



Rep. Chad Hays

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LRB098 10401 AMC 46408 a

1 AMENDMENT TO SENATE BILL 2371

2 AMENDMENT NO. _____. Amend Senate Bill 2371, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Video Gaming Act is amended by changing
6 Sections 5 and 45 as follows:

7 (230 ILCS 40/5)

8 Sec. 5. Definitions. As used in this Act:

9 "Board" means the Illinois Gaming Board.

10 "Credit" means one, 5, 10, or 25 cents either won or
11 purchased by a player.

12 "Distributor" means an individual, partnership,
13 corporation, or limited liability company licensed under this
14 Act to buy, sell, lease, or distribute video gaming terminals
15 or major components or parts of video gaming terminals to or
16 from terminal operators.

1 "Terminal operator" means an individual, partnership,
2 corporation, or limited liability company that is licensed
3 under this Act and that owns, services, and maintains video
4 gaming terminals for placement in licensed establishments,
5 licensed truck stop establishments, licensed fraternal
6 establishments, or licensed veterans establishments.

7 "Licensed technician" means an individual who is licensed
8 under this Act to repair, service, and maintain video gaming
9 terminals.

10 "Licensed terminal handler" means a person, including but
11 not limited to an employee or independent contractor working
12 for a manufacturer, distributor, supplier, technician, or
13 terminal operator, who is licensed under this Act to possess or
14 control a video gaming terminal or to have access to the inner
15 workings of a video gaming terminal. A licensed terminal
16 handler does not include an individual, partnership,
17 corporation, or limited liability company defined as a
18 manufacturer, distributor, supplier, technician, or terminal
19 operator under this Act.

20 "Manufacturer" means an individual, partnership,
21 corporation, or limited liability company that is licensed
22 under this Act and that manufactures or assembles video gaming
23 terminals.

24 "Supplier" means an individual, partnership, corporation,
25 or limited liability company that is licensed under this Act to
26 supply major components or parts to video gaming terminals to

1 licensed terminal operators.

2 "Net terminal income" means money put into a video gaming
3 terminal minus credits paid out to players.

4 "Video gaming terminal" means any electronic video game
5 machine that, upon insertion of cash, is available to play or
6 simulate the play of a video game, including but not limited to
7 video poker, line up, and blackjack, as authorized by the Board
8 utilizing a video display and microprocessors in which the
9 player may receive free games or credits that can be redeemed
10 for cash. The term does not include a machine that directly
11 dispenses coins, cash, or tokens or is for amusement purposes
12 only.

13 "Licensed establishment" means any licensed retail
14 establishment where alcoholic liquor is drawn, poured, mixed,
15 or otherwise served for consumption on the premises, whether
16 the establishment operates on a nonprofit or for-profit basis.

17 "Licensed establishment" ~~and~~ includes any such establishment
18 that has a contractual relationship with an inter-track
19 wagering location licensee licensed under the Illinois Horse
20 Racing Act of 1975, provided any contractual relationship shall
21 not include any transfer or offer of revenue from the operation
22 of video gaming under this Act to any licensee licensed under
23 the Illinois Horse Racing Act of 1975. Provided, however, that
24 the licensed establishment that has such a contractual
25 relationship with an inter-track wagering location licensee
26 may not, itself, be (i) an inter-track wagering location

1 licensee, (ii) the corporate parent or subsidiary of any
2 licensee licensed under the Illinois Horse Racing Act of 1975,
3 or (iii) the corporate subsidiary of a corporation that is also
4 the corporate parent or subsidiary of any licensee licensed
5 under the Illinois Horse Racing Act of 1975. "Licensed
6 establishment" does not include a facility operated by an
7 organization licensee, an inter-track wagering licensee, or an
8 inter-track wagering location licensee licensed under the
9 Illinois Horse Racing Act of 1975 or a riverboat licensed under
10 the Riverboat Gambling Act, except as provided in this
11 paragraph. The changes made to this definition by this
12 amendatory Act of the 98th General Assembly are declarative of
13 existing law.

14 "Licensed fraternal establishment" means the location
15 where a qualified fraternal organization that derives its
16 charter from a national fraternal organization regularly
17 meets.

18 "Licensed veterans establishment" means the location where
19 a qualified veterans organization that derives its charter from
20 a national veterans organization regularly meets.

21 "Licensed truck stop establishment" means a facility (i)
22 that is at least a 3-acre facility with a convenience store,
23 (ii) with separate diesel islands for fueling commercial motor
24 vehicles, (iii) that sells at retail more than 10,000 gallons
25 of diesel or biodiesel fuel per month, and (iv) with parking
26 spaces for commercial motor vehicles. "Commercial motor

1 vehicles" has the same meaning as defined in Section 18b-101 of
2 the Illinois Vehicle Code. The requirement of item (iii) of
3 this paragraph may be met by showing that estimated future
4 sales or past sales average at least 10,000 gallons per month.

5 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
6 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff.
7 8-12-11.)

8 (230 ILCS 40/45)

9 Sec. 45. Issuance of license.

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

19 (a-5) The Board shall not grant a license to a person who
20 has facilitated, enabled, or participated in the use of
21 coin-operated devices for gambling purposes or who is under the
22 significant influence or control of such a person. For the
23 purposes of this Act, "facilitated, enabled, or participated in
24 the use of coin-operated amusement devices for gambling
25 purposes" means that the person has been convicted of any

1 violation of Article 28 of the Criminal Code of 1961 or the
2 Criminal Code of 2012. If there is pending legal action against
3 a person for any such violation, then the Board shall delay the
4 licensure of that person until the legal action is resolved.

5 (b) Each person seeking and possessing a license as a video
6 gaming terminal manufacturer, distributor, supplier, operator,
7 handler, licensed establishment, licensed truck stop
8 establishment, licensed fraternal establishment, or licensed
9 veterans establishment shall submit to a background
10 investigation conducted by the Board with the assistance of the
11 State Police or other law enforcement. To the extent that the
12 corporate structure of the applicant allows, the ~~The~~ background
13 investigation shall include any or all of the following as the
14 Board deems appropriate or as provided by rule for each
15 category of licensure: (i) each beneficiary of a trust, (ii)
16 each partner of a partnership, (iii) each member of a limited
17 liability company, (iv) and each director and officer of a
18 publicly or non-publicly held corporation, (v) each
19 stockholder of a non-publicly held corporation, (vi) each
20 stockholder of 5% or more of a publicly held corporation, or
21 (vii) each stockholder ~~and all stockholders~~ of 5% or more in a
22 parent or subsidiary corporation ~~of a video gaming terminal~~
23 ~~manufacturer, distributor, supplier, operator, or licensed~~
24 ~~establishment, licensed truck stop establishment, licensed~~
25 ~~fraternal establishment, or licensed veterans establishment.~~

26 (c) Each person seeking and possessing a license as a video

1 gaming terminal manufacturer, distributor, supplier, operator,
2 handler, licensed establishment, licensed truck stop
3 establishment, licensed fraternal establishment, or licensed
4 veterans establishment shall disclose the identity of every
5 person, association, trust, corporation, or limited liability
6 company having a greater than 1% direct or indirect pecuniary
7 interest in the video gaming terminal operation for which the
8 license is sought. If the disclosed entity is a trust, the
9 application shall disclose the names and addresses of the
10 beneficiaries; if a corporation, the names and addresses of all
11 stockholders and directors; if a limited liability company, the
12 names and addresses of all members; or if a partnership, the
13 names and addresses of all partners, both general and limited.

14 (d) No person may be licensed as a video gaming terminal
15 manufacturer, distributor, supplier, operator, handler,
16 licensed establishment, licensed truck stop establishment,
17 licensed fraternal establishment, or licensed veterans
18 establishment if that person has been found by the Board to:

19 (1) have a background, including a criminal record,
20 reputation, habits, social or business associations, or
21 prior activities that pose a threat to the public interests
22 of the State or to the security and integrity of video
23 gaming;

24 (2) create or enhance the dangers of unsuitable,
25 unfair, or illegal practices, methods, and activities in
26 the conduct of video gaming; or

1 (3) present questionable business practices and
2 financial arrangements incidental to the conduct of video
3 gaming activities.

4 (e) Any applicant for any license under this Act has the
5 burden of proving his or her qualifications to the satisfaction
6 of the Board. The Board may adopt rules to establish additional
7 qualifications and requirements to preserve the integrity and
8 security of video gaming in this State.

9 (f) A non-refundable application fee shall be paid at the
10 time an application for a license is filed with the Board in
11 the following amounts:

- 12 (1) Manufacturer \$5,000
- 13 (2) Distributor..... \$5,000
- 14 (3) Terminal operator..... \$5,000
- 15 (4) Supplier \$2,500
- 16 (5) Technician \$100
- 17 (6) Terminal Handler \$50

18 (g) The Board shall establish an annual fee for each
19 license not to exceed the following:

- 20 (1) Manufacturer \$10,000
- 21 (2) Distributor..... \$10,000
- 22 (3) Terminal operator..... \$5,000
- 23 (4) Supplier \$2,000
- 24 (5) Technician \$100
- 25 (6) Licensed establishment, licensed truck stop
26 establishment, licensed fraternal establishment,

1 or licensed veterans establishment \$100
2 (7) Video gaming terminal..... \$100
3 (8) Terminal Handler \$50
4 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
5 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
6 97-1150, eff. 1-25-13.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.".