

SB1343



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1343

Introduced 2/10/2009, by Sen. Kirk W. Dillard

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Riverboat Gambling Act. Increases the number of members of the Illinois Gaming Board from 5 to 7. Requires that one of the new members be either a person who has been in a recovery or treatment program for compulsive gambling for at least 10 years or an individual with specialized knowledge or experience in the field of pathological gambling.

LRB096 07371 AMC 17457 b

FISCAL NOTE ACT
MAY APPLY

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 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 7 ~~5~~ members to be appointed
18 by the Governor with the advice and consent of the Senate, one
19 of whom shall be designated by the Governor to be chairman.
20 Each 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 will become a resident of Illinois before taking office. At

1 least one member shall be experienced in law enforcement and
2 criminal investigation, at least one member shall be a
3 certified public accountant experienced in accounting and
4 auditing, ~~and~~ at least one member shall be a lawyer licensed to
5 practice law in Illinois, and at least one member shall be a
6 person verified by the National Council on Problem Gambling or
7 by its State affiliate, the Illinois Council on Problem and
8 Compulsive Gambling, as either a person who has been in a
9 recovery or treatment program for compulsive gambling for at
10 least 10 years or an individual with specialized knowledge or
11 experience in the field of pathological gambling.

12 (3) The terms of office of the Board members shall be 3
13 years, except that the terms of office of the initial Board
14 members appointed pursuant to this Act will commence from the
15 effective date of this Act and run as follows: one for a term
16 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
17 a term ending July 1, 1993. The terms of office of the initial
18 Board members appointed under this amendatory Act of the 96th
19 General Assembly will commence from the effective date of this
20 amendatory Act and run until July 1, 2012. Upon the expiration
21 of the foregoing terms, the successors of such members shall
22 serve a term for 3 years and until their successors are
23 appointed and qualified for like terms. Vacancies in the Board
24 shall be filled for the unexpired term in like manner as
25 original appointments. Each member of the Board shall be
26 eligible for reappointment at the discretion of the Governor

1 with the advice and consent of the Senate.

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

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

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

23 (7) Before entering upon the discharge of the duties of his
24 office, each member of the Board shall take an oath that he
25 will faithfully execute the duties of his office according to
26 the laws of the State and the rules and regulations adopted

1 therewith and shall give bond to the State of Illinois,
2 approved by the Governor, in the sum of \$25,000. Every such
3 bond, when duly executed and approved, shall be recorded in the
4 office of the Secretary of State. Whenever the Governor
5 determines that the bond of any member of the Board has become
6 or is likely to become invalid or insufficient, he shall
7 require such member forthwith to renew his bond, which is to be
8 approved by the Governor. Any member of the Board who fails to
9 take oath and give bond within 30 days from the date of his
10 appointment, or who fails to renew his bond within 30 days
11 after it is demanded by the Governor, shall be guilty of
12 neglect of duty and may be removed by the Governor. The cost of
13 any bond given by any member of the Board under this Section
14 shall be taken to be a part of the necessary expenses of the
15 Board.

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

25 (9) An Administrator shall perform any and all duties that
26 the Board shall assign him. The salary of the Administrator

1 shall be determined by the Board and approved by the Director
2 of the Department and, in addition, he shall be reimbursed for
3 all actual and necessary expenses incurred by him in discharge
4 of his official duties. The Administrator shall keep records of
5 all proceedings of the Board and shall preserve all records,
6 books, documents and other papers belonging to the Board or
7 entrusted to its care. The Administrator shall devote his full
8 time to the duties of the office and shall not hold any other
9 office or employment.

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

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

26 (2) To conduct all hearings pertaining to civil

1 violations of this Act or rules and regulations promulgated
2 hereunder;

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

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

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

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

26 (7) To review and rule upon any complaint by a licensee

1 regarding any investigative procedures of the State which
2 are unnecessarily disruptive of gambling operations. The
3 need to inspect and investigate shall be presumed at all
4 times. The disruption of a licensee's operations shall be
5 proved by clear and convincing evidence, and establish
6 that: (A) the procedures had no reasonable law enforcement
7 purposes, and (B) the procedures were so disruptive as to
8 unreasonably inhibit gambling operations;

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

1 shall have all powers and rights granted to the Board in
2 this Act. The record made at the time of the hearing shall
3 be reviewed by the Board, or a majority thereof, and the
4 findings and decision of the majority of the Board shall
5 constitute the order of the Board in such case;

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

10 (10) To file a written annual report with the Governor
11 on or before March 1 each year and such additional reports
12 as the Governor may request. The annual report shall
13 include a statement of receipts and disbursements by the
14 Board, actions taken by the Board, and any additional
15 information and recommendations which the Board may deem
16 valuable or which the Governor may request;

17 (11) (Blank); and

18 (12) To assume responsibility for the administration
19 and enforcement of the Bingo License and Tax Act, the
20 Charitable Games Act, and the Pull Tabs and Jar Games Act
21 if such responsibility is delegated to it by the Director
22 of Revenue.

23 (c) The Board shall have jurisdiction over and shall
24 supervise all gambling operations governed by this Act. The
25 Board shall have all powers necessary and proper to fully and
26 effectively execute the provisions of this Act, including, but

1 not limited to, the following:

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

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

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

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

25 (5) To investigate alleged violations of this Act or
26 the rules of the Board and to take appropriate disciplinary

1 action against a licensee or a holder of an occupational
2 license for a violation, or institute appropriate legal
3 action for enforcement, or both.

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

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

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

21 (9) To conduct hearings, issue subpoenas for the
22 attendance of witnesses and subpoenas duces tecum for the
23 production of books, records and other pertinent documents
24 in accordance with the Illinois Administrative Procedure
25 Act, and to administer oaths and affirmations to the
26 witnesses, when, in the judgment of the Board, it is

1 necessary to administer or enforce this Act or the Board
2 rules.

3 (10) To prescribe a form to be used by any licensee
4 involved in the ownership or management of gambling
5 operations as an application for employment for their
6 employees.

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

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

1 interfere with orderly conduct thereof; provided that the
2 propriety of such ejection or exclusion is subject to
3 subsequent hearing by the Board.

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

9 (14) (Blank).

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

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

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

26 (18) To authorize a licensee to sell or serve alcoholic

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

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

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

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

1 (d) The Board may seek and shall receive the cooperation of
2 the Department of State Police in conducting background
3 investigations of applicants and in fulfilling its
4 responsibilities under this Section. Costs incurred by the
5 Department of State Police as a result of such cooperation
6 shall be paid by the Board in conformance with the requirements
7 of Section 2605-400 of the Department of State Police Law (20
8 ILCS 2605/2605-400).

9 (e) The Board must authorize to each investigator and to
10 any other employee of the Board exercising the powers of a
11 peace officer a distinct badge that, on its face, (i) clearly
12 states that the badge is authorized by the Board and (ii)
13 contains a unique identifying number. No other badge shall be
14 authorized by the Board.

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