



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4052

by Rep. Dan Brady

SYNOPSIS AS INTRODUCED:

230 ILCS 40/25
230 ILCS 40/58

Amends the Video Gaming Act. Provides that a licensed truck stop establishment that sells at retail more than 50,000 gallons of diesel or biodiesel fuel per month may operate up to 10 video gaming terminals on its premises at any time. Provides that all other licensed truck stop establishments may operate no more than 5 video gaming terminals. Provides that the restricted area in which video gaming terminals must be located may be monitored in real time via a closed-circuit video camera system by at least one on-premises employee who is over 21 years of age (as an alternative to having the entrance of the restricted area within the view of such an employee).

LRB099 08855 MLM 29027 b

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 25 and 58 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. A licensed truck stop establishment that sells at
19 retail more than 50,000 gallons of diesel or biodiesel fuel per
20 month may operate up to 10 video gaming terminals on its
21 premises at any time. A licensed truck stop establishment may
22 meet the fuel sales requirement by showing that estimated
23 future sales or past sales average at least 50,000 gallons per
24 month. All other licensed truck stop establishments may operate
25 no more than 5 video gaming terminals on its premises at any
26 time.

1 (f) (Blank).

2 (g) Financial interest restrictions. As used in this Act,
3 "substantial interest" in a partnership, a corporation, an
4 organization, an association, a business, or a limited
5 liability company means:

6 (A) When, with respect to a sole proprietorship, an
7 individual or his or her spouse owns, operates, manages, or
8 conducts, directly or indirectly, the organization,
9 association, or business, or any part thereof; or

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

13 (C) When, with respect to a corporation, an individual
14 or his or her spouse is an officer or director, or the
15 individual or his or her spouse is a holder, directly or
16 beneficially, of 5% or more of any class of stock of the
17 corporation; or

18 (D) When, with respect to an organization not covered
19 in (A), (B) or (C) above, an individual or his or her
20 spouse is an officer or manages the business affairs, or
21 the individual or his or her spouse is the owner of or
22 otherwise controls 10% or more of the assets of the
23 organization; or

24 (E) When an individual or his or her spouse furnishes
25 5% or more of the capital, whether in cash, goods, or
26 services, for the operation of any business, association,

1 or organization during any calendar year; or

2 (F) When, with respect to a limited liability company,
3 an individual or his or her spouse is a member, or the
4 individual or his or her spouse is a holder, directly or
5 beneficially, of 5% or more of the membership interest of
6 the limited liability company.

7 For purposes of this subsection (g), "individual" includes
8 all individuals or their spouses whose combined interest would
9 qualify as a substantial interest under this subsection (g) and
10 whose activities with respect to an organization, association,
11 or business are so closely aligned or coordinated as to
12 constitute the activities of a single entity.

13 (h) Location restriction. A licensed establishment,
14 licensed truck stop establishment, licensed fraternal
15 establishment, or licensed veterans establishment that is (i)
16 located within 1,000 feet of a facility operated by an
17 organization licensee licensed under the Illinois Horse Racing
18 Act of 1975 or the home dock of a riverboat licensed under the
19 Riverboat Gambling Act or (ii) located within 100 feet of a
20 school or a place of worship under the Religious Corporation
21 Act, is ineligible to operate a video gaming terminal. The
22 location restrictions in this subsection (h) do not apply if
23 (A) a facility operated by an organization licensee, a school,
24 or a place of worship moves to or is established within the
25 restricted area after a licensed establishment, licensed truck
26 stop establishment, licensed fraternal establishment, or

1 licensed veterans establishment becomes licensed under this
2 Act or (B) a school or place of worship moves to or is
3 established within the restricted area after a licensed
4 establishment, licensed truck stop establishment, licensed
5 fraternal establishment, or licensed veterans establishment
6 obtains its original liquor license. For the purpose of this
7 subsection, "school" means an elementary or secondary public
8 school, or an elementary or secondary private school registered
9 with or recognized by the State Board of Education.

10 Notwithstanding the provisions of this subsection (h), the
11 Board may waive the requirement that a licensed establishment,
12 licensed truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment not be
14 located within 1,000 feet from a facility operated by an
15 organization licensee licensed under the Illinois Horse Racing
16 Act of 1975 or the home dock of a riverboat licensed under the
17 Riverboat Gambling Act. The Board shall not grant such waiver
18 if there is any common ownership or control, shared business
19 activity, or contractual arrangement of any type between the
20 establishment and the organization licensee or owners licensee
21 of a riverboat. The Board shall adopt rules to implement the
22 provisions of this paragraph.

23 (i) Undue economic concentration. In addition to
24 considering all other requirements under this Act, in deciding
25 whether to approve the operation of video gaming terminals by a
26 terminal operator in a location, the Board shall consider the

1 impact of any economic concentration of such operation of video
2 gaming terminals. The Board shall not allow a terminal operator
3 to operate video gaming terminals if the Board determines such
4 operation will result in undue economic concentration. For
5 purposes of this Section, "undue economic concentration" means
6 that a terminal operator would have such actual or potential
7 influence over video gaming terminals in Illinois as to:

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

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

12 (3) negatively impact the purposes of the Video Gaming
13 Act.

14 The Board shall adopt rules concerning undue economic
15 concentration with respect to the operation of video gaming
16 terminals in Illinois. The rules shall include, but not be
17 limited to, (i) limitations on the number of video gaming
18 terminals operated by any terminal operator within a defined
19 geographic radius and (ii) guidelines on the discontinuation of
20 operation of any such video gaming terminals the Board
21 determines will cause undue economic concentration.

22 (j) The provisions of the Illinois Antitrust Act are fully
23 and equally applicable to the activities of any licensee under
24 this Act.

25 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
26 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

1 (230 ILCS 40/58)

2 Sec. 58. Location of terminals. Video gaming terminals
3 must be located in an area restricted to persons over 21 years
4 of age the entrance to which is within the view of, or
5 monitored in real-time via a closed-circuit video camera system
6 by, at least one on-premises employee, who is over 21 years of
7 age, of the establishment in which they are located. The
8 placement of video gaming terminals in licensed
9 establishments, licensed truck stop establishments, licensed
10 fraternal establishments, and licensed veterans establishments
11 shall be subject to the rules promulgated by the Board pursuant
12 to the Illinois Administrative Procedure Act.

13 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)