

**SB2899**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB2899**

Introduced 2/15/2008, by Sen. Jeffrey M. Schoenberg

**SYNOPSIS AS INTRODUCED:**

230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Riverboat Gambling Act. Makes a technical change in a Section concerning the Illinois Gaming Board.

LRB095 19819 AMC 46208 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 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 ~~the~~  
9 Department of Revenue an Illinois Gaming Board which shall have  
10 the powers and duties specified in this Act, and all other  
11 powers necessary and proper to fully and effectively execute  
12 this Act for the purpose of administering, regulating, and  
13 enforcing the system of riverboat gambling established by this  
14 Act. Its jurisdiction shall extend under this Act to every  
15 person, association, corporation, partnership and trust  
16 involved in riverboat gambling operations in the State of  
17 Illinois.

18 (2) The Board shall consist of 5 members to be appointed by  
19 the Governor with the advice and consent of the Senate, one of  
20 whom shall be designated by the Governor to be chairman. Each  
21 member shall have a reasonable knowledge of the practice,  
22 procedure and principles of gambling operations. Each member  
23 shall either be a resident of Illinois or shall certify that he

1 will become a resident of Illinois before taking office. At  
2 least one member shall be experienced in law enforcement and  
3 criminal investigation, at least one member shall be a  
4 certified public accountant experienced in accounting and  
5 auditing, and at least one member shall be a lawyer licensed to  
6 practice law in Illinois.

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

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

25 (5) No person shall be appointed a member of the Board or  
26 continue to be a member of the Board who is, or whose spouse,

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

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

15 (7) Before entering upon the discharge of the duties of his  
16 office, each member of the Board shall take an oath that he  
17 will faithfully execute the duties of his office according to  
18 the laws of the State and the rules and regulations adopted  
19 therewith and shall give bond to the State of Illinois,  
20 approved by the Governor, in the sum of \$25,000. Every such  
21 bond, when duly executed and approved, shall be recorded in the  
22 office of the Secretary of State. Whenever the Governor  
23 determines that the bond of any member of the Board has become  
24 or is likely to become invalid or insufficient, he shall  
25 require such member forthwith to renew his bond, which is to be  
26 approved by the Governor. Any member of the Board who fails to

1 take oath and give bond within 30 days from the date of his  
2 appointment, or who fails to renew his bond within 30 days  
3 after it is demanded by the Governor, shall be guilty of  
4 neglect of duty and may be removed by the Governor. The cost of  
5 any bond given by any member of the Board under this Section  
6 shall be taken to be a part of the necessary expenses of the  
7 Board.

8 (8) Upon the request of the Board, the Department shall  
9 employ such personnel as may be necessary to carry out the  
10 functions of the Board. No person shall be employed to serve  
11 the Board who is, or whose spouse, parent or child is, an  
12 official of, or has a financial interest in or financial  
13 relation with, any operator engaged in gambling operations  
14 within this State or any organization engaged in conducting  
15 horse racing within this State. Any employee violating these  
16 prohibitions shall be subject to termination of employment.

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

1 office or employment.

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

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

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

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

26 (4) To provide for the establishment and collection of

1 all license and registration fees and taxes imposed by this  
2 Act and the rules and regulations issued pursuant hereto.  
3 All such fees and taxes shall be deposited into the State  
4 Gaming Fund;

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

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

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

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

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



1 shall accurately reflect all Board proceedings;

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

9 (11) (Blank); and

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

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

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

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

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

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

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

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

25           (7) To adopt appropriate standards for all riverboats  
26 and facilities.

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

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

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

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

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

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

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

1 (14) (Blank).

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

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

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

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

1 an exclusive power and function of the State. A home rule  
2 unit may not establish the hours for sale and consumption  
3 of alcoholic liquor on board a riverboat. This amendatory  
4 Act of 1991 is a denial and limitation of home rule powers  
5 and functions under subsection (h) of Section 6 of Article  
6 VII of the Illinois Constitution.

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

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

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

19 (d) The Board may seek and shall receive the cooperation of  
20 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 requirements  
25 of Section 2605-400 of the Department of State Police Law (20  
26 ILCS 2605/2605-400).

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

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