

1 terminals.

2 "Manufacturer" means an individual, partnership, or
3 corporation that is licensed under this Act and that
4 manufactures or assembles video gaming terminals.

5 "Supplier" means an individual, partnership, or
6 corporation that is licensed under this Act to supply major
7 components or parts to video gaming terminals to licensed
8 terminal operators.

9 "Net terminal income" means money put into a video gaming
10 terminal minus credits paid out to players.

11 "Video gaming terminal" means any electronic video game
12 machine that, upon insertion of cash, is available to play or
13 simulate the play of a video game, including but not limited
14 to video poker, line up, and blackjack, authorized by the
15 Board utilizing a video display and microprocessors in which
16 the player may receive free games or credits that can be
17 redeemed for cash. The term does not include a machine that
18 directly dispenses coins, cash, or tokens or is for amusement
19 purposes only.

20 "Licensed establishment" means any licensed retail
21 establishment where alcoholic liquor is drawn, poured, mixed,
22 or otherwise served for consumption on the premises.

23 "Licensed fraternal establishment" means the location
24 where a qualified fraternal organization that derives its
25 charter from a national fraternal organization regularly
26 meets.

27 "Licensed veterans establishment" means the location
28 where a qualified veterans organization that derives its
29 charter from a national veterans organization regularly
30 meets.

31 "Licensed truck stop establishment" means a facility that
32 is at least a 3-acre facility with a convenience store and
33 with separate diesel islands for fueling commercial motor
34 vehicles and parking spaces for commercial motor vehicles as

1 defined in Section 18b-101 of the Illinois Vehicle Code.

2 Section 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
5 the Board, and each video gaming terminal offered in this
6 State for play shall conform to an approved model. The Board
7 may contract with an independent outside vendor for the
8 examination of video gaming machines and associated equipment
9 as required by this Section. Each approved model shall, at a
10 minimum, meet the following criteria:

11 (1) It must conform to all requirements of federal
12 law and regulations, including FCC Class A Emissions
13 Standards.

14 (2) It must theoretically pay out a mathematically
15 demonstrable percentage during the expected lifetime of
16 the machine of all amounts played, which must not be less
17 than 80%. Video gaming terminals that may be affected by
18 skill must meet this standard when using a method of play
19 that will provide the greatest return to the player over
20 a period of continuous play.

21 (3) It must use a random selection process to
22 determine the outcome of each play of a game. The random
23 selection process must meet 99% confidence limits using a
24 standard chi-squared test for (randomness) goodness of
25 fit.

26 (4) It must display an accurate representation of
27 the game outcome.

28 (5) It must not automatically alter pay tables or
29 any function of the video gaming terminal based on
30 internal computation of hold percentage or have any means
31 of manipulation that affects the random selection process
32 or probabilities of winning a game.

33 (6) It must not be adversely affected by static

1 discharge or other electromagnetic interference.

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

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

10 (9) The theoretical payback percentage of a video
11 gaming terminal must not be capable of being changed
12 without making a hardware or software change in the video
13 gaming terminal.

14 (10) Video gaming terminals must be designed so
15 that 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
20 of all cash inserted into the machine, all winnings made
21 by the terminal printer, credits played in for video
22 gaming terminals, and credits won by video gaming
23 players. The video gaming terminal must provide the
24 means for on-demand display of stored information as
25 determined by the Board.

26 (12) Electronically stored meter information
27 required by this Section must be preserved for a minimum
28 of 180 days after a power loss to the service.

29 (13) It must have one or more mechanisms that
30 accept coins or cash in the form of bills. The
31 mechanisms shall be designed to prevent obtaining credits
32 without paying by stringing, slamming, drilling, or other
33 means.

34 (14) It shall have accounting software that keeps

1 an electronic record which includes, but is not limited
2 to, the following: total cash inserted into the video
3 gaming terminal; the value of winning tickets claimed by
4 players; the total credits played; and the total credits
5 awarded by a video gaming terminal.

6 (15) It shall be linked by a central communications
7 system to provide auditing program information as
8 approved by the Board. In no event may the communications
9 system approved by the Board limit participation to only
10 one manufacturer of video gaming terminals by either the
11 cost in implementing the necessary program modifications
12 to communicate or the inability to communicate with the
13 central communications system.

14 (16) It shall be able to receive and broadcast
15 amber alert messages.

16 Section 20. Direct dispensing of receipt tickets only.
17 A video gaming terminal may not directly dispense coins,
18 cash, tokens, or any other article of exchange or value
19 except for receipt tickets. Tickets shall be dispensed by
20 pressing the ticket dispensing button on the video gaming
21 terminal at the end of one's turn or play. The ticket shall
22 indicate the total amount of credits and the cash award, the
23 time of day in a 24-hour format showing hours and minutes,
24 the date, the terminal serial number, the sequential number
25 of the ticket, and an encrypted validation number from which
26 the validity of the prize may be determined. The player shall
27 turn in this ticket to the appropriate person at the licensed
28 establishment, licensed truck stop establishment, licensed
29 fraternal establishment, or licensed veterans establishment
30 to receive the cash award. The cost of the credit shall be 5
31 cents, 10 cents, or 25 cents, and the maximum wager played
32 per hand shall not exceed \$2. No cash award for the maximum
33 wager on any individual hand shall exceed \$500.

1 Section 25. Restriction of licensees.

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

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

14 (c) Terminal operator. A person may not own, service,
15 maintain, lease, or place a video gaming terminal unless he
16 has a valid terminal operator's license issued under this
17 Act. A terminal operator may only place video gaming
18 terminals for use in Illinois in licensed establishments,
19 licensed truck stop establishments, licensed fraternal
20 establishments, and licensed veterans establishments. No
21 terminal operator may give anything of value, including but
22 not limited to a loan or financing arrangement, to a licensed
23 establishment, licensed truck stop establishment, licensed
24 fraternal establishment, or licensed veterans establishment
25 as any incentive or inducement to locate video terminals in
26 that establishment. Of the after-tax profits from a video
27 gaming terminal, 50% shall be paid to the terminal operator
28 and 50% shall be paid to the licensed establishment, licensed
29 truck stop establishment, licensed fraternal establishment,
30 or licensed veterans establishment. A terminal operator shall
31 be entitled to access all information recorded by the
32 operator's machines pursuant to item (17) of Section 15. No
33 terminal operator may own or have a substantial interest in
34 more than 5% of the video gaming terminals licensed in this

1 State.

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

8 (e) Licensed establishment. A valid liquor license
9 shall be prima facie evidence of compliance with the
10 licensing requirements of this Act to operate video gaming
11 terminals. No video gaming terminal may be placed in any
12 licensed veterans establishment or licensed fraternal
13 establishment unless the owner or agent of the owner of the
14 licensed veterans establishment or licensed fraternal
15 establishment has entered into a written use agreement with
16 the terminal operator for placement of the terminals. A copy
17 of the use agreement shall be on file in the terminal
18 operator's place of business and available for inspection by
19 individuals authorized by the Board. A licensed
20 establishment may operate up to 3 video gaming terminals on
21 its premises at any time, unless the Board authorizes a
22 greater number. A licensed truck stop establishment, licensed
23 veterans establishment, or licensed fraternal establishment
24 may operate up to 5 video gaming terminals on its premises at
25 any time, unless the Board authorizes a greater number.

26 (f) Residency requirement. Each licensed distributor
27 and terminal operator must be an Illinois resident. However,
28 if an out of state distributor or terminal operator has
29 performed its respective business within Illinois for at
30 least 48 months prior to the effective date of this Act, the
31 out of state person may be eligible for licensing under this
32 Act, upon application to and approval of the Board.

33 (g) Financial interest restrictions. As used in this
34 Act, "substantial interest" in an organization, association,

1 or business means:

2 (A) When, with respect to a sole
3 proprietorship, an individual or his or her marital
4 community owns, operates, manages, or conducts,
5 directly or indirectly, the organization,
6 association, or business, or any part thereof; or

7 (B) When, with respect to a partnership, the
8 individual or his or her marital community shares in
9 any of the profits, or potential profits, of the
10 partnership activities; or

11 (C) When, with respect to a corporation, an
12 individual or his or her spouse is an officer or
13 director, or the individual or his or her marital
14 community is a holder, directly or beneficially, of
15 5% or more of any class of stock of the corporation;
16 or

17 (D) When, with respect to an organization not
18 covered in (A), (B) or (C) above, an individual or
19 his or her spouse is an officer or manages the
20 business affairs, or the individual or his or her
21 marital community is the owner of or otherwise
22 controls 10% or more of the assets of the
23 organization; or

24 (E) When an individual or his or her marital
25 community furnishes 5% or more of the capital,
26 whether in cash, goods, or services, for the
27 operation of any business, association, or
28 organization during any calendar year.

29 (h) Location restriction. A licensed establishment,
30 licensed truck stop establishment, licensed fraternal
31 establishment, or licensed veterans establishment that is
32 located within 500 feet of a race track licensed under the
33 Illinois Horse Racing Act of 1975 or within 1,000 feet of the
34 home dock of a riverboat licensed under the Riverboat

1 Gambling Act is ineligible to operate a video gaming
2 terminal.

3 Section 27. Prohibition of video gaming by political
4 subdivision. A municipality may pass an ordinance
5 prohibiting video gaming within the corporate limits of the
6 municipality. A county board may, for the unincorporated area
7 of the county, pass an ordinance prohibiting video gaming
8 within the unincorporated area of the county.

9 Section 30. Multiple types of licenses prohibited. A
10 video gaming terminal manufacturer may not be licensed as a
11 video gaming terminal distributor or operator or own,
12 manage, or control a licensed establishment, licensed truck
13 stop establishment, licensed fraternal establishment, or
14 licensed veterans establishment, and shall be licensed only
15 to sell to distributors. A video gaming terminal distributor
16 may not be licensed as a video gaming terminal manufacturer
17 or operator or own, manage, or control a licensed
18 establishment, licensed truck stop establishment, licensed
19 fraternal establishment, or licensed veterans establishment,
20 and shall only contract with a licensed terminal operator. A
21 video gaming terminal operator may not be licensed as a video
22 gaming terminal manufacturer or distributor or own, manage,
23 or control a licensed establishment, licensed truck stop
24 establishment, licensed fraternal establishment, or licensed
25 veterans establishment, and shall be licensed only to
26 contract with licensed distributors and licensed
27 establishments, licensed truck stop establishments, licensed
28 fraternal establishments, and licensed veterans
29 establishments. An owner or manager of a licensed
30 establishment, licensed truck stop establishment, licensed
31 fraternal establishment, or licensed veterans establishment
32 may not be licensed as a video gaming terminal manufacturer,

1 distributor, or operator, and shall only contract with a
2 licensed operator to place and service this equipment.

3 Section 35. Display of license; confiscation; violation
4 as felony. Each video gaming terminal shall be licensed by
5 the Board before placement or operation on the premises of a
6 licensed establishment, licensed truck stop establishment,
7 licensed fraternal establishment, or licensed veterans
8 establishment. The license of each video gaming terminal
9 shall be maintained at the location where the video gaming
10 terminal is operated. Failure to do so is a petty offense
11 with a fine not to exceed \$100. Any licensed establishment,
12 licensed truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment used for
14 the conduct of gambling games in violation of this Act shall
15 be considered a gambling place in violation of Section 28-3
16 of the Criminal Code of 1961. Every gambling device found in
17 a licensed establishment, licensed truck stop establishment,
18 licensed fraternal establishment, or licensed veterans
19 establishment operating gambling games in violation of this
20 Act shall be subject to seizure, confiscation, and
21 destruction as provided in Section 28-5 of the Criminal Code
22 of 1961. Any license issued under the Liquor Control Act of
23 1934 to any owner or operator of a licensed establishment,
24 licensed truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment that
26 operates or permits the operation of a video gaming terminal
27 within its establishment in violation of this Act shall be
28 immediately revoked. No person may own, operate, have in his
29 or her possession or custody or under his or her control, or
30 permit to be kept in any place under his or her possession or
31 control, any device that awards credits and contains a
32 circuit, meter, or switch capable of removing and recording
33 the removal of credits when the award of credits is dependent

1 upon chance. A violation of this Section is a Class 4
2 felony. All devices that are owned, operated, or possessed
3 in violation of this Section are hereby declared to be public
4 nuisances and shall be subject to seizure, confiscation, and
5 destruction as provided in Section 28-5 of the Criminal Code
6 of 1961. The provisions of this Section do not apply to
7 devices or electronic video game terminals licensed pursuant
8 to this Act.

9 Section 40. Video gaming terminal use by minors
10 prohibited. No licensee shall cause or permit any person
11 under the age of 21 years to use or play a video gaming
12 terminal. Any licensee who knowingly permits a person under
13 the age of 21 years to use or play a video gaming terminal is
14 guilty of a business offense and shall be fined an amount not
15 to exceed \$5,000.

16 Section 45. Issuance of license.

17 (a) The burden is upon each applicant to demonstrate his
18 suitability for licensure. Each video gaming terminal
19 manufacturer, distributor, operator, licensed establishment,
20 licensed truck stop establishment, licensed fraternal
21 establishment, and licensed veterans establishment shall be
22 licensed by the Board. The Board may not issue a license
23 under this Act to any person who, within 10 years of the date
24 of the application, has been convicted of a felony under the
25 laws of this State, any other state, or the United States, or
26 to any firm or corporation in which such a person is an
27 officer, director, or managerial employee.

28 (b) A non-refundable application fee shall be paid at
29 the time an application for a license is filed with the Board
30 in the following amounts:

- 31 (1) Manufacturer..... \$ 5,000
- 32 (2) Distributor..... \$ 5,000

- 1 (3) Terminal operator..... \$ 5,000
- 2 (4) Supplier..... \$ 2,500
- 3 (5) Technician..... \$ 100

4 (c) Any application not approved within 90 days of
 5 receipt by the Board shall be deemed approved.

6 (d) Each licensed distributor, terminal operator, or
 7 person with a substantial interest in a distributor or
 8 terminal operator must have resided in Illinois for at least
 9 24 months prior to application unless he or she has performed
 10 his or her respective business in Illinois for at least 48
 11 months prior to the effective date of this Act.

12 The Board shall establish an annual fee for each license
 13 not to exceed the following:

- 14 (1) Manufacturer..... \$10,000
- 15 (2) Distributor..... \$10,000
- 16 (3) Terminal operator..... \$ 5,000
- 17 (4) Supplier..... \$ 2,000
- 18 (5) Technician..... \$ 100
- 19 (6) Licensed establishment, licensed truck
 20 stop establishment, licensed fraternal
 21 establishment, or licensed veterans
 22 establishment..... \$ 100
- 23 (7) Video gaming terminal..... \$ 100

24 Section 50. Distribution of license fees.

25 (a) All fees collected under Section 45 shall be
 26 deposited in the General Revenue Fund.

27 (b) Fees collected under Section 45 shall be used as
 28 follows:

29 (1) Twenty-five percent shall be paid to programs
 30 for the treatment of compulsive gambling.

31 (2) Seventy-five percent shall be used for the
 32 administration of this Act.

33 (c) All licenses issued by the Board under this Act are

1 renewable annually unless sooner cancelled or terminated. No
2 license issued under this Act is transferable or assignable.

3 Section 55. Precondition for licensed establishment. In
4 all cases of application for a licensed establishment, to
5 operate a video gaming terminal, each licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment shall possess a valid liquor license
8 issued by the Illinois Liquor Control Commission in effect at
9 the time of application and at all times thereafter during
10 which a video gaming terminal is made available to the public
11 for play at that location.

12 Section 57. Insurance. Each licensed establishment,
13 licensed truck stop establishment, licensed fraternal
14 establishment, and licensed veterans establishment shall
15 maintain insurance on any gaming device on its premises in an
16 amount set by the Board.

17 Section 58. Location of terminals. Video gaming
18 terminals must be located in an area that is within the view
19 of at least one employee of the establishment in which they
20 are located.

21 Section 60. Imposition and distribution of tax.

22 (a) A tax of 25% is imposed on net terminal income and
23 shall be collected by the Board.

24 (b) Of the tax collected under this Section, 80% shall
25 be deposited in the State Gaming Fund and 20% shall be
26 deposited into the Local Government Video Gaming Distributive
27 Fund.

28 (c) Revenues generated from the play of video gaming
29 terminals shall be deposited by the terminal operator, who is
30 responsible for tax payments, in a specially created,

1 separate bank account maintained by the video gaming terminal
2 operator to allow for electronic fund transfers of moneys for
3 tax payment.

4 (d) Each licensed establishment, licensed truck stop
5 establishment, licensed fraternal establishment, and licensed
6 veterans establishment shall maintain an adequate video
7 gaming fund, with the amount to be determined by the Board.

8 Section 65. Fees. A non-home rule unit of government
9 may not impose any fee for the operation of a video gaming
10 terminal in excess of \$25 per year.

11 Section 70. Referendum. Upon the filing in the office of
12 the clerk, at least 90 days before an election in any
13 municipality or county, as the case may be, of a petition
14 directed to such clerk, containing the signatures of not less
15 than 25% of the legal voters of that municipality or county,
16 the clerk shall certify such proposition to the proper
17 election officials, who shall submit the proposition at such
18 election to the voters of such municipality or county. The
19 proposition shall be in the following form:

20 -----
21 Shall video gaming YES
22 be prohibited in -----
23? NO
24 -----

25 If a majority of the voters voting upon such last mentioned
26 proposition in any municipality or county vote "YES", such
27 video gaming shall be prohibited in such municipality or
28 county. The petition mentioned in this Section shall be a
29 public document and shall be subject to inspection by the
30 public.

31 Section 75. Revenue sharing; Local Government Video

1 Gaming Distributive Fund.

2 (a) Beginning July 1, 2003, as soon as may be after the
3 first day of each month, the Department of Revenue shall
4 certify to the Treasurer an amount equal to 25% of the net
5 revenue realized from the tax imposed by Section 60 during
6 the preceding month. Net revenue realized for a month shall
7 be defined as the revenue from the tax imposed by Section 60
8 during the month. Upon receipt of such certification, the
9 Treasurer shall transfer from the General Revenue Fund to a
10 special fund in the State treasury, to be known as the Local
11 Government Video Gaming Distributive Fund, the amount shown
12 on such certification.

13 All amounts paid into the Local Government Video Gaming
14 Distributive Fund and allocated in accordance with this
15 Section are appropriated on a continuing basis.

16 (b) As soon as may be after the first day of each month,
17 the Department of Revenue shall allocate among those
18 municipalities and counties of this State that have not
19 prohibited video gaming pursuant to Section 27 the amount
20 available in the Local Government Video Gaming Distributive
21 Fund, as provided in Section 60. The Department shall then
22 certify such allocations to the State Comptroller, who shall
23 pay over to those eligible municipalities and counties the
24 respective amounts allocated to them. The amount of such
25 funds allocable to each such municipality and county shall be
26 in proportion to the number of individual residents of such
27 municipality or county to the total population of those
28 eligible municipalities and counties determined in each case
29 on the basis of the latest census of the municipality or
30 county conducted by the federal government and certified by
31 the Secretary of State and for annexations to municipalities,
32 the latest federal, State, or municipal census of the annexed
33 area which has been certified by the Department of Revenue.
34 For the purpose of this Section, the number of individual

1 residents of a county shall be reduced by the number of
2 individuals residing therein in municipalities, but the
3 number of individual residents of the municipality shall
4 reflect the latest census of the municipality.

5 (c) The amounts allocated and paid to a municipality or
6 county of this State pursuant to the provisions of this
7 Section may be used for any general corporate purpose
8 authorized for that municipality or county.

9 (d) Upon determination by the Department that an amount
10 has been paid pursuant to this Section in excess of the
11 amount to which the county or municipality receiving such
12 payment was entitled, the county or municipality shall, upon
13 demand by the Department, repay such amount. If such
14 repayment is not made within a reasonable time, the
15 Department shall withhold from future payments an amount
16 equal to such overpayment. The Department shall redistribute
17 the amount of such payment to the county or municipality
18 entitled thereto.

19 Section 185. The Riverboat Gambling Act is amended by
20 changing Section 5 as follows:

21 (230 ILCS 10/5) (from Ch. 120, par. 2405)

22 Sec. 5. Gaming Board.

23 (a) (1) There is hereby established within the
24 Department of Revenue an Illinois Gaming Board which shall
25 have the powers and duties specified in this Act, and all
26 other powers necessary and proper to fully and effectively
27 execute this Act for the purpose of administering,
28 regulating, and enforcing the system of riverboat gambling
29 established by this Act. Its jurisdiction shall extend under
30 this Act to every person, association, corporation,
31 partnership and trust involved in riverboat gambling
32 operations in the State of Illinois.

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

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

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

32 (5) No person shall be appointed a member of the Board
33 or continue to be a member of the Board who is, or whose
34 spouse, child or parent is, a member of the board of

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

12 (6) Any member of the Board may be removed by the
13 Governor for neglect of duty, misfeasance, malfeasance, or
14 nonfeasance in office.

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

34 (8) Upon the request of the Board, the Department shall

1 employ such personnel as may be necessary to carry out the
2 functions of the Board. No person shall be employed to serve
3 the Board who is, or whose spouse, parent or child is, an
4 official of, or has a financial interest in or financial
5 relation with, any operator engaged in gambling operations
6 within this State or any organization engaged in conducting
7 horse racing within this State. Any employee violating these
8 prohibitions shall be subject to termination of employment.

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

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

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

1 and in reasonable order;

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

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

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

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

21 (6) To be present through its inspectors and agents
22 any time gambling operations are conducted on any
23 riverboat for the purpose of certifying the revenue
24 thereof, receiving complaints from the public, and
25 conducting such other investigations into the conduct of
26 the gambling games and the maintenance of the equipment
27 as from time to time the Board may deem necessary and
28 proper;

29 (7) To review and rule upon any complaint by a
30 licensee regarding any investigative procedures of the
31 State which are unnecessarily disruptive of gambling
32 operations. The need to inspect and investigate shall be
33 presumed at all times. The disruption of a licensee's
34 operations shall be proved by clear and convincing

1 evidence, and establish that: (A) the procedures had no
2 reasonable law enforcement purposes, and (B) the
3 procedures were so disruptive as to unreasonably inhibit
4 gambling operations;

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

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

34 (10) To file a written annual report with the

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

8 (11) (Blank); and

9 (12) To assume responsibility for the
10 administration and enforcement of the Bingo License and
11 Tax Act, the Charitable Games Act, and the Pull Tabs and
12 Jar Games Act if such responsibility is delegated to it
13 by the Director of Revenue; and-

14 (13) To assume responsibility for administration
15 and enforcement of the Video Gaming Act.

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

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

25 (2) To have jurisdiction and supervision over all
26 riverboat gambling operations in this State and all
27 persons on riverboats where gambling operations are
28 conducted.

29 (3) To promulgate rules and regulations for the
30 purpose of administering the provisions of this Act and
31 to prescribe rules, regulations and conditions under
32 which all riverboat gambling in the State shall be
33 conducted. Such rules and regulations are to provide for
34 the prevention of practices detrimental to the public

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

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

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

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

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

22 (8) To require that the records, including
23 financial or other statements of any licensee under this
24 Act, shall be kept in such manner as prescribed by the
25 Board and that any such licensee involved in the
26 ownership or management of gambling operations submit to
27 the Board an annual balance sheet and profit and loss
28 statement, list of the stockholders or other persons
29 having a 1% or greater beneficial interest in the
30 gambling activities of each licensee, and any other
31 information the Board deems necessary in order to
32 effectively administer this Act and all rules,
33 regulations, orders and final decisions promulgated under
34 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
4 documents in accordance with the Illinois Administrative
5 Procedure Act, and to administer oaths and affirmations
6 to the witnesses, when, in the judgment of the Board, it
7 is necessary to administer or enforce this Act or the
8 Board 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
14 may see fit and in compliance with applicable laws of the
15 State 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
18 a 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
26 or exclusion of, any person from riverboat gambling
27 facilities where such person is in violation of this Act,
28 rules and regulations thereunder, or final orders of the
29 Board, or where such person's conduct or reputation is
30 such that his presence within the riverboat gambling
31 facilities may, in the opinion of the Board, call into
32 question the honesty and integrity of the gambling
33 operations or interfere with orderly conduct thereof;
34 provided that the propriety of such ejection or exclusion

1 is subject to subsequent hearing by the Board.

2 (13) To require all licensees of gambling
3 operations to utilize a cashless wagering system whereby
4 all players' money is converted to tokens, electronic
5 cards, or chips which shall be used only for wagering in
6 the gambling 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
11 for engaging in a fraudulent practice, and to impose
12 civil penalties of up to \$5,000 against individuals and
13 up to \$10,000 or an amount equal to the daily gross
14 receipts, whichever is larger, against licensees for each
15 violation of any provision of the Act, any rules adopted
16 by the Board, any order of the Board or any other action
17 which, in the Board's discretion, is a detriment or
18 impediment to riverboat gambling operations.

19 (16) To hire employees to gather information,
20 conduct investigations and carry out any other tasks
21 contemplated 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 and to have
27 exclusive authority to establish the hours for sale and
28 consumption of alcoholic liquor on board a riverboat,
29 notwithstanding any provision of the Liquor Control Act
30 of 1934 or any local ordinance, and regardless of whether
31 the riverboat makes excursions. The establishment of the
32 hours for sale and consumption of alcoholic liquor on
33 board a riverboat is an exclusive power and function of
34 the State. A home rule unit may not establish the hours

1 for sale and consumption of alcoholic liquor on board a
2 riverboat. This amendatory Act of 1991 is a denial and
3 limitation of home rule powers and functions under
4 subsection (h) of Section 6 of Article VII of the
5 Illinois Constitution.

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

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

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

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

27 (e) The Board must authorize to each investigator and to
28 any other employee of the Board exercising the powers of a
29 peace officer a distinct badge that, on its face, (i) clearly
30 states that the badge is authorized by the Board and (ii)
31 contains a unique identifying number. No other badge shall
32 be authorized by the Board.

33 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00;
34 91-883, eff. 1-1-01.)

1 Section 190. The Criminal Code of 1961 is amended by
2 changing Sections 28-1, 28-1.1, and 28-3 as follows:

3 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

4 Sec. 28-1. Gambling.

5 (a) A person commits gambling when he:

6 (1) Plays a game of chance or skill for money or
7 other thing of value, unless excepted in subsection (b)
8 of this Section; or

9 (2) Makes a wager upon the result of any game,
10 contest, or any political nomination, appointment or
11 election; or

12 (3) Operates, keeps, owns, uses, purchases,
13 exhibits, rents, sells, bargains for the sale or lease
14 of, manufactures or distributes any gambling device; or

15 (4) Contracts to have or give himself or another
16 the option to buy or sell, or contracts to buy or sell,
17 at a future time, any grain or other commodity
18 whatsoever, or any stock or security of any company,
19 where it is at the time of making such contract intended
20 by both parties thereto that the contract to buy or sell,
21 or the option, whenever exercised, or the contract
22 resulting therefrom, shall be settled, not by the receipt
23 or delivery of such property, but by the payment only of
24 differences in prices thereof; however, the issuance,
25 purchase, sale, exercise, endorsement or guarantee, by or
26 through a person registered with the Secretary of State
27 pursuant to Section 8 of the Illinois Securities Law of
28 1953, or by or through a person exempt from such
29 registration under said Section 8, of a put, call, or
30 other option to buy or sell securities which have been
31 registered with the Secretary of State or which are
32 exempt from such registration under Section 3 of the
33 Illinois Securities Law of 1953 is not gambling within

1 the meaning of this paragraph (4); or

2 (5) Knowingly owns or possesses any book,
3 instrument or apparatus by means of which bets or wagers
4 have been, or are, recorded or registered, or knowingly
5 possesses any money which he has received in the course
6 of a bet or wager; or

7 (6) Sells pools upon the result of any game or
8 contest of skill or chance, political nomination,
9 appointment or election; or

10 (7) Sets up or promotes any lottery or sells,
11 offers to sell or transfers any ticket or share for any
12 lottery; or

13 (8) Sets up or promotes any policy game or sells,
14 offers to sell or knowingly possesses or transfers any
15 policy ticket, slip, record, document or other similar
16 device; or

17 (9) Knowingly drafts, prints or publishes any
18 lottery ticket or share, or any policy ticket, slip,
19 record, document or similar device, except for such
20 activity related to lotteries, bingo games and raffles
21 authorized by and conducted in accordance with the laws
22 of Illinois or any other state or foreign government; or

23 (10) Knowingly advertises any lottery or policy
24 game, except for such activity related to lotteries,
25 bingo games and raffles authorized by and conducted in
26 accordance with the laws of Illinois or any other state;
27 or

28 (11) Knowingly transmits information as to wagers,
29 betting odds, or changes in betting odds by telephone,
30 telegraph, radio, semaphore or similar means; or
31 knowingly installs or maintains equipment for the
32 transmission or receipt of such information; except that
33 nothing in this subdivision (11) prohibits transmission
34 or receipt of such information for use in news reporting

1 of sporting events or contests; or

2 (12) Knowingly establishes, maintains, or operates
3 an Internet site that permits a person to play a game of
4 chance or skill for money or other thing of value by
5 means of the Internet or to make a wager upon the result
6 of any game, contest, political nomination, appointment,
7 or election by means of the Internet.

8 (b) Participants in any of the following activities
9 shall not be convicted of gambling therefor:

10 (1) Agreements to compensate for loss caused by the
11 happening of chance including without limitation
12 contracts of indemnity or guaranty and life or health or
13 accident insurance;

14 (2) Offers of prizes, award or compensation to the
15 actual contestants in any bona fide contest for the
16 determination of skill, speed, strength or endurance or
17 to the owners of animals or vehicles entered in such
18 contest;

19 (3) Pari-mutuel betting as authorized by the law of
20 this State;

21 (4) Manufacture of gambling devices, including the
22 acquisition of essential parts therefor and the assembly
23 thereof, for transportation in interstate or foreign
24 commerce to any place outside this State when such
25 transportation is not prohibited by any applicable
26 Federal law; or the manufacture, distribution, or
27 possession of video gaming terminals, as defined in the
28 Video Gaming Act, by manufacturers, distributors, and
29 terminal operators licensed to do so under the Video
30 Gaming Act;

31 (5) The game commonly known as "bingo", when
32 conducted in accordance with the Bingo License and Tax
33 Act;

34 (6) Lotteries when conducted by the State of

1 Illinois in accordance with the Illinois Lottery Law;

2 (7) Possession of an antique slot machine that is
3 neither used nor intended to be used in the operation or
4 promotion of any unlawful gambling activity or
5 enterprise. For the purpose of this subparagraph (b)(7),
6 an antique slot machine is one manufactured 25 years ago
7 or earlier;

8 (8) Raffles when conducted in accordance with the
9 Raffles Act;

10 (9) Charitable games when conducted in accordance
11 with the Charitable Games Act;

12 (10) Pull tabs and jar games when conducted under
13 the Illinois Pull Tabs and Jar Games Act; or

14 (11) Gambling games conducted on riverboats when
15 authorized by the Riverboat Gambling Act; or.

16 (12) Video gaming terminal games at a licensed
17 establishment, licensed truck stop establishment,
18 licensed fraternal establishment, or licensed veterans
19 establishment when conducted in accordance with the Video
20 Gaming Act.

21 (c) Sentence.

22 Gambling under subsection (a)(1) or (a)(2) of this
23 Section is a Class A misdemeanor. Gambling under any of
24 subsections (a)(3) through (a)(11) of this Section is a Class
25 A misdemeanor. A second or subsequent conviction under any
26 of subsections (a)(3) through (a)(11), is a Class 4 felony.
27 Gambling under subsection (a)(12) of this Section is a Class
28 A misdemeanor. A second or subsequent conviction under
29 subsection (a)(12) is a Class 4 felony.

30 (d) Circumstantial evidence.

31 In prosecutions under subsection (a)(1) through (a)(12)
32 of this Section circumstantial evidence shall have the same
33 validity and weight as in any criminal prosecution.

34 (Source: P.A. 91-257, eff. 1-1-00.)

1 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

2 Sec. 28-1.1. Syndicated gambling.

3 (a) Declaration of Purpose. Recognizing the close
4 relationship between professional gambling and other
5 organized crime, it is declared to be the policy of the
6 legislature to restrain persons from engaging in the business
7 of gambling for profit in this State. This Section shall be
8 liberally construed and administered with a view to carrying
9 out this policy.

10 (b) A person commits syndicated gambling when he
11 operates a "policy game" or engages in the business of
12 bookmaking.

13 (c) A person "operates a policy game" when he knowingly
14 uses any premises or property for the purpose of receiving or
15 knowingly does receive from what is commonly called "policy":

16 (1) money from a person other than the better or
17 player whose bets or plays are represented by such money;
18 or

19 (2) written "policy game" records, made or used
20 over any period of time, from a person other than the
21 better or player whose bets or plays are represented by
22 such written record.

23 (d) A person engages in bookmaking when he receives or
24 accepts more than five bets or wagers upon the result of any
25 trials or contests of skill, speed or power of endurance or
26 upon any lot, chance, casualty, unknown or contingent event
27 whatsoever, which bets or wagers shall be of such size that
28 the total of the amounts of money paid or promised to be paid
29 to such bookmaker on account thereof shall exceed \$2,000.
30 Bookmaking is the receiving or accepting of such bets or
31 wagers regardless of the form or manner in which the
32 bookmaker records them.

33 (e) Participants in any of the following activities
34 shall not be convicted of syndicated gambling:

1 (1) Agreements to compensate for loss caused by the
2 happening of chance including without limitation
3 contracts of indemnity or guaranty and life or health or
4 accident insurance; and

5 (2) Offers of prizes, award or compensation to the
6 actual contestants in any bona fide contest for the
7 determination of skill, speed, strength or endurance or
8 to the owners of animals or vehicles entered in such
9 contest; and

10 (3) Pari-mutuel betting as authorized by law of
11 this State; and

12 (4) Manufacture of gambling devices, including the
13 acquisition of essential parts therefor and the assembly
14 thereof, for transportation in interstate or foreign
15 commerce to any place outside this State when such
16 transportation is not prohibited by any applicable
17 Federal law; and

18 (5) Raffles when conducted in accordance with the
19 Raffles Act; and

20 (6) Gambling games conducted on riverboats when
21 authorized by the Riverboat Gambling Act; and-

22 (7) Video gaming terminal games at a licensed
23 establishment, licensed truck stop establishment,
24 licensed fraternal establishment, or licensed veterans
25 establishment when conducted in accordance with the Video
26 Gaming Act.

27 (f) Sentence. Syndicated gambling is a Class 3 felony.

28 (Source: P.A. 86-1029; 87-435.)

29 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

30 Sec. 28-3. Keeping a Gambling Place. A "gambling place"
31 is any real estate, vehicle, boat or any other property
32 whatsoever used for the purposes of gambling other than
33 gambling conducted in the manner authorized by the Riverboat

1 Gambling Act or the Video Gaming Act. Any person who
 2 knowingly permits any premises or property owned or occupied
 3 by him or under his control to be used as a gambling place
 4 commits a Class A misdemeanor. Each subsequent offense is a
 5 Class 4 felony. When any premises is determined by the
 6 circuit court to be a gambling place:

7 (a) Such premises is a public nuisance and may be
 8 proceeded against as such, and

9 (b) All licenses, permits or certificates issued by the
 10 State of Illinois or any subdivision or public agency thereof
 11 authorizing the serving of food or liquor on such premises
 12 shall be void; and no license, permit or certificate so
 13 cancelled shall be reissued for such premises for a period of
 14 60 days thereafter; nor shall any person convicted of keeping
 15 a gambling place be reissued such license for one year from
 16 his conviction and, after a second conviction of keeping a
 17 gambling place, any such person shall not be reissued such
 18 license, and

19 (c) Such premises of any person who knowingly permits
 20 thereon a violation of any Section of this Article shall be
 21 held liable for, and may be sold to pay any unsatisfied
 22 judgment that may be recovered and any unsatisfied fine that
 23 may be levied under any Section of this Article.

24 (Source: P.A. 86-1029.)

25 Section 195. The State Finance Act is amended by adding
 26 Section 5.595 as follows:

27 (30 ILCS 105/5.595 new)

28 Sec. 5.595. The Local Government Video Gaming
 29 Distributive Fund.

30 Section 999. Effective date. This Act takes effect upon
 31 becoming law."