

HB1570



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1570

by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

230 ILCS 40/25

Amends the Video Gaming Act. Removes language regarding locating a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment near an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975. Effective immediately.

LRB098 09256 AMC 39395 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 Video Gaming Act is amended by changing
5 Section 25 as follows:

6 (230 ILCS 40/25)

7 Sec. 25. Restriction of licensees.

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

14 (b) Distributor. A person may not sell, distribute, or
15 lease or market a video gaming terminal in Illinois unless the
16 person has a valid distributor's license issued under this Act.
17 A distributor may only sell video gaming terminals for use in
18 Illinois to persons having a valid distributor's or terminal
19 operator's license.

20 (c) Terminal operator. A person may not own, maintain, or
21 place a video gaming terminal unless he has a valid terminal
22 operator's license issued under this Act. A terminal operator
23 may only place video gaming terminals for use in Illinois in

1 licensed establishments, licensed truck stop establishments,
2 licensed fraternal establishments, and licensed veterans
3 establishments. No terminal operator may give anything of
4 value, including but not limited to a loan or financing
5 arrangement, to a licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment as any incentive or inducement to locate
8 video terminals in that establishment. Of the after-tax profits
9 from a video gaming terminal, 50% shall be paid to the terminal
10 operator and 50% shall be paid to the licensed establishment,
11 licensed truck stop establishment, licensed fraternal
12 establishment, or licensed veterans establishment,
13 notwithstanding any agreement to the contrary. A video terminal
14 operator that violates one or more requirements of this
15 subsection is guilty of a Class 4 felony and is subject to
16 termination of his or her license by the Board.

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

22 (d-5) Licensed terminal handler. No person, including, but
23 not limited to, an employee or independent contractor working
24 for a manufacturer, distributor, supplier, technician, or
25 terminal operator licensed pursuant to this Act, shall have
26 possession or control of a video gaming terminal, or access to

1 the inner workings of a video gaming terminal, unless that
2 person possesses a valid terminal handler's license issued
3 under this Act.

4 (e) Licensed establishment. No video gaming terminal may be
5 placed in any licensed establishment, licensed veterans
6 establishment, licensed truck stop establishment, or licensed
7 fraternal establishment unless the owner or agent of the owner
8 of the licensed establishment, licensed veterans
9 establishment, licensed truck stop establishment, or licensed
10 fraternal establishment has entered into a written use
11 agreement with the terminal operator for placement of the
12 terminals. A copy of the use agreement shall be on file in the
13 terminal operator's place of business and available for
14 inspection by individuals authorized by the Board. A licensed
15 establishment, licensed truck stop establishment, licensed
16 veterans establishment, or licensed fraternal establishment
17 may operate up to 5 video gaming terminals on its premises at
18 any time.

19 (f) (Blank).

20 (g) Financial interest restrictions. As used in this Act,
21 "substantial interest" in a partnership, a corporation, an
22 organization, an association, a business, or a limited
23 liability company means:

24 (A) When, with respect to a sole proprietorship, an
25 individual or his or her spouse owns, operates, manages, or
26 conducts, directly or indirectly, the organization,

1 association, or business, or any part thereof; or

2 (B) When, with respect to a partnership, the individual
3 or his or her spouse shares in any of the profits, or
4 potential profits, of the partnership activities; or

5 (C) When, with respect to a corporation, an individual
6 or his or her spouse is an officer or director, or the
7 individual or his or her spouse is a holder, directly or
8 beneficially, of 5% or more of any class of stock of the
9 corporation; or

10 (D) When, with respect to an organization not covered
11 in (A), (B) or (C) above, an individual or his or her
12 spouse is an officer or manages the business affairs, or
13 the individual or his or her spouse is the owner of or
14 otherwise controls 10% or more of the assets of the
15 organization; or

16 (E) When an individual or his or her spouse furnishes
17 5% or more of the capital, whether in cash, goods, or
18 services, for the operation of any business, association,
19 or organization during any calendar year; or

20 (F) When, with respect to a limited liability company,
21 an individual or his or her spouse is a member, or the
22 individual or his or her spouse is a holder, directly or
23 beneficially, of 5% or more of the membership interest of
24 the limited liability company.

25 For purposes of this subsection (g), "individual" includes
26 all individuals or their spouses whose combined interest would

1 qualify as a substantial interest under this subsection (g) and
2 whose activities with respect to an organization, association,
3 or business are so closely aligned or coordinated as to
4 constitute the activities of a single entity.

5 (h) Location restriction. A licensed establishment,
6 licensed truck stop establishment, licensed fraternal
7 establishment, or licensed veterans establishment that is (i)
8 located within 1,000 feet of a facility operated by an
9 organization licensee or an inter-track wagering licensee
10 licensed under the Illinois Horse Racing Act of 1975 or the
11 home dock of a riverboat licensed under the Riverboat Gambling
12 Act or (ii) located within 100 feet of a school or a place of
13 worship under the Religious Corporation Act, is ineligible to
14 operate a video gaming terminal. The location restrictions in
15 this subsection (h) do not apply if a facility operated by an
16 organization licensee, an inter-track wagering licensee, ~~or an~~
17 ~~inter track wagering location licensee,~~ a school, or a place of
18 worship moves to or is established within the restricted area
19 after a licensed establishment, licensed truck stop
20 establishment, licensed fraternal establishment, or licensed
21 veterans establishment becomes licensed under this Act. For the
22 purpose of this subsection, "school" means an elementary or
23 secondary public school, or an elementary or secondary private
24 school registered with or recognized by the State Board of
25 Education.

26 Notwithstanding the provisions of this subsection (h), the

1 Board may waive the requirement that a licensed establishment,
2 licensed truck stop establishment, licensed fraternal
3 establishment, or licensed veterans establishment not be
4 located within 1,000 feet from a facility operated by an
5 organization licensee or, an inter-track wagering licensee, ~~or~~
6 ~~an inter track wagering location licensee~~ licensed under the
7 Illinois Horse Racing Act of 1975 or the home dock of a
8 riverboat licensed under the Riverboat Gambling Act. The Board
9 shall not grant such waiver if there is any common ownership or
10 control, shared business activity, or contractual arrangement
11 of any type between the establishment and the organization
12 licensee, inter-track wagering licensee, ~~inter-track wagering~~
13 ~~location licensee~~, or owners licensee of a riverboat. The Board
14 shall adopt rules to implement the provisions of this
15 paragraph.

16 (i) Undue economic concentration. In addition to
17 considering all other requirements under this Act, in deciding
18 whether to approve the operation of video gaming terminals by a
19 terminal operator in a location, the Board shall consider the
20 impact of any economic concentration of such operation of video
21 gaming terminals. The Board shall not allow a terminal operator
22 to operate video gaming terminals if the Board determines such
23 operation will result in undue economic concentration. For
24 purposes of this Section, "undue economic concentration" means
25 that a terminal operator would have such actual or potential
26 influence over video gaming terminals in Illinois as to:

1 (1) substantially impede or suppress competition among
2 terminal operators;

3 (2) adversely impact the economic stability of the
4 video gaming industry in Illinois; or

5 (3) negatively impact the purposes of the Video Gaming
6 Act.

7 The Board shall adopt rules concerning undue economic
8 concentration with respect to the operation of video gaming
9 terminals in Illinois. The rules shall include, but not be
10 limited to, (i) limitations on the number of video gaming
11 terminals operated by any terminal operator within a defined
12 geographic radius and (ii) guidelines on the discontinuation of
13 operation of any such video gaming terminals the Board
14 determines will cause undue economic concentration.

15 (j) The provisions of the Illinois Antitrust Act are fully
16 and equally applicable to the activities of any licensee under
17 this Act.

18 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
19 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
20 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.