

SB2334



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2334

Introduced 2/26/2021, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5

from Ch. 120, par. 2405

Amends provisions of the Illinois Gambling Act giving the Illinois Gaming Board the authority to contract with the Illinois State Police for the use of State police officers and with the Department of Revenue for the use of Department of Revenue investigators to perform specified duties. Provides that this authority exists before January 1, 2023.

LRB102 16239 SMS 21619 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
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
10 this Act, and all other powers necessary and proper to fully
11 and effectively execute this Act for the purpose of
12 administering, regulating, and enforcing the system of
13 riverboat and casino gambling established by this Act and
14 gaming pursuant to an organization gaming license issued under
15 this Act. Its jurisdiction shall extend under this Act to
16 every person, association, corporation, partnership and trust
17 involved in riverboat and casino gambling operations and
18 gaming pursuant to an organization gaming license issued under
19 this Act in the 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
4 office.

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

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

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

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

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

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

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

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

1 reappointment at the discretion of the Governor with the
2 advice and consent of the Senate.

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

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

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

1 of the Lobbyist Registration Act), (ii) relating to collective
2 bargaining, or (iii) that are otherwise in furtherance of the
3 person's official State duties or governmental and public
4 service functions.

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

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

1 (7.5) For the examination of all mechanical,
2 electromechanical, or electronic table games, slot machines,
3 slot accounting systems, sports wagering systems, and other
4 electronic gaming equipment, and the field inspection of such
5 systems, games, and machines, for compliance with this Act,
6 the Board shall utilize the services of independent outside
7 testing laboratories that have been accredited in accordance
8 with ISO/IEC 17025 by an accreditation body that is a
9 signatory to the International Laboratory Accreditation
10 Cooperation Mutual Recognition Agreement signifying they are
11 qualified to perform such examinations. Notwithstanding any
12 law to the contrary, the Board shall consider the licensing of
13 independent outside testing laboratory applicants in
14 accordance with procedures established by the Board by rule.
15 The Board shall not withhold its approval of an independent
16 outside testing laboratory license applicant that has been
17 accredited as required under this paragraph (7.5) and is
18 licensed in gaming jurisdictions comparable to Illinois. Upon
19 the finalization of required rules, the Board shall license
20 independent testing laboratories and accept the test reports
21 of any licensed testing laboratory of the system's, game's, or
22 machine manufacturer's choice, notwithstanding the existence
23 of contracts between the Board and any independent testing
24 laboratory.

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. For the one year immediately preceding employment,
9 an employee shall not have been employed or received
10 compensation or fees for services from a person or entity, or
11 its parent or affiliate, that has engaged in business with the
12 Board, a licensee, or a licensee under the Illinois Horse
13 Racing Act of 1975. Any employee violating these prohibitions
14 shall be subject to termination of employment.

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

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

1 limitation, the following:

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

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

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

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

1 the State Gaming Fund;

2 (5) To provide for the levy and collection of
3 penalties and fines for the violation of provisions of
4 this Act and the rules and regulations promulgated
5 hereunder. All such fines and penalties shall be deposited
6 into the Education Assistance Fund, created by Public Act
7 86-0018, of the State of Illinois;

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

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

26 (8) To hold at least one meeting each quarter of the

1 fiscal year. In addition, special meetings may be called
2 by the Chairman or any 2 Board members upon 72 hours
3 written notice to each member. All Board meetings shall be
4 subject to the Open Meetings Act. Three members of the
5 Board shall constitute a quorum, and 3 votes shall be
6 required for any final determination by the Board. The
7 Board shall keep a complete and accurate record of all its
8 meetings. A majority of the members of the Board shall
9 constitute a quorum for the transaction of any business,
10 for the performance of any duty, or for the exercise of any
11 power which this Act requires the Board members to
12 transact, perform or exercise en banc, except that, upon
13 order of the Board, one of the Board members or an
14 administrative law judge designated by the Board may
15 conduct any hearing provided for under this Act or by
16 Board rule and may recommend findings and decisions to the
17 Board. The Board member or administrative law judge
18 conducting such hearing shall have all powers and rights
19 granted to the Board in this Act. The record made at the
20 time of the hearing shall be reviewed by the Board, or a
21 majority thereof, and the findings and decision of the
22 majority of the Board shall constitute the order of the
23 Board in such case;

24 (9) To maintain records which are separate and
25 distinct from the records of any other State board or
26 commission. Such records shall be available for public

1 inspection and shall accurately reflect all Board
2 proceedings;

3 (10) To file a written annual report with the Governor
4 on or before July 1 each year and such additional reports
5 as the Governor may request. The annual report shall
6 include a statement of receipts and disbursements by the
7 Board, actions taken by the Board, and any additional
8 information and recommendations which the Board may deem
9 valuable or which the Governor may request;

10 (11) (Blank);

11 (12) (Blank);

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

14 (13.1) To assume responsibility for the administration
15 and enforcement of operations at organization gaming
16 facilities pursuant to this Act and the Illinois Horse
17 Racing Act of 1975;

18 (13.2) To assume responsibility for the administration
19 and enforcement of the Sports Wagering Act; and

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

25 Internal controls and changes submitted by licensees must
26 be reviewed and either approved or denied with cause within 90

1 days after receipt of submission is deemed final by the
2 Illinois Gaming Board. In the event an internal control
3 submission or change does not meet the standards set by the
4 Board, staff of the Board must provide technical assistance to
5 the licensee to rectify such deficiencies within 90 days after
6 the initial submission and the revised submission must be
7 reviewed and approved or denied with cause within 90 days
8 after the date the revised submission is deemed final by the
9 Board. For the purposes of this paragraph, "with cause" means
10 that the approval of the submission would jeopardize the
11 integrity of gaming. In the event the Board staff has not acted
12 within the timeframe, the submission shall be deemed approved.

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

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

22 (2) To have jurisdiction and supervision over all
23 riverboat gambling operations authorized under this Act
24 and all persons in places where gambling operations are
25 conducted.

26 (3) To promulgate rules and regulations for the

1 purpose of administering the provisions of this Act and to
2 prescribe rules, regulations and conditions under which
3 all gambling operations subject to this Act shall be
4 conducted. Such rules and regulations are to provide for
5 the prevention of practices detrimental to the public
6 interest and for the best interests of riverboat gambling,
7 including rules and regulations regarding the inspection
8 of organization gaming facilities, casinos, and
9 riverboats, and the review of any permits or licenses
10 necessary to operate a riverboat, casino, or organization
11 gaming facility under any laws or regulations applicable
12 to riverboats, casinos, or organization gaming facilities
13 and to impose penalties for violations thereof.

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

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

24 (6) To adopt standards for the licensing of all
25 persons and entities under this Act, as well as for
26 electronic or mechanical gambling games, and to establish

1 fees for such licenses.

2 (7) To adopt appropriate standards for all
3 organization gaming facilities, riverboats, casinos, and
4 other facilities authorized under this Act.

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

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

25 (10) To prescribe a form to be used by any licensee
26 involved in the ownership or management of gambling

1 operations as an application for employment for their
2 employees.

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

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

1 hearing by the Board.

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

7 (14) (Blank).

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

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

22 (17) To establish minimum levels of insurance to be
23 maintained by licensees.

24 (18) To authorize a licensee to sell or serve
25 alcoholic liquors, wine or beer as defined in the Liquor
26 Control Act of 1934 on board a riverboat or in a casino and

1 to have exclusive authority to establish the hours for
2 sale and consumption of alcoholic liquor on board a
3 riverboat or in a casino, notwithstanding any provision of
4 the Liquor Control Act of 1934 or any local ordinance, and
5 regardless of whether the riverboat makes excursions. The
6 establishment of the hours for sale and consumption of
7 alcoholic liquor on board a riverboat or in a casino is an
8 exclusive power and function of the State. A home rule
9 unit may not establish the hours for sale and consumption
10 of alcoholic liquor on board a riverboat or in a casino.
11 This subdivision (18) is a denial and limitation of home
12 rule powers and functions under subsection (h) of Section
13 6 of Article VII of the Illinois Constitution.

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

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

23 (20.5) To approve any contract entered into on its
24 behalf.

25 (20.6) To appoint investigators to conduct
26 investigations, searches, seizures, arrests, and other

1 duties imposed under this Act, as deemed necessary by the
2 Board. These investigators have and may exercise all of
3 the rights and powers of peace officers, provided that
4 these powers shall be limited to offenses or violations
5 occurring or committed in a casino, in an organization
6 gaming facility, or on a riverboat or dock, as defined in
7 subsections (d) and (f) of Section 4, or as otherwise
8 provided by this Act or any other law.

9 (20.7) Before January 1, 2023, to ~~to~~ contract with the
10 Department of State Police for the use of trained and
11 qualified State police officers and with the Department of
12 Revenue for the use of trained and qualified Department of
13 Revenue investigators to conduct investigations, searches,
14 seizures, arrests, and other duties imposed under this Act
15 and to exercise all of the rights and powers of peace
16 officers, provided that the powers of Department of
17 Revenue investigators under this subdivision (20.7) shall
18 be limited to offenses or violations occurring or
19 committed in a casino, in an organization gaming facility,
20 or on a riverboat or dock, as defined in subsections (d)
21 and (f) of Section 4, or as otherwise provided by this Act
22 or any other law. In the event the Department of State
23 Police or the Department of Revenue is unable to fill
24 contracted police or investigative positions, the Board
25 may appoint investigators to fill those positions pursuant
26 to subdivision (20.6).

1 (21) To adopt rules concerning the conduct of gaming
2 pursuant to an organization gaming license issued under
3 this Act.

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

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

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

1 requirements of Section 2605-400 of the Department of State
2 Police Law.

3 (e) The Board must authorize to each investigator and to
4 any other employee of the Board exercising the powers of a
5 peace officer a distinct badge that, on its face, (i) clearly
6 states that the badge is authorized by the Board and (ii)
7 contains a unique identifying number. No other badge shall be
8 authorized by the Board.

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