

SB1725



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1725

Introduced 2/15/2013, by Sen. John G. Mulroe

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Riverboat Gambling Act. Adds to the duties of the Illinois Gaming Board the retention of the Chicago Police Department as security personnel and the conducting of investigations, searches and seizures, arrests, and other duties imposed under the Act if an owners license is awarded that allows for the conduct of gambling within the City of Chicago. Effective immediately.

LRB098 09458 AMC 39600 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 the Illinois Gaming
9 Board, which shall have the powers and duties specified in this
10 Act, and all other powers necessary and proper to fully and
11 effectively execute this Act for the purpose of administering,
12 regulating, and enforcing the system of riverboat gambling
13 established by this Act. Its jurisdiction shall extend under
14 this Act to every person, association, corporation,
15 partnership and trust involved in riverboat gambling
16 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 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.

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

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

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

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

10 (5.5) No member of the Board shall engage in any political
11 activity. For the purposes of this Section, "political" means
12 any activity in support of or in connection with any campaign
13 for federal, State, or local elective office or any political
14 organization, but does not include activities (i) relating to
15 the support or opposition of any executive, legislative, or
16 administrative action (as those terms are defined in Section 2
17 of the Lobbyist Registration Act), (ii) relating to collective
18 bargaining, or (iii) that are otherwise in furtherance of the
19 person's official State duties or governmental and public
20 service functions.

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

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

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

17 (8) The Board shall employ such personnel as may be
18 necessary to carry out its functions and shall determine the
19 salaries of all personnel, except those personnel whose
20 salaries are determined under the terms of a collective
21 bargaining agreement. No person shall be employed to serve the
22 Board who is, or whose spouse, parent or child is, an official
23 of, or has a financial interest in or financial relation with,
24 any operator engaged in gambling operations within this State
25 or any organization engaged in conducting horse racing within
26 this State. Any employee violating these prohibitions shall be

1 subject to termination of employment.

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

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

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

1 reasonable order;

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

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

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

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

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

1 Board may deem necessary and proper;

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

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

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

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

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

19 (11) (Blank);

20 (12) (Blank);

21 (13) To assume responsibility for administration and
22 enforcement of the Video Gaming Act; and

23 (14) To adopt, by rule, a code of conduct governing
24 Board members and employees that ensure, to the maximum
25 extent possible, that persons subject to this Code avoid
26 situations, relationships, or associations that may

1 represent or lead to a conflict of interest.

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

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

11 (2) To have jurisdiction and supervision over all
12 riverboat gambling operations in this State and all persons
13 on riverboats where gambling operations are conducted.

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

26 (4) To enter the office, riverboats, facilities, or

1 other places of business of a licensee, where evidence of
2 the compliance or noncompliance with the provisions of this
3 Act is likely to be found.

4 (5) To investigate alleged violations of this Act or
5 the rules of the Board and to take appropriate disciplinary
6 action against a licensee or a holder of an occupational
7 license for a violation, or institute appropriate legal
8 action for enforcement, or both.

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

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

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

26 (9) To conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the
2 production of books, records and other pertinent documents
3 in accordance with the Illinois Administrative Procedure
4 Act, and to administer oaths and affirmations to the
5 witnesses, when, in the judgment of the Board, it is
6 necessary to administer or enforce this Act or the Board
7 rules.

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

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

24 (12) To eject or exclude or authorize the ejection or
25 exclusion of, any person from riverboat gambling
26 facilities where such person is in violation of this Act,

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

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

14 (14) (Blank).

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

26 (16) To hire employees to gather information, conduct

1 investigations and carry out any other tasks contemplated
2 under this Act.

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

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

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

26 (20) To delegate the execution of any of its powers

1 under this Act for the purpose of administering and
2 enforcing this Act and its rules and regulations hereunder.

3 (20.5) To approve any contract entered into on its
4 behalf.

5 (20.6) To appoint investigators to conduct
6 investigations, searches, seizures, arrests, and other
7 duties imposed under this Act, as deemed necessary by the
8 Board. These investigators have and may exercise all of the
9 rights and powers of peace officers, provided that these
10 powers shall be limited to offenses or violations occurring
11 or committed on a riverboat or dock, as defined in
12 subsections (d) and (f) of Section 4, or as otherwise
13 provided by this Act or any other law.

14 (20.7) To contract with the Department of State Police
15 for the use of trained and qualified State police officers
16 and with the Department of Revenue for the use of trained
17 and qualified Department of Revenue investigators to
18 conduct investigations, searches, seizures, arrests, and
19 other duties imposed under this Act and to exercise all of
20 the rights and powers of peace officers, provided that the
21 powers of Department of Revenue investigators under this
22 subdivision (20.7) shall be limited to offenses or
23 violations occurring or committed on a riverboat or dock,
24 as defined in subsections (d) and (f) of Section 4, or as
25 otherwise provided by this Act or any other law. In the
26 event the Department of State Police or the Department of

1 Revenue is unable to fill contracted police or
2 investigative positions, the Board may appoint
3 investigators to fill those positions pursuant to
4 subdivision (20.6).

5 (20.8) If an owners license is awarded under this Act
6 that allows for the conduct of gambling within the City of
7 Chicago, to retain the Chicago Police Department as
8 security personnel and to conduct investigations, searches
9 and seizures, arrests, and other duties imposed under this
10 Act.

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

14 (d) The Board may seek and shall receive the cooperation of
15 the Department of State Police in conducting background
16 investigations of applicants and in fulfilling its
17 responsibilities under this Section. Costs incurred by the
18 Department of State Police as a result of such cooperation
19 shall be paid by the Board in conformance with the requirements
20 of Section 2605-400 of the Department of State Police Law (20
21 ILCS 2605/2605-400).

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

1 authorized by the Board.

2 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
3 96-1000, eff. 7-2-10; 96-1392, eff. 1-1-11.)

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