

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 Sections 5 and 45 as follows:

6 (230 ILCS 40/5)

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

8 "Board" means the Illinois Gaming Board.

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

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

16 "Terminal operator" means an individual, partnership,
17 corporation, or limited liability company that is licensed
18 under this Act and that owns, services, and maintains video
19 gaming terminals for placement in licensed establishments,
20 licensed truck stop establishments, licensed fraternal
21 establishments, or licensed veterans establishments.

22 "Licensed technician" means an individual who is licensed
23 under this Act to repair, service, and maintain video gaming

1 terminals.

2 "Licensed terminal handler" means a person, including but
3 not limited to an employee or independent contractor working
4 for a manufacturer, distributor, supplier, technician, or
5 terminal operator, who is licensed under this Act to possess or
6 control a video gaming terminal or to have access to the inner
7 workings of a video gaming terminal. A licensed terminal
8 handler does not include an individual, partnership,
9 corporation, or limited liability company defined as a
10 manufacturer, distributor, supplier, technician, or terminal
11 operator under this Act.

12 "Manufacturer" means an individual, partnership,
13 corporation, or limited liability company that is licensed
14 under this Act and that manufactures or assembles video gaming
15 terminals.

16 "Supplier" means an individual, partnership, corporation,
17 or limited liability company that is licensed under this Act to
18 supply major components or parts to video gaming terminals to
19 licensed terminal operators.

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

22 "Video gaming terminal" means any electronic video game
23 machine that, upon insertion of cash, is available to play or
24 simulate the play of a video game, including but not limited to
25 video poker, line up, and blackjack, as authorized by the Board
26 utilizing a video display and microprocessors in which the

1 player may receive free games or credits that can be redeemed
2 for cash. The term does not include a machine that directly
3 dispenses coins, cash, or tokens or is for amusement purposes
4 only.

5 "Licensed establishment" means any licensed retail
6 establishment where alcoholic liquor is drawn, poured, mixed,
7 or otherwise served for consumption on the premises, whether
8 the establishment operates on a nonprofit or for-profit basis.

9 "Licensed establishment" ~~and~~ includes any such establishment
10 that has a contractual relationship with an inter-track
11 wagering location licensee licensed under the Illinois Horse
12 Racing Act of 1975, provided any contractual relationship shall
13 not include any transfer or offer of revenue from the operation
14 of video gaming under this Act to any licensee licensed under
15 the Illinois Horse Racing Act of 1975. Provided, however, that
16 the licensed establishment that has such a contractual
17 relationship with an inter-track wagering location licensee
18 may not, itself, be (i) an inter-track wagering location
19 licensee, (ii) the corporate parent or subsidiary of any
20 licensee licensed under the Illinois Horse Racing Act of 1975,
21 or (iii) the corporate subsidiary of a corporation that is also
22 the corporate parent or subsidiary of any licensee licensed
23 under the Illinois Horse Racing Act of 1975. "Licensed
24 establishment" does not include a facility operated by an
25 organization licensee, an inter-track wagering licensee, or an
26 inter-track wagering location licensee licensed under the

1 Illinois Horse Racing Act of 1975 or a riverboat licensed under
2 the Riverboat Gambling Act, except as provided in this
3 paragraph. The changes made to this definition by this
4 amendatory Act of the 98th General Assembly are declarative of
5 existing law.

6 "Licensed fraternal establishment" means the location
7 where a qualified fraternal organization that derives its
8 charter from a national fraternal organization regularly
9 meets.

10 "Licensed veterans establishment" means the location where
11 a qualified veterans organization that derives its charter from
12 a national veterans organization regularly meets.

13 "Licensed truck stop establishment" means a facility (i)
14 that is at least a 3-acre facility with a convenience store,
15 (ii) with separate diesel islands for fueling commercial motor
16 vehicles, (iii) that sells at retail more than 10,000 gallons
17 of diesel or biodiesel fuel per month, and (iv) with parking
18 spaces for commercial motor vehicles. "Commercial motor
19 vehicles" has the same meaning as defined in Section 18b-101 of
20 the Illinois Vehicle Code. The requirement of item (iii) of
21 this paragraph may be met by showing that estimated future
22 sales or past sales average at least 10,000 gallons per month.

23 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
24 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff.
25 8-12-11.)

1 (230 ILCS 40/45)

2 Sec. 45. Issuance of license.

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

12 (a-5) The Board shall not grant a license to a person who
13 has facilitated, enabled, or participated in the use of
14 coin-operated devices for gambling purposes or who is under the
15 significant influence or control of such a person. For the
16 purposes of this Act, "facilitated, enabled, or participated in
17 the use of coin-operated amusement devices for gambling
18 purposes" means that the person has been convicted of any
19 violation of Article 28 of the Criminal Code of 1961 or the
20 Criminal Code of 2012. If there is pending legal action against
21 a person for any such violation, then the Board shall delay the
22 licensure of that person until the legal action is resolved.

23 (b) Each person seeking and possessing a license as a video
24 gaming terminal manufacturer, distributor, supplier, operator,
25 handler, licensed establishment, licensed truck stop
26 establishment, licensed fraternal establishment, or licensed

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

18 (c) Each person seeking and possessing a license as a video
19 gaming terminal manufacturer, distributor, supplier, operator,
20 handler, licensed establishment, licensed truck stop
21 establishment, licensed fraternal establishment, or licensed
22 veterans establishment shall disclose the identity of every
23 person, association, trust, corporation, or limited liability
24 company having a greater than 1% direct or indirect pecuniary
25 interest in the video gaming terminal operation for which the
26 license is sought. If the disclosed entity is a trust, the

1 application shall disclose the names and addresses of the
2 beneficiaries; if a corporation, the names and addresses of all
3 stockholders and directors; if a limited liability company, the
4 names and addresses of all members; or if a partnership, the
5 names and addresses of all partners, both general and limited.

6 (d) No person may be licensed as a video gaming terminal
7 manufacturer, distributor, supplier, operator, handler,
8 licensed establishment, licensed truck stop establishment,
9 licensed fraternal establishment, or licensed veterans
10 establishment if that person has been found by the Board to:

11 (1) have a background, including a criminal record,
12 reputation, habits, social or business associations, or
13 prior activities that pose a threat to the public interests
14 of the State or to the security and integrity of video
15 gaming;

16 (2) create or enhance the dangers of unsuitable,
17 unfair, or illegal practices, methods, and activities in
18 the conduct of video gaming; or

19 (3) present questionable business practices and
20 financial arrangements incidental to the conduct of video
21 gaming activities.

22 (e) Any applicant for any license under this Act has the
23 burden of proving his or her qualifications to the satisfaction
24 of the Board. The Board may adopt rules to establish additional
25 qualifications and requirements to preserve the integrity and
26 security of video gaming in this State.

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

- 4 (1) Manufacturer \$5,000
- 5 (2) Distributor..... \$5,000
- 6 (3) Terminal operator..... \$5,000
- 7 (4) Supplier \$2,500
- 8 (5) Technician \$100
- 9 (6) Terminal Handler \$50

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

- 12 (1) Manufacturer \$10,000
- 13 (2) Distributor..... \$10,000
- 14 (3) Terminal operator..... \$5,000
- 15 (4) Supplier \$2,000
- 16 (5) Technician \$100
- 17 (6) Licensed establishment, licensed truck stop
18 establishment, licensed fraternal establishment,
19 or licensed veterans establishment \$100
- 20 (7) Video gaming terminal..... \$100
- 21 (8) Terminal Handler \$50

22 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
23 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
24 97-1150, eff. 1-25-13.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.