



Rep. Frank J. Mautino

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1 AMENDMENT TO SENATE BILL 349

2 AMENDMENT NO. _____. Amend Senate Bill 349, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. If and only if House Bill 255 of the 96th
6 General Assembly (as amended by Senate Amendments Nos. 1 and 3)
7 becomes law and takes effect, then the Video Gaming Act is
8 amended by changing Sections 25 and 45 and by adding Sections
9 26, 78, and 85 as follows:

10 (09600HB0255sam001, Sec. 25)

11 Sec. 25. Restriction of licensees.

12 (a) Manufacturer. A person may not be licensed as a
13 manufacturer of a video gaming terminal in Illinois unless the
14 person has a valid manufacturer's license issued under this
15 Act. A manufacturer may only sell video gaming terminals for
16 use in Illinois to persons having a valid distributor's

1 license.

2 (b) Distributor. A person may not sell, distribute, or
3 lease or market a video gaming terminal in Illinois unless the
4 person has a valid distributor's license issued under this Act.
5 A distributor may only sell video gaming terminals for use in
6 Illinois to persons having a valid distributor's or terminal
7 operator's license.

8 (c) Terminal operator. A person may not own, maintain, or
9 place a video gaming terminal unless he has a valid terminal
10 operator's license issued under this Act. A terminal operator
11 may only place video gaming terminals for use in Illinois in
12 licensed establishments, licensed truck stop establishments,
13 licensed fraternal establishments, and licensed veterans
14 establishments. No terminal operator may give anything of
15 value, including but not limited to a loan or financing
16 arrangement, to a licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment, or licensed
18 veterans establishment as any incentive or inducement to locate
19 video terminals in that establishment. Of the after-tax profits
20 from a video gaming terminal, 50% shall be paid to the terminal
21 operator and 50% shall be paid to the licensed establishment,
22 licensed truck stop establishment, licensed fraternal
23 establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. No terminal
24 operator may own or have a substantial interest in more than 5%
25 of the video gaming terminals licensed in this State. A video
26

1 terminal operator that violates one or more requirements of
2 this subsection is guilty of a Class 4 felony and is subject to
3 termination of his or her license by the Board.

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

9 (d-5) Licensed terminal handler. No person, including, but
10 not limited to, an employee or independent contractor working
11 for a manufacturer, distributor, supplier, technician, or
12 terminal operator licensed pursuant to this Act, shall have
13 possession or control of a video gaming terminal or access to
14 the inner workings of a video gaming terminal, unless that
15 person possesses a valid terminal handler's license issued
16 under this Act.

17 (e) Licensed establishment. No video gaming terminal may be
18 placed in any licensed establishment, licensed veterans
19 establishment, licensed truck stop establishment, or licensed
20 fraternal establishment unless the owner or agent of the owner
21 of the licensed establishment, licensed veterans
22 establishment, licensed truck stop establishment, or licensed
23 fraternal establishment has entered into a written use
24 agreement with the terminal operator for placement of the
25 terminals. A copy of the use agreement shall be on file in the
26 terminal operator's place of business and available for

1 inspection by individuals authorized by the Board. A licensed
2 establishment, licensed truck stop establishment, licensed
3 veterans establishment, or licensed fraternal establishment
4 may operate up to 5 video gaming terminals on its premises at
5 any time, ~~unless the Board authorizes a greater number.~~

6 (f) (Blank) Residency ~~requirement. Each licensed~~
7 ~~distributor and terminal operator must be an Illinois resident.~~
8 ~~However, if an out of state distributor or terminal operator~~
9 ~~has performed its respective business within Illinois for at~~
10 ~~least 48 months prior to the effective date of this Act, the~~
11 ~~out of state person may be eligible for licensing under this~~
12 ~~Act, upon application to and approval of the Board.~~

13 (g) Financial interest restrictions. As used in this Act,
14 "substantial interest" in a partnership, a corporation, an
15 organization, an association, or a business means:

16 (A) When, with respect to a sole proprietorship, an
17 individual or his or her spouse owns, operates,
18 manages, or conducts, directly or indirectly, the
19 organization, association, or business, or any part
20 thereof; or

21 (B) When, with respect to a partnership, the
22 individual or his or her spouse shares in any of the
23 profits, or potential profits, of the partnership
24 activities; or

25 (C) When, with respect to a corporation, an
26 individual or his or her spouse is an officer or

1 director, or the individual or his or her spouse is a
2 holder, directly or beneficially, of 5% or more of any
3 class of stock of the corporation; or

4 (D) When, with respect to an organization not
5 covered in (A), (B) or (C) above, an individual or his
6 or her spouse is an officer or manages the business
7 affairs, or the individual or his or her spouse is the
8 owner of or otherwise controls 10% or more of the
9 assets of the organization; or

10 (E) When an individual or his or her spouse
11 furnishes 5% or more of the capital, whether in cash,
12 goods, or services, for the operation of any business,
13 association, or organization during any calendar year.

14 (h) Location restriction. A licensed establishment,
15 licensed truck stop establishment, licensed fraternal
16 establishment, or licensed veterans establishment that is (i)
17 located within 1,000 feet of a facility operated by an
18 organizational licensee, an intertrack wagering licensee, or
19 an intertrack wagering location licensee licensed under the
20 Illinois Horse Racing Act of 1975~~7~~ or the home dock of a
21 riverboat licensed under the Riverboat Gambling Act or (ii)
22 located with a 100 feet of ~~7~~ a school, or a place of worship
23 under the Religious Corporation Act, is ineligible to operate a
24 video gaming terminal.

25 (i) The provisions of the Illinois Antitrust Act are fully
26 and equally applicable to the activities of any licensee under

1 this Act.

2 (Source: 09600HB0255sam001, Sec. 25.)

3 (09600HB0255sam001, Sec. 26 new)

4 Sec. 26. Residency requirement. Each licensed distributor
5 and terminal operator must be an Illinois resident. However, if
6 an out-of-state distributor or terminal operator has performed
7 its respective business within Illinois for at least 48 months
8 prior to the effective date of this Act, the out-of-state
9 person may be eligible for licensing under this Act, upon
10 application to and approval of the Board. The Board shall adopt
11 rules to implement this Section.

12 (09600HB0255sam001, Sec. 45)

13 Sec. 45. Issuance of license.

14 (a) The burden is upon each applicant to demonstrate his
15 suitability for licensure. Each video gaming terminal
16 manufacturer, distributor, supplier, operator, licensed
17 establishment, licensed truck stop establishment, licensed
18 fraternal establishment, and licensed veterans establishment
19 shall be licensed by the Board. The Board may issue or deny a
20 license under this Act to any person pursuant to the same
21 criteria set forth in Section 9 of the Riverboat Gambling Act.

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

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

6 (c) (Blank).

7 (d) ~~Each licensed distributor, terminal operator, or~~
 8 ~~person with a substantial interest in a distributor or terminal~~
 9 ~~operator must have resided in Illinois for at least 24 months~~
 10 ~~prior to application unless he or she has performed his or her~~
 11 ~~respective business in Illinois for at least 48 months prior to~~
 12 ~~the effective date of this Act.~~ The Board shall establish an
 13 annual fee for each license 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 stop
- 20 establishment, licensed fraternal establishment,
- 21 or licensed veterans establishment \$100
- 22 (7) Video gaming terminal..... \$100

23 (Source: 09600HB0255sam001, Sec. 45.)

24 (09600HB0255sam001, Sec. 78 new)

25 Sec. 78. Authority of the Illinois Gaming Board. The Board

1 shall have jurisdiction over and shall supervise all gaming
2 operations governed by this Act. The Board shall have all
3 powers necessary and proper to fully and effectively execute
4 the provisions of this Act, including, but not limited to, the
5 following:

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

10 (2) To have jurisdiction and supervision over all video
11 gaming operations in this State and all persons in
12 establishments where video gaming operations are
13 conducted.

14 (3) To adopt rules for the purpose of administering the
15 provisions of this Act and to prescribe rules, regulations,
16 and conditions under which all video gaming in the State
17 shall be conducted. Such rules and regulations are to
18 provide for the prevention of practices detrimental to the
19 public interest and for the best interests of video gaming,
20 including rules and regulations regarding the inspection
21 of such establishments and the review of any permits or
22 licenses necessary to operate an establishment under any
23 laws or regulations applicable to establishments and to
24 impose penalties for violations this Act and its rules.

1 Sec. 85. Severability. The provisions of the Video Gaming
2 Act are severable pursuant to Section 1.31 of the Statute on
3 Statutes.

4 Section 10. If and only if House Bill 255 of the 96th
5 General Assembly (as amended by Senate Amendments Nos. 1 and 3)
6 becomes law and takes effect, then the Liquor Control Act of
7 1934 is amended by changing Section 8-1 as follows:

8 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

9 Sec. 8-1. A tax is imposed upon the privilege of engaging
10 in business as a manufacturer or as an importing distributor of
11 alcoholic liquor other than beer at the rate of \$0.185 per
12 gallon until August 1, 2009 and \$0.231 per gallon beginning
13 August 1, 2009 for cider containing not less than 0.5% alcohol
14 by volume nor more than 7% alcohol by volume, \$0.73 per gallon
15 until August 1, 2009 and \$1.39 per gallon beginning August 1,
16 2009 for wine other than cider containing less than 7% alcohol
17 by volume, and \$4.50 per gallon until August 1, 2009 and \$8.55
18 per gallon beginning August 1, 2009 on alcohol and spirits
19 manufactured and sold or used by such manufacturer, or as agent
20 for any other person, or sold or used by such importing
21 distributor, or as agent for any other person. A tax is imposed
22 upon the privilege of engaging in business as a manufacturer of
23 beer or as an importing distributor of beer at the rate of
24 \$0.185 per gallon until August 1, 2009 and \$0.231 per gallon

1 beginning August 1, 2009 on all beer manufactured and sold or
2 used by such manufacturer, or as agent for any other person, or
3 sold or used by such importing distributor, or as agent for any
4 other person. Any brewer manufacturing beer in this State shall
5 be entitled to and given a credit or refund of 75% of the tax
6 imposed on each gallon of beer up to 4.9 million gallons per
7 year in any given calendar year for tax paid or payable on beer
8 produced and sold in the State of Illinois.

9 For the purpose of this Section, "cider" means any
10 alcoholic beverage obtained by the alcohol fermentation of the
11 juice of apples or pears including, but not limited to,
12 flavored, sparkling, or carbonated cider.

13 The credit or refund created by this Act shall apply to all
14 beer taxes in the calendar years 1982 through 1986.

15 The increases made by this amendatory Act of the 91st
16 General Assembly in the rates of taxes imposed under this
17 Section shall apply beginning on July 1, 1999.

18 A tax at the rate of 1¢ per gallon on beer and 48¢ per
19 gallon on alcohol and spirits is also imposed upon the
20 privilege of engaging in business as a retailer or as a
21 distributor who is not also an importing distributor with
22 respect to all beer and all alcohol and spirits owned or
23 possessed by such retailer or distributor when this amendatory
24 Act of 1969 becomes effective, and with respect to which the
25 additional tax imposed by this amendatory Act upon
26 manufacturers and importing distributors does not apply.

1 Retailers and distributors who are subject to the additional
2 tax imposed by this paragraph of this Section shall be required
3 to inventory such alcoholic liquor and to pay this additional
4 tax in a manner prescribed by the Department.

5 The provisions of this Section shall be construed to apply
6 to any importing distributor engaging in business in this
7 State, whether licensed or not.

8 However, such tax is not imposed upon any such business as
9 to any alcoholic liquor shipped outside Illinois by an Illinois
10 licensed manufacturer or importing distributor, nor as to any
11 alcoholic liquor delivered in Illinois by an Illinois licensed
12 manufacturer or importing distributor to a purchaser for
13 immediate transportation by the purchaser to another state into
14 which the purchaser has a legal right, under the laws of such
15 state, to import such alcoholic liquor, nor as to any alcoholic
16 liquor other than beer sold by one Illinois licensed
17 manufacturer or importing distributor to another Illinois
18 licensed manufacturer or importing distributor to the extent to
19 which the sale of alcoholic liquor other than beer by one
20 Illinois licensed manufacturer or importing distributor to
21 another Illinois licensed manufacturer or importing
22 distributor is authorized by the licensing provisions of this
23 Act, nor to alcoholic liquor whether manufactured in or
24 imported into this State when sold to a "non-beverage user"
25 licensed by the State for use in the manufacture of any of the
26 following when they are unfit for beverage purposes:

1 Patent and proprietary medicines and medicinal,
2 antiseptic, culinary and toilet preparations;

3 Flavoring extracts and syrups and food products;

4 Scientific, industrial and chemical products, excepting
5 denatured alcohol;

6 Or for scientific, chemical, experimental or mechanical
7 purposes;

8 Nor is the tax imposed upon the privilege of engaging in
9 any business in interstate commerce or otherwise, which
10 business may not, under the Constitution and Statutes of the
11 United States, be made the subject of taxation by this State.

12 The tax herein imposed shall be in addition to all other
13 occupation or privilege taxes imposed by the State of Illinois
14 or political subdivision thereof.

15 If any alcoholic liquor manufactured in or imported into
16 this State is sold to a licensed manufacturer or importing
17 distributor by a licensed manufacturer or importing
18 distributor to be used solely as an ingredient in the
19 manufacture of any beverage for human consumption, the tax
20 imposed upon such purchasing manufacturer or importing
21 distributor shall be reduced by the amount of the taxes which
22 have been paid by the selling manufacturer or importing
23 distributor under this Act as to such alcoholic liquor so used
24 to the Department of Revenue.

25 If any person received any alcoholic liquors from a
26 manufacturer or importing distributor, with respect to which

1 alcoholic liquors no tax is imposed under this Article, and
2 such alcoholic liquor shall thereafter be disposed of in such
3 manner or under such circumstances as may cause the same to
4 become the base for the tax imposed by this Article, such
5 person shall make the same reports and returns, pay the same
6 taxes and be subject to all other provisions of this Article
7 relating to manufacturers and importing distributors.

8 Nothing in this Article shall be construed to require the
9 payment to the Department of the taxes imposed by this Article
10 more than once with respect to any quantity of alcoholic liquor
11 sold or used within this State.

12 No tax is imposed by this Act on sales of alcoholic liquor
13 by Illinois licensed foreign importers to Illinois licensed
14 importing distributors.

15 All of the proceeds of the additional tax imposed by this
16 amendatory Act of the 96th General Assembly shall be deposited
17 by the Department into the Capital Projects Fund. The remainder
18 of the tax imposed by this Act shall be deposited by the
19 Department into the General Revenue Fund.

20 The provisions of this Section are severable under Section
21 1.31 of the Statute on Statutes.

22 (Source: 09600HB0255sam001.)

23 Section 99. Effective date. This Act takes effect July 1,
24 2009."