being changed
11 without making a hardware or software change in the video
12 gaming terminal, either on site or via the central
13 communications system.

14 (10) Video gaming terminals must be designed so that
15 replacement of parts or modules required for normal
16 maintenance does not necessitate replacement of the
17 electromechanical meters.

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

25 (12) Electronically stored meter information required
26 by this Section must be preserved for a minimum of 180 days

1 after a power loss to the service.

2 (13) It must have one or more mechanisms that accept
3 cash in the form of bills. The mechanisms shall be designed
4 to prevent obtaining credits without paying by stringing,
5 slamming, drilling, or other means. If such attempts at
6 physical tampering are made, the video gaming terminal
7 shall suspend itself from operating until reset.

8 (14) It shall have accounting software that keeps an
9 electronic record which includes, but is not limited to,
10 the following: total cash inserted into the video gaming
11 terminal; the value of winning tickets claimed by players;
12 the total credits played; the total credits awarded by a
13 video gaming terminal; and pay back percentage credited to
14 players of each video game.

15 (15) It shall be linked by a central communications
16 system to provide auditing program information as approved
17 by the Board. The central communications system shall use a
18 standard industry protocol, as defined by the Gaming
19 Standards Association, and shall have the functionality to
20 enable the Board or its designee to activate or deactivate
21 individual gaming devices from the central communications
22 system. In no event may the communications system approved
23 by the Board limit participation to only one manufacturer
24 of video gaming terminals by either the cost in
25 implementing the necessary program modifications to
26 communicate or the inability to communicate with the

1 central communications system.

2 (16) The Board, in its discretion, may require video
3 gaming terminals to display Amber Alert messages if the
4 Board makes a finding that it would be economically and
5 technically feasible and pose no risk to the integrity and
6 security of the central communications system and video
7 gaming terminals.

8 The Board may adopt rules to establish additional criteria
9 to preserve the integrity and security of video gaming in this
10 State. The central communications system vendor may be licensed
11 as a video gaming terminal manufacturer or a video gaming
12 terminal distributor, or both, but in no event shall the
13 central communications system vendor be licensed as a video
14 gaming terminal operator.

15 The Board shall not permit the development of information
16 or the use by any licensee of gaming device or individual game
17 performance data. Nothing in this Act shall inhibit or prohibit
18 the Board from the use of gaming device or individual game
19 performance data in its regulatory duties. The Board shall
20 adopt rules to ensure that all licensees are treated and all
21 licensees act in a non-discriminatory manner and develop
22 processes and penalties to enforce those rules.

23 (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,
24 eff. 8-27-13; 98-756, eff. 7-16-14.)".