

# HB5251



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB5251

by Rep. Frances Ann Hurley

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Illinois Gambling Act. Provides that the duties of the Illinois Gaming Board include contracting with the Chicago Police Department for the use of trained and qualified police officers to conduct investigations, searches, seizures, arrests, and other duties imposed under the Act for a casino located in the City of Chicago.

LRB101 18501 SMS 67952 b

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 Illinois Gambling Act is amended by changing  
5 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 and casino  
13 gambling established by this Act and gaming pursuant to an  
14 organization gaming license issued under this Act. Its  
15 jurisdiction shall extend under this Act to every person,  
16 association, corporation, partnership and trust involved in  
17 riverboat and casino gambling operations and gaming pursuant to  
18 an organization gaming license issued under this Act in the  
19 State of Illinois.

20 (2) The Board shall consist of 5 members to be appointed by  
21 the Governor with the advice and consent of the Senate, one of  
22 whom shall be designated by the Governor to be chairperson.  
23 Each member shall have a reasonable knowledge of the practice,

1 procedure and principles of gambling operations. Each member  
2 shall either be a resident of Illinois or shall certify that he  
3 or she will become a resident of Illinois before taking office.

4 On and after the effective date of this amendatory Act of  
5 the 101st General Assembly, new appointees to the Board must  
6 include the following:

7 (A) One member who has received, at a minimum, a  
8 bachelor's degree from an accredited school and at least 10  
9 years of verifiable experience in the fields of  
10 investigation and law enforcement.

11 (B) One member who is a certified public accountant  
12 with experience in auditing and with knowledge of complex  
13 corporate structures and transactions.

14 (C) One member who has 5 years' experience as a  
15 principal, senior officer, or director of a company or  
16 business with either material responsibility for the daily  
17 operations and management of the overall company or  
18 business or material responsibility for the policy making  
19 of the company or business.

20 (D) One member who is an attorney licensed to practice  
21 law in Illinois for at least 5 years.

22 Notwithstanding any provision of this subsection (a), the  
23 requirements of subparagraphs (A) through (D) of this paragraph  
24 (2) shall not apply to any person reappointed pursuant to  
25 paragraph (3).

26 No more than 3 members of the Board may be from the same

1 political party. No Board member shall, within a period of one  
2 year immediately preceding nomination, have been employed or  
3 received compensation or fees for services from a person or  
4 entity, or its parent or affiliate, that has engaged in  
5 business with the Board, a licensee, or a licensee under the  
6 Illinois Horse Racing Act of 1975. Board members must publicly  
7 disclose all prior affiliations with gaming interests,  
8 including any compensation, fees, bonuses, salaries, and other  
9 reimbursement received from a person or entity, or its parent  
10 or affiliate, that has engaged in business with the Board, a  
11 licensee, or a licensee under the Illinois Horse Racing Act of  
12 1975. This disclosure must be made within 30 days after  
13 nomination but prior to confirmation by the Senate and must be  
14 made available to the members of the Senate.

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

1 and consent of the Senate.

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

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

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

1 bargaining, or (iii) that are otherwise in furtherance of the  
2 person's official State duties or governmental and public  
3 service functions.

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

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

26 (7.5) For the examination of all mechanical,

1 electromechanical, or electronic table games, slot machines,  
2 slot accounting systems, sports wagering systems, and other  
3 electronic gaming equipment, and the field inspection of such  
4 systems, games, and machines, for compliance with this Act, the  
5 Board shall utilize the services of independent outside testing  
6 laboratories that have been accredited in accordance with  
7 ISO/IEC 17025 by an accreditation body that is a signatory to  
8 the International Laboratory Accreditation Cooperation Mutual  
9 Recognition Agreement signifying they are qualified to perform  
10 such 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 gaming jurisdictions  
17 comparable to Illinois. Upon the finalization of required  
18 rules, the Board shall license independent testing  
19 laboratories and accept the test reports of any licensed  
20 testing laboratory of the system's, game's, or machine  
21 manufacturer's choice, notwithstanding the existence of  
22 contracts between the Board and any independent testing  
23 laboratory.

24 (8) The Board shall employ such personnel as may be  
25 necessary to carry out its functions and shall determine the  
26 salaries of all personnel, except those personnel whose

1 salaries are determined under the terms of a collective  
2 bargaining agreement. No person shall be employed to serve the  
3 Board who is, or whose spouse, parent or child is, an official  
4 of, or has a financial interest in or financial relation with,  
5 any operator engaged in gambling operations within this State  
6 or any organization engaged in conducting horse racing within  
7 this State. For the one year immediately preceding employment,  
8 an employee shall not have been employed or received  
9 compensation or fees for services from a person or entity, or  
10 its parent or affiliate, that has engaged in business with the  
11 Board, a licensee, or a licensee under the Illinois Horse  
12 Racing Act of 1975. Any employee violating these prohibitions  
13 shall be subject to termination of employment.

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

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



1           (1) To decide promptly and in reasonable order all  
2 license applications. Any party aggrieved by an action of  
3 the Board denying, suspending, revoking, restricting or  
4 refusing to renew a license may request a hearing before  
5 the Board. A request for a hearing must be made to the  
6 Board in writing within 5 days after service of notice of  
7 the action of the Board. Notice of the action of the Board  
8 shall be served either by personal delivery or by certified  
9 mail, postage prepaid, to the aggrieved party. Notice  
10 served by certified mail shall be deemed complete on the  
11 business day following the date of such mailing. The Board  
12 shall conduct any such hearings promptly and in reasonable  
13 order;

14           (2) To conduct all hearings pertaining to civil  
15 violations of this Act or rules and regulations promulgated  
16 hereunder;

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

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

1           (5) To provide for the levy and collection of penalties  
2           and fines for the violation of provisions of this Act and  
3           the rules and regulations promulgated hereunder. All such  
4           fines and penalties shall be deposited into the Education  
5           Assistance Fund, created by Public Act 86-0018, of the  
6           State of Illinois;

7           (6) To be present through its inspectors and agents any  
8           time gambling operations are conducted on any riverboat, in  
9           any casino, or at any organization gaming facility for the  
10          purpose of certifying the revenue thereof, receiving  
11          complaints from the public, and conducting such other  
12          investigations into the conduct of the gambling games and  
13          the maintenance of the equipment as from time to time the  
14          Board may deem necessary and proper;

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

24          (8) To hold at least one meeting each quarter of the  
25          fiscal year. In addition, special meetings may be called by  
26          the Chairman or any 2 Board members upon 72 hours written

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

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

25 (10) To file a written annual report with the Governor  
26 on or before July 1 each year and such additional reports

1 as the Governor may request. The annual report shall  
2 include a statement of receipts and disbursements by the  
3 Board, actions taken by the Board, and any additional  
4 information and recommendations which the Board may deem  
5 valuable or which the Governor may request;

6 (11) (Blank);

7 (12) (Blank);

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

10 (13.1) To assume responsibility for the administration  
11 and enforcement of operations at organization gaming  
12 facilities pursuant to this Act and the Illinois Horse  
13 Racing Act of 1975;

14 (13.2) To assume responsibility for the administration  
15 and enforcement of the Sports Wagering Act; and

16 (14) To adopt, by rule, a code of conduct governing  
17 Board members and employees that ensure, to the maximum  
18 extent possible, that persons subject to this Code avoid  
19 situations, relationships, or associations that may  
20 represent or lead to a conflict of interest.

21 Internal controls and changes submitted by licensees must  
22 be reviewed and either approved or denied with cause within 90  
23 days after receipt of submission is deemed final by the  
24 Illinois Gaming Board. In the event an internal control  
25 submission or change does not meet the standards set by the  
26 Board, staff of the Board must provide technical assistance to

1 the licensee to rectify such deficiencies within 90 days after  
2 the initial submission and the revised submission must be  
3 reviewed and approved or denied with cause within 90 days after  
4 the date the revised submission is deemed final by the Board.  
5 For the purposes of this paragraph, "with cause" means that the  
6 approval of the submission would jeopardize the integrity of  
7 gaming. In the event the Board staff has not acted within the  
8 timeframe, the submission shall be deemed approved.

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

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

18 (2) To have jurisdiction and supervision over all  
19 riverboat gambling operations authorized under this Act  
20 and all persons in places where gambling operations are  
21 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 gambling operations subject to this Act shall be  
26 conducted. Such rules and regulations are to provide for

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

10 (4) To enter the office, riverboats, casinos,  
11 organization gaming facilities, and other facilities, or  
12 other places of business of a licensee, where evidence of  
13 the compliance or noncompliance with the provisions of this  
14 Act is likely to be found.

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

20 (6) To adopt standards for the licensing of all persons  
21 and entities under this Act, as well as for electronic or  
22 mechanical gambling games, and to establish fees for such  
23 licenses.

24 (7) To adopt appropriate standards for all  
25 organization gaming facilities, riverboats, casinos, and  
26 other facilities authorized under this Act.

1           (8) To require that the records, including financial or  
2 other statements of any licensee under this Act, shall be  
3 kept in such manner as prescribed by the Board and that any  
4 such licensee involved in the ownership or management of  
5 gambling operations submit to the Board an annual balance  
6 sheet and profit and loss statement, list of the  
7 stockholders or other persons having a 1% or greater  
8 beneficial interest in the gambling activities of each  
9 licensee, and any other information the Board deems  
10 necessary in order to effectively administer this Act and  
11 all rules, regulations, orders and final decisions  
12 promulgated under this Act.

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

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

25           (11) To revoke or suspend licenses, as the Board may  
26 see fit and in compliance with applicable laws of the State

1        regarding administrative procedures, and to review  
2        applications for the renewal of licenses. The Board may  
3        suspend an owners license or an organization gaming license  
4        without notice or hearing upon a determination that the  
5        safety or health of patrons or employees is jeopardized by  
6        continuing a gambling operation conducted under that  
7        license. The suspension may remain in effect until the  
8        Board determines that the cause for suspension has been  
9        abated. The Board may revoke an owners license or  
10       organization gaming license upon a determination that the  
11       licensee has not made satisfactory progress toward abating  
12       the hazard.

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

24       (13) To require all licensees of gambling operations to  
25       utilize a cashless wagering system whereby all players'  
26       money is converted to tokens, electronic cards, or chips



1           which shall be used only for wagering in the gambling  
2           establishment.

3           (14) (Blank).

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

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

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

20          (18) To authorize a licensee to sell or serve alcoholic  
21          liquors, wine or beer as defined in the Liquor Control Act  
22          of 1934 on board a riverboat or in a casino and to have  
23          exclusive authority to establish the hours for sale and  
24          consumption of alcoholic liquor on board a riverboat or in  
25          a casino, notwithstanding any provision of the Liquor  
26          Control Act of 1934 or any local ordinance, and regardless

1 of whether the riverboat makes excursions. The  
2 establishment of the hours for sale and consumption of  
3 alcoholic liquor on board a riverboat or in a casino is an  
4 exclusive power and function of the State. A home rule unit  
5 may not establish the hours for sale and consumption of  
6 alcoholic liquor on board a riverboat or in a casino. This  
7 subdivision (18) is a denial and limitation of home rule  
8 powers and functions under subsection (h) of Section 6 of  
9 Article VII of the Illinois Constitution.

10 (19) After consultation with the U.S. Army Corps of  
11 Engineers, to establish binding emergency orders upon the  
12 concurrence of a majority of the members of the Board  
13 regarding the navigability of water, relative to  
14 excursions, in the event of extreme weather conditions,  
15 acts of God or other extreme circumstances.

16 (20) To delegate the execution of any of its powers  
17 under this Act for the purpose of administering and  
18 enforcing this Act and the rules adopted by the Board.

19 (20.5) To approve any contract entered into on its  
20 behalf.

21 (20.6) To appoint investigators to conduct  
22 investigations, searches, seizures, arrests, and other  
23 duties imposed under this Act, as deemed necessary by the  
24 Board. These investigators have and may exercise all of the  
25 rights and powers of peace officers, provided that these  
26 powers shall be limited to offenses or violations occurring

1 or committed in a casino, in an organization gaming  
2 facility, or on a riverboat or dock, as defined in  
3 subsections (d) and (f) of Section 4, or as otherwise  
4 provided by this Act or any other law.

5 (20.7) To contract with the Department of State Police,  
6 or the Chicago Police Department for an owners license  
7 issued under paragraph (1) of subsection (e-5) of Section  
8 7, for the use of trained and qualified State or Chicago  
9 police officers and with the Department of Revenue for the  
10 use of trained and qualified Department of Revenue  
11 investigators to conduct investigations, searches,  
12 seizures, arrests, and other duties imposed under this Act  
13 and to exercise all of the rights and powers of peace  
14 officers, provided that the powers of Department of Revenue  
15 investigators under this subdivision (20.7) shall be  
16 limited to offenses or violations occurring or committed in  
17 a casino, in an organization gaming facility, or on a  
18 riverboat or dock, as defined in subsections (d) and (f) of  
19 Section 4, or as otherwise provided by this Act or any  
20 other law. In the event the Department of State Police, the  
21 Chicago Police Department, or the Department of Revenue is  
22 unable to fill contracted police or investigative  
23 positions, the Board may appoint investigators to fill  
24 those positions pursuant to subdivision (20.6).

25 (21) To adopt rules concerning the conduct of gaming  
26 pursuant to an organization gaming license issued under

1           this Act.

2           (22) To have the same jurisdiction and supervision over  
3 casinos and organization gaming facilities as the Board has  
4 over riverboats, including, but not limited to, the power  
5 to (i) investigate, review, and approve contracts as that  
6 power is applied to riverboats, (ii) adopt rules for  
7 administering the provisions of this Act, (iii) adopt  
8 standards for the licensing of all persons involved with a  
9 casino or organization gaming facility, (iv) investigate  
10 alleged violations of this Act by any person involved with  
11 a casino or organization gaming facility, and (v) require  
12 that records, including financial or other statements of  
13 any casino or organization gaming facility, shall be kept  
14 in such manner as prescribed by the Board.

15           (23) To take any other action as may be reasonable or  
16 appropriate to enforce this Act and the rules adopted by  
17 the Board.

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.

25           (e) The Board must authorize to each investigator and to  
26 any other employee of the Board exercising the powers of a

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

5 (Source: P.A. 100-1152, eff. 12-14-18; 101-31, eff. 6-28-19.)