

1 AN ACT in relation to gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Section 5 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established within the Department
9 of Revenue an Illinois Gaming Board which shall have the powers
10 and duties specified in this Act, and all other powers
11 necessary and proper to fully and effectively execute this Act
12 for the purpose of administering, regulating, and enforcing the
13 system of riverboat gambling established by this Act. Its
14 jurisdiction shall extend under this Act to every person,
15 association, corporation, partnership and trust involved in
16 riverboat gambling operations in the State of Illinois.

17 (2) The Board shall consist of 5 members to be appointed by
18 the Governor with the advice and consent of the Senate, one of
19 whom shall be designated by the Governor to be chairman. Each
20 member shall have a reasonable knowledge of the practice,
21 procedure and principles of gambling operations. Each member
22 shall either be a resident of Illinois or shall certify that he
23 or she will become a resident of Illinois before taking office.
24 At least one member shall be experienced in law enforcement and
25 criminal investigation, at least one member shall be a
26 certified public accountant experienced in accounting and
27 auditing, and at least one member shall be a lawyer licensed to
28 practice law in Illinois.

29 (3) The terms of office of the Board members shall be 3
30 years, except that the terms of office of the initial Board
31 members appointed pursuant to this Act will commence from the
32 effective date of this Act and run as follows: one for a term

1 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
2 a term ending July 1, 1993. Upon the expiration of the
3 foregoing terms, the successors of such members shall serve a
4 term for 3 years and until their successors are appointed and
5 qualified for like terms. Vacancies in the Board shall be
6 filled for the unexpired term in like manner as original
7 appointments. Each member of the Board shall be eligible for
8 reappointment at the discretion of the Governor with the advice
9 and consent of the Senate.

10 (3.5) The terms of office of the Board members serving on
11 the effective date of this amendatory Act of the 93rd General
12 Assembly shall expire on that effective date. Five new Board
13 members shall be appointed in the manner provided under
14 paragraph (2) within 7 working days after the effective date of
15 this amendatory Act of the 93rd General Assembly. The terms of
16 office of the Board members shall be 3 years, except that the
17 terms of office of the initial Board members appointed pursuant
18 to this amendatory Act of the 93rd General Assembly shall
19 commence from the effective date of this amendatory Act of the
20 93rd General Assembly and run as follows: 2 for a term ending
21 July 1, 2005 and 3 for a term ending July 1, 2006. Upon the
22 expiration of the foregoing terms, the successors of those
23 members shall serve a term for 3 years and until their
24 successors are appointed and qualified for like terms.
25 Vacancies in the Board shall be filled for the unexpired term
26 in like manner as original appointments.

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 or
33 continue to be a member of the Board who is, or whose spouse,
34 child or parent is, a member of the board of directors of, or a
35 person financially interested in, any gambling operation
36 subject to the jurisdiction of this Board, or any race track,

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

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

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

31 (8) Upon the request of the Board, the Department shall
32 employ such personnel as may be necessary to carry out the
33 functions of the Board. No person shall be employed to serve
34 the Board who is, or whose spouse, parent or child is, an
35 official of, or has a financial interest in or financial
36 relation with, any operator engaged in gambling operations

1 within this State or any organization engaged in conducting
2 horse racing within this State. Any employee violating these
3 prohibitions shall be subject to termination of employment.

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

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

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

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

34 (3) To promulgate such rules and regulations as in its
35 judgment may be necessary to protect or enhance the
36 credibility and integrity of gambling operations

1 authorized by this Act and the regulatory process
2 hereunder;

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

8 (5) To provide for the levy and collection of penalties
9 and fines for the violation of provisions of this Act and
10 the rules and regulations promulgated hereunder. All such
11 fines and penalties shall be deposited into the Education
12 Assistance Fund, created by Public Act 86-0018, of the
13 State of Illinois;

14 (6) To be present through its inspectors and agents any
15 time gambling operations are conducted on any riverboat for
16 the purpose of certifying the revenue thereof, receiving
17 complaints from the public, and conducting such other
18 investigations into the conduct of the gambling games and
19 the maintenance of the equipment as from time to time the
20 Board may deem necessary and proper;

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

30 (8) To hold at least one meeting each quarter of the
31 fiscal year. In addition, special meetings may be called by
32 the Chairman or any 2 Board members upon 72 hours written
33 notice to each member. All Board meetings shall be subject
34 to the Open Meetings Act. Three members of the Board shall
35 constitute a quorum, and 3 votes shall be required for any
36 final determination by the Board. The Board shall keep a

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

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

21 (10) To file a written annual report with the Governor
22 on or before March 1 each year and such additional reports
23 as the Governor may request. The annual report shall
24 include a statement of receipts and disbursements by the
25 Board, actions taken by the Board, and any additional
26 information and recommendations which the Board may deem
27 valuable or which the Governor may request;

28 (11) (Blank); and

29 (12) To assume responsibility for the administration
30 and enforcement of the Bingo License and Tax Act, the
31 Charitable Games Act, and the Pull Tabs and Jar Games Act
32 if such responsibility is delegated to it by the Director
33 of Revenue.

34 (c) The Board shall have jurisdiction over and shall
35 supervise all gambling operations governed by this Act. The
36 Board shall have all powers necessary and proper to fully and

1 effectively execute the provisions of this Act, including, but
2 not limited to, the following:

3 (1) To investigate applicants and determine the
4 eligibility of applicants for licenses and to select among
5 competing applicants the applicants which best serve the
6 interests of the citizens of Illinois.

7 (2) To have jurisdiction and supervision over all
8 riverboat gambling operations in this State and all persons
9 on riverboats where gambling operations are conducted.

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

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

26 (5) To investigate alleged violations of this Act or
27 the rules of the Board and to take appropriate disciplinary
28 action against a licensee or a holder of an occupational
29 license for a violation, or institute appropriate legal
30 action for enforcement, or both.

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

34 (7) To adopt appropriate standards for all riverboats
35 and facilities.

36 (8) To require that the records, including financial or

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

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

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

24 (11) To revoke or suspend licenses, as the Board may
25 see fit and in compliance with applicable laws of the State
26 regarding administrative procedures, and to review
27 applications for the renewal of licenses. The Board may
28 suspend an owners license, without notice or hearing upon a
29 determination that the safety or health of patrons or
30 employees is jeopardized by continuing a riverboat's
31 operation. The suspension may remain in effect until the
32 Board determines that the cause for suspension has been
33 abated. The Board may revoke the owners license upon a
34 determination that the owner has not made satisfactory
35 progress toward abating the hazard.

36 (12) To eject or exclude or authorize the ejection or

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

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

16 (14) (Blank).

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

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

31 (17) To establish minimum levels of insurance to be
32 maintained by licensees.

33 (18) To authorize a licensee to sell or serve alcoholic
34 liquors, wine or beer as defined in the Liquor Control Act
35 of 1934 on board a riverboat and to have exclusive
36 authority to establish the hours for sale and consumption

1 of alcoholic liquor on board a riverboat, notwithstanding
2 any provision of the Liquor Control Act of 1934 or any
3 local ordinance, and regardless of whether the riverboat
4 makes excursions. The establishment of the hours for sale
5 and consumption of alcoholic liquor on board a riverboat is
6 an exclusive power and function of the State. A home rule
7 unit may not establish the hours for sale and consumption
8 of alcoholic liquor on board a riverboat. This amendatory
9 Act of 1991 is a denial and limitation of home rule powers
10 and functions under subsection (h) of Section 6 of Article
11 VII of the Illinois Constitution.

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

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

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

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

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

1 authorized by the Board.

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

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.