

SB3073



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3073

Introduced 2/5/2020, by Sen. Antonio Muñoz

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 18503 SMS 67954 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.)