



Rep. Jay Hoffman

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1 AMENDMENT TO SENATE BILL 303

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 303, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Video Gaming Act is amended by changing the  
6 Sections 5, 25, 30, 35, 45, 55, 58, and 60 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 "Electronic card" means a card purchased from a licensed  
2 establishment, licensed fraternal establishment, licensed  
3 veterans establishment, or licensed truck stop establishment  
4 for use in that establishment as a substitute for cash in the  
5 conduct of gaming on a video gaming terminal.

6 "Electronic voucher" means a voucher printed by an  
7 electronic video game machine that is redeemable in the  
8 licensed establishment for which it was issued.

9 "Terminal operator" means an individual, partnership,  
10 corporation, or limited liability company that is licensed  
11 under this Act and that owns, services, and maintains video  
12 gaming terminals for placement in licensed establishments,  
13 licensed truck stop establishments, licensed fraternal  
14 establishments, organization licensee locations, inter-track  
15 wagering location licensee locations, or licensed veterans  
16 establishments.

17 "Licensed technician" means an individual who is licensed  
18 under this Act to repair, service, and maintain video gaming  
19 terminals.

20 "Licensed terminal handler" means a person, including but  
21 not limited to an employee or independent contractor working  
22 for a manufacturer, distributor, supplier, technician, or  
23 terminal operator, who is licensed under this Act to possess or  
24 control a video gaming terminal or to have access to the inner  
25 workings of a video gaming terminal. A licensed terminal  
26 handler does not include an individual, partnership,

1 corporation, or limited liability company defined as a  
2 manufacturer, distributor, supplier, technician, or terminal  
3 operator under this Act.

4 "Manufacturer" means an individual, partnership,  
5 corporation, or limited liability company that is licensed  
6 under this Act and that manufactures or assembles video gaming  
7 terminals.

8 "Supplier" means an individual, partnership, corporation,  
9 or limited liability company that is licensed under this Act to  
10 supply major components or parts to video gaming terminals to  
11 licensed terminal operators.

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

14 "Video gaming terminal" means any electronic video game  
15 machine that, upon insertion of cash, electronic cards or  
16 vouchers, or any combination thereof, is available to play or  
17 simulate the play of a video game, including but not limited to  
18 video poker, line up, and blackjack, as authorized by the Board  
19 utilizing a video display and microprocessors in which the  
20 player may receive free games or credits that can be redeemed  
21 for cash. The term does not include a machine that directly  
22 dispenses coins, cash, or tokens or is for amusement purposes  
23 only.

24 "Licensed establishment" means any licensed retail  
25 establishment where alcoholic liquor is drawn, poured, mixed,  
26 or otherwise served for consumption on the premises, whether

1 the establishment operates on a nonprofit or for-profit basis.  
2 ~~"Licensed establishment" includes any such establishment that~~  
3 ~~has a contractual relationship with an inter-track wagering~~  
4 ~~location licensee licensed under the Illinois Horse Racing Act~~  
5 ~~of 1975, provided any contractual relationship shall not~~  
6 ~~include any transfer or offer of revenue from the operation of~~  
7 ~~video gaming under this Act to any licensee licensed under the~~  
8 ~~Illinois Horse Racing Act of 1975. Provided, however, that the~~  
9 ~~licensed establishment that has such a contractual~~  
10 ~~relationship with an inter-track wagering location licensee~~  
11 ~~may not, itself, be (i) an inter-track wagering location~~  
12 ~~licensee, (ii) the corporate parent or subsidiary of any~~  
13 ~~licensee licensed under the Illinois Horse Racing Act of 1975,~~  
14 ~~or (iii) the corporate subsidiary of a corporation that is also~~  
15 ~~the corporate parent or subsidiary of any licensee licensed~~  
16 ~~under the Illinois Horse Racing Act of 1975. "Licensed~~  
17 ~~establishment" does not include a facility operated by an~~  
18 ~~organization licensee, an inter-track wagering licensee, or an~~  
19 ~~inter-track wagering location licensee licensed under the~~  
20 ~~Illinois Horse Racing Act of 1975 or a riverboat licensed under~~  
21 ~~the Riverboat Gambling Act, except as provided in this~~  
22 ~~paragraph. The changes made to this definition by Public Act~~  
23 ~~98-587 are declarative of existing law.~~

24 "Licensed fraternal establishment" means the location  
25 where a qualified fraternal organization that derives its  
26 charter from a national fraternal organization regularly

1 meets.

2 "Licensed veterans establishment" means the location where  
3 a qualified veterans organization that derives its charter from  
4 a national veterans organization regularly meets.

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

15 "Organization licensee" means an organization licensee as  
16 defined in the Illinois Horse Racing Act of 1975.

17 "Inter-track wagering location licensee" means an  
18 inter-track wagering location licensee as defined in the  
19 Illinois Horse Racing Act of 1975.

20 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;  
21 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.  
22 7-16-14.)

23 (230 ILCS 40/25)

24 Sec. 25. Restriction of licensees.

25 (a) Manufacturer. A person may not be licensed as a

1 manufacturer of a video gaming terminal in Illinois unless the  
2 person has a valid manufacturer's license issued under this  
3 Act. A manufacturer may only sell video gaming terminals for  
4 use in Illinois to persons having a valid distributor's  
5 license.

6 (b) Distributor. A person may not sell, distribute, or  
7 lease or market a video gaming terminal in Illinois unless the  
8 person has a valid distributor's license issued under this Act.  
9 A distributor may only sell video gaming terminals for use in  
10 Illinois to persons having a valid distributor's or terminal  
11 operator's license.

12 (c) Terminal operator. A person may not own, maintain, or  
13 place a video gaming terminal unless he has a valid terminal  
14 operator's license issued under this Act. A terminal operator  
15 may only place video gaming terminals for use in Illinois in  
16 licensed establishments, licensed truck stop establishments,  
17 licensed fraternal establishments, organization licensee  
18 locations, inter-track wagering location licensee locations,  
19 and licensed veterans establishments. No terminal operator may  
20 give anything of value, including but not limited to a loan or  
21 financing arrangement, to a licensed establishment, licensed  
22 truck stop establishment, licensed fraternal establishment,  
23 organization licensee location, inter-track wagering location  
24 licensee location, or licensed veterans establishment as any  
25 incentive or inducement to locate video terminals in that  
26 establishment. Of the after-tax profits from a video gaming

1 terminal, 50% shall be paid to the terminal operator and 50%  
2 shall be paid to the licensed establishment, licensed truck  
3 stop establishment, licensed fraternal establishment,  
4 organization licensee location, inter-track wagering location  
5 licensee location, or licensed veterans establishment,  
6 notwithstanding any agreement to the contrary. Organization  
7 licensees and inter-track wagering location licensees shall  
8 deposit 50% of their share of the net terminal income into the  
9 horsemen purse accounts associated with their respective  
10 racetrack to be distributed by agreements between breeds unless  
11 the organization licensee and the horsemen associations  
12 representing the largest number of owners, trainers, jockeys,  
13 or standardbred drivers who race horses at that organization  
14 licensee's racing meetings agree to allocate expenses  
15 associated with the video gaming terminals. A video terminal  
16 operator that violates one or more requirements of this  
17 subsection is guilty of a Class 4 felony and is subject to  
18 termination of his or her license by the Board.

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

24 (d-5) Licensed terminal handler. No person, including, but  
25 not limited to, an employee or independent contractor working  
26 for a manufacturer, distributor, supplier, technician, or

1 terminal operator licensed pursuant to this Act, shall have  
2 possession or control of a video gaming terminal, or access to  
3 the inner workings of a video gaming terminal, unless that  
4 person possesses a valid terminal handler's license issued  
5 under this Act.

6 (e) Licensed establishment. No video gaming terminal may be  
7 placed in any licensed establishment, licensed veterans  
8 establishment, licensed truck stop establishment, organization  
9 licensee location, inter-track wagering location licensee  
10 location, or licensed fraternal establishment unless the owner  
11 or agent of the owner of the licensed establishment, licensed  
12 veterans establishment, licensed truck stop establishment,  
13 organization licensee, inter-track wagering location licensee,  
14 or licensed fraternal establishment has entered into a written  
15 use agreement with the terminal operator for placement of the  
16 terminals. A copy of the use agreement shall be on file in the  
17 terminal operator's place of business and available for  
18 inspection by individuals authorized by the Board. A licensed  
19 establishment, licensed truck stop establishment, licensed  
20 veterans establishment, or licensed fraternal establishment  
21 may operate up to 5 video gaming terminals on its premises at  
22 any time, except that an organization licensee licensed under  
23 the Illinois Horse Racing Act of 1975 who held that license in  
24 2016 may operate up to 150 video gaming terminals at its  
25 organization licensee location at any time and an inter-track  
26 wagering location licensee may operate up to 5 video gaming



1 terminals at the inter-track wagering location licensee's  
2 location or on the premises of the organization licensee with  
3 which they are affiliated. An organization licensee may enter  
4 into a written use agreement with multiple terminal operators  
5 for placement of terminals on the organization licensee's  
6 premises.

7 (f) (Blank).

8 (g) Financial interest restrictions. As used in this Act,  
9 "substantial interest" in a partnership, a corporation, an  
10 organization, an association, a business, or a limited  
11 liability company means:

12 (A) When, with respect to a sole proprietorship, an  
13 individual or his or her spouse owns, operates, manages, or  
14 conducts, directly or indirectly, the organization,  
15 association, or business, or any part thereof; or

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

19 (C) When, with respect to a corporation, an individual  
20 or his or her spouse is an officer or director, or the  
21 individual or his or her spouse is a holder, directly or  
22 beneficially, of 5% or more of any class of stock of the  
23 corporation; or

24 (D) When, with respect to an organization not covered  
25 in (A), (B) or (C) above, an individual or his or her  
26 spouse is an officer or manages the business affairs, or

1 the individual or his or her spouse is the owner of or  
2 otherwise controls 10% or more of the assets of the  
3 organization; or

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

8 (F) When, with respect to a limited liability company,  
9 an individual or his or her spouse is a member, or the  
10 individual or his or her spouse is a holder, directly or  
11 beneficially, of 5% or more of the membership interest of  
12 the limited liability company.

13 For purposes of this subsection (g), "individual" includes  
14 all individuals or their spouses whose combined interest would  
15 qualify as a substantial interest under this subsection (g) and  
16 whose activities with respect to an organization, association,  
17 or business are so closely aligned or coordinated as to  
18 constitute the activities of a single entity.

19 (h) Location restriction. A licensed establishment,  
20 licensed truck stop establishment, licensed fraternal  
21 establishment, organization licensee location, inter-track  
22 wagering location licensee location, or licensed veterans  
23 establishment that is (i) located within 1,000 feet of a  
24 ~~facility operated by an organization licensee licensed under~~  
25 ~~the Illinois Horse Racing Act of 1975 or the home dock of a~~  
26 riverboat licensed under the Riverboat Gambling Act or (ii)

1 located within 100 feet of a school or a place of worship under  
2 the Religious Corporation Act, is ineligible to operate a video  
3 gaming terminal. The location restrictions in this subsection  
4 (h) do not apply if (A) ~~a facility operated by an organization~~  
5 ~~licensee,~~ a school, or a place of worship moves to or is  
6 established within the restricted area after a licensed  
7 establishment, licensed truck stop establishment, licensed  
8 fraternal establishment, organization licensee, inter-track  
9 wagering location licensee, or licensed veterans establishment  
10 becomes licensed under this Act or (B) a school or place of  
11 worship moves to or is established within the restricted area  
12 after a licensed establishment, licensed truck stop  
13 establishment, licensed fraternal establishment, organization  
14 licensee, inter-track wagering location licensee, or licensed  
15 veterans establishment obtains its original liquor license.  
16 For the purpose of this subsection, "school" means an  
17 elementary or secondary public school, or an elementary or  
18 secondary private school registered with or recognized by the  
19 State Board of Education.

20 Notwithstanding the provisions of this subsection (h), the  
21 Board may waive the requirement that a licensed establishment,  
22 licensed truck stop establishment, licensed fraternal  
23 establishment, organization licensee location, inter-track  
24 wagering location licensee location, or licensed veterans  
25 establishment not be located within 1,000 feet from ~~a facility~~  
26 ~~operated by an organization licensee licensed under the~~

1 ~~Illinois Horse Racing Act of 1975~~ or the home dock of a  
2 riverboat licensed under the Riverboat Gambling Act. The Board  
3 shall not grant such waiver if there is any common ownership or  
4 control, shared business activity, or contractual arrangement  
5 of any type between the establishment and the ~~organization~~  
6 ~~licensee~~ or owners licensee of a riverboat. The Board shall  
7 adopt rules to implement the provisions of this paragraph.

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

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

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

23 (3) negatively impact the purposes of the Video Gaming  
24 Act.

25 The Board shall adopt rules concerning undue economic  
26 concentration with respect to the operation of video gaming

1 terminals in Illinois. The rules shall include, but not be  
2 limited to, (i) limitations on the number of video gaming  
3 terminals operated by any terminal operator within a defined  
4 geographic radius and (ii) guidelines on the discontinuation of  
5 operation of any such video gaming terminals the Board  
6 determines will cause undue economic concentration.

7 (j) The provisions of the Illinois Antitrust Act are fully  
8 and equally applicable to the activities of any licensee under  
9 this Act.

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

12 (230 ILCS 40/30)

13 Sec. 30. Multiple types of licenses prohibited. A video  
14 gaming terminal manufacturer may not be licensed as a video  
15 gaming terminal operator or own, manage, or control a licensed  
16 establishment, licensed truck stop establishment, licensed  
17 fraternal establishment, organization licensee location,  
18 inter-track wagering location licensee location, or licensed  
19 veterans establishment, and shall be licensed to sell only to  
20 persons having a valid distributor's license or, if the  
21 manufacturer also holds a valid distributor's license, to sell,  
22 distribute, lease, or market to persons having a valid terminal  
23 operator's license. A video gaming terminal distributor may not  
24 be licensed as a video gaming terminal operator or own, manage,  
25 or control a licensed establishment, licensed truck stop

1 establishment, licensed fraternal establishment, or licensed  
2 veterans establishment, and shall only contract with a licensed  
3 terminal operator. A video gaming terminal operator may not be  
4 licensed as a video gaming terminal manufacturer or distributor  
5 or own, manage, or control a licensed establishment, licensed  
6 truck stop establishment, licensed fraternal establishment, or  
7 licensed veterans establishment, and shall be licensed only to  
8 contract with licensed distributors and licensed  
9 establishments, licensed truck stop establishments, licensed  
10 fraternal establishments, and licensed veterans  
11 establishments. An owner or manager of a licensed  
12 establishment, licensed truck stop establishment, licensed  
13 fraternal establishment, or licensed veterans establishment  
14 may not be licensed as a video gaming terminal manufacturer,  
15 distributor, or operator, and shall only contract with a  
16 licensed operator to place and service this equipment.

17 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

18 (230 ILCS 40/35)

19 Sec. 35. Display of license; confiscation; violation as  
20 felony.

21 (a) Each video gaming terminal shall be licensed by the  
22 Board before placement or operation on the premises of a  
23 licensed establishment, licensed truck stop establishment,  
24 licensed fraternal establishment, organization licensee  
25 location, inter-track wagering location licensee location, or

1 licensed veterans establishment. The license of each video  
2 gaming terminal shall be maintained at the location where the  
3 video gaming terminal is operated. Failure to do so is a petty  
4 offense with a fine not to exceed \$100. Any licensed  
5 establishment, licensed truck stop establishment, licensed  
6 fraternal establishment, organization licensee location,  
7 inter-track wagering location licensee location, or licensed  
8 veterans establishment used for the conduct of gambling games  
9 in violation of this Act shall be considered a gambling place  
10 in violation of Section 28-3 of the Criminal Code of 2012.  
11 Every gambling device found in a licensed establishment,  
12 licensed truck stop establishment, licensed fraternal  
13 establishment, organization licensee location, inter-track  
14 wagering location licensee location, or licensed veterans  
15 establishment operating gambling games in violation of this Act  
16 shall be subject to seizure, confiscation, and destruction as  
17 provided in Section 28-5 of the Criminal Code of 2012. Any  
18 license issued under the Liquor Control Act of 1934 to any  
19 owner or operator of a licensed establishment, licensed truck  
20 stop establishment, licensed fraternal establishment,  
21 organization licensee location, inter-track wagering location  
22 licensee location, or licensed veterans establishment that  
23 operates or permits the operation of a video gaming terminal  
24 within its establishment in violation of this Act shall be  
25 immediately revoked. No person may own, operate, have in his or  
26 her possession or custody or under his or her control, or

1 permit to be kept in any place under his or her possession or  
2 control, any device that awards credits and contains a circuit,  
3 meter, or switch capable of removing and recording the removal  
4 of credits when the award of credits is dependent upon chance.

5 Nothing in this Section shall be deemed to prohibit the use  
6 of a game device only if the game device is used in an activity  
7 that is not gambling under subsection (b) of Section 28-1 of  
8 the Criminal Code of 2012.

9 A violation of this Section is a Class 4 felony. All  
10 devices that are owned, operated, or possessed in violation of  
11 this Section are hereby declared to be public nuisances and  
12 shall be subject to seizure, confiscation, and destruction as  
13 provided in Section 28-5 of the Criminal Code of 2012.

14 The provisions of this Section do not apply to devices or  
15 electronic video game terminals licensed pursuant to this Act.  
16 A video gaming terminal operated for amusement only and bearing  
17 a valid amusement tax sticker shall not be subject to this  
18 Section until 30 days after the Board establishes that the  
19 central communications system is functional.

20 (b) (1) The odds of winning each video game shall be posted  
21 on or near each video gaming terminal. The manner in which the  
22 odds are calculated and how they are posted shall be determined  
23 by the Board by rule.

24 (2) No video gaming terminal licensed under this Act may be  
25 played except during the legal hours of operation allowed for  
26 the consumption of alcoholic beverages at the licensed



1 establishment, licensed fraternal establishment, or licensed  
2 veterans establishment. No video gaming terminal licensed  
3 under this Act at a location operated by an organization  
4 licensee or inter-track wagering location licensee may be  
5 played except during the legal hours of operation allowed in  
6 the Illinois Horse Racing Act of 1975. A licensed  
7 establishment, licensed fraternal establishment, organization  
8 licensee, inter-track wagering location licensee, or licensed  
9 veterans establishment that violates this subsection is  
10 subject to termination of its license by the Board.

11 (Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

12 (230 ILCS 40/45)

13 Sec. 45. Issuance of license.

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

24 (a-5) The Board shall not grant a license to a person who  
25 has facilitated, enabled, or participated in the use of

1 coin-operated devices for gambling purposes or who is under the  
2 significant influence or control of such a person. For the  
3 purposes of this Act, "facilitated, enabled, or participated in  
4 the use of coin-operated amusement devices for gambling  
5 purposes" means that the person has been convicted of any  
6 violation of Article 28 of the Criminal Code of 1961 or the  
7 Criminal Code of 2012. If there is pending legal action against  
8 a person for any such violation, then the Board shall delay the  
9 licensure of that person until the legal action is resolved.

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

1 of 5% or more in a parent or subsidiary corporation.

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

17 (d) No person may be licensed as a video gaming terminal  
18 manufacturer, distributor, supplier, operator, handler,  
19 licensed establishment, licensed truck stop establishment,  
20 licensed fraternal establishment, organization licensee,  
21 inter-track wagering location licensee, or licensed veterans  
22 establishment if that person has been found by the Board to:

23 (1) have a background, including a criminal record,  
24 reputation, habits, social or business associations, or  
25 prior activities that pose a threat to the public interests  
26 of the State or to the security and integrity of video

1 gaming;

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

5 (3) present questionable business practices and  
6 financial arrangements incidental to the conduct of video  
7 gaming activities.

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

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

- 16 (1) Manufacturer ..... \$5,000
- 17 (2) Distributor..... \$5,000
- 18 (3) Terminal operator..... \$5,000
- 19 (4) Supplier ..... \$2,500
- 20 (5) Technician ..... \$100
- 21 (6) Terminal Handler ..... \$50

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

- 24 (1) Manufacturer ..... \$10,000
- 25 (2) Distributor..... \$10,000
- 26 (3) Terminal operator..... \$5,000

- 1           (4) Supplier ..... \$2,000
- 2           (5) Technician ..... \$100
- 3           (6) Licensed establishment, licensed truck stop
- 4           establishment, licensed fraternal establishment,
- 5           organization licensee, inter-track wagering location
- 6           licensee, or licensed veterans establishment ..... \$100
- 7           (7) Video gaming terminal..... \$100
- 8           (8) Terminal Handler ..... \$50
- 9           (h) A terminal operator and a licensed establishment,
- 10          licensed truck stop establishment, licensed fraternal
- 11          establishment, organization licensee, inter-track wagering
- 12          location licensee, or licensed veterans establishment shall
- 13          equally split the fees specified in item (7) of subsection (g).
- 14          (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
- 15          98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

16           (230 ILCS 40/55)

17           Sec. 55. Precondition for licensed location. In all cases

18           of application for a licensed location, to operate a video

19           gaming terminal, each licensed establishment, licensed

20           fraternal establishment, or licensed veterans establishment

21           shall possess a valid liquor license issued by the Illinois

22           Liquor Control Commission in effect at the time of application

23           and at all times thereafter during which a video gaming

24           terminal is made available to the public for play at that

25           location. Video gaming terminals in a licensed location shall

1 be operated only during the same hours of operation generally  
2 permitted to holders of a license under the Liquor Control Act  
3 of 1934 within the unit of local government in which they are  
4 located. Organization licensees and inter-track wagering  
5 location licensees may operate video gaming terminals if they  
6 hold an organization license or inter-track wagering location  
7 license issued by the Illinois Racing Board. A licensed truck  
8 stop establishment that does not hold a liquor license may  
9 operate video gaming terminals on a continuous basis. A  
10 licensed fraternal establishment or licensed veterans  
11 establishment that does not hold a liquor license may operate  
12 video gaming terminals if (i) the establishment is located in a  
13 county with a population between 6,500 and 7,000, based on the  
14 2000 U.S. Census, (ii) the county prohibits by ordinance the  
15 sale of alcohol, and (iii) the establishment is in a portion of  
16 the county where the sale of alcohol is prohibited. A licensed  
17 fraternal establishment or licensed veterans establishment  
18 that does not hold a liquor license may operate video gaming  
19 terminals if (i) the establishment is located in a municipality  
20 within a county with a population between 8,500 and 9,000 based  
21 on the 2000 U.S. Census and (ii) the municipality or county  
22 prohibits or limits the sale of alcohol by ordinance in a way  
23 that prohibits the establishment from selling alcohol.

24 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;  
25 97-594, eff. 8-26-11.)

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 at least one  
5 employee, who is over 21 years of age, of the establishment in  
6 which they are located. The placement of video gaming terminals  
7 in licensed establishments, licensed truck stop  
8 establishments, licensed fraternal establishments,  
9 organization licensee locations, inter-track wagering location  
10 licensee locations, and licensed veterans establishments shall  
11 be subject to the rules promulgated by the Board pursuant to  
12 the Illinois Administrative Procedure Act.

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

14 (230 ILCS 40/60)

15 Sec. 60. Imposition and distribution of tax.

16 (a) A tax of 30% is imposed on net terminal income and  
17 shall be collected by the Board.

18 (b) Of the tax collected under this Section, five-sixths  
19 shall be deposited into the Capital Projects Fund and one-sixth  
20 shall be deposited into the Local Government Video Gaming  
21 Distributive Fund.

22 (c) Revenues generated from the play of video gaming  
23 terminals shall be deposited by the terminal operator, who is  
24 responsible for tax payments, in a specially created, separate  
25 bank account maintained by the video gaming terminal operator

1 to allow for electronic fund transfers of moneys for tax  
2 payment.

3 (d) Each licensed establishment, licensed truck stop  
4 establishment, licensed fraternal establishment, organization  
5 licensee, inter-track wagering location licensee, and licensed  
6 veterans establishment shall maintain an adequate video gaming  
7 fund, with the amount to be determined by the Board.

8 (e) The State's percentage of net terminal income shall be  
9 reported and remitted to the Board within 15 days after the  
10 15th day of each month and within 15 days after the end of each  
11 month by the video terminal operator. A video terminal operator  
12 who falsely reports or fails to report the amount due required  
13 by this Section is guilty of a Class 4 felony and is subject to  
14 termination of his or her license by the Board. Each video  
15 terminal operator shall keep a record of net terminal income in  
16 such form as the Board may require. All payments not remitted  
17 when due shall be paid together with a penalty assessment on  
18 the unpaid balance at a rate of 1.5% per month.

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

20 Section 10. The Criminal Code of 2012 is amended by  
21 changing Section 28-1 as follows:

22 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

23 Sec. 28-1. Gambling.

24 (a) A person commits gambling when he or she:



1           (1) knowingly plays a game of chance or skill for money  
2           or other thing of value, unless excepted in subsection (b)  
3           of this Section;

4           (2) knowingly makes a wager upon the result of any  
5           game, contest, or any political nomination, appointment or  
6           election;

7           (3) knowingly operates, keeps, owns, uses, purchases,  
8           exhibits, rents, sells, bargains for the sale or lease of,  
9           manufactures or distributes any gambling device;

10          (4) contracts to have or give himself or herself or  
11          another the option to buy or sell, or contracts to buy or  
12          sell, at a future time, any grain or other commodity  
13          whatsoever, or any stock or security of any company, where  
14          it is at the time of making such contract intended by both  
15          parties thereto that the contract to buy or sell, or the  
16          option, whenever exercised, or the contract resulting  
17          therefrom, shall be settled, not by the receipt or delivery  
18          of such property, but by the payment only of differences in  
19          prices thereof; however, the issuance, purchase, sale,  
20          exercise, endorsement or guarantee, by or through a person  
21          registered with the Secretary of State pursuant to Section  
22          8 of the Illinois Securities Law of 1953, or by or through  
23          a person exempt from such registration under said Section  
24          8, of a put, call, or other option to buy or sell  
25          securities which have been registered with the Secretary of  
26          State or which are exempt from such registration under

1 Section 3 of the Illinois Securities Law of 1953 is not  
2 gambling within the meaning of this paragraph (4);

3 (5) knowingly owns or possesses any book, instrument or  
4 apparatus by means of which bets or wagers have been, or  
5 are, recorded or registered, or knowingly possesses any  
6 money which he has received in the course of a bet or  
7 wager;

8 (6) knowingly sells pools upon the result of any game  
9 or contest of skill or chance, political nomination,  
10 appointment or election;

11 (7) knowingly sets up or promotes any lottery or sells,  
12 offers to sell or transfers any ticket or share for any  
13 lottery;

14 (8) knowingly sets up or promotes any policy game or  
15 sells, offers to sell or knowingly possesses or transfers  
16 any policy ticket, slip, record, document or other similar  
17 device;

18 (9) knowingly drafts, prints or publishes any lottery  
19 ticket or share, or any policy ticket, slip, record,  
20 document or similar device, except for such activity  
21 related to lotteries, bingo games and raffles authorized by  
22 and conducted in accordance with the laws of Illinois or  
23 any other state or foreign government;

24 (10) knowingly advertises any lottery or policy game,  
25 except for such activity related to lotteries, bingo games  
26 and raffles authorized by and conducted in accordance with

1 the laws of Illinois or any other state;

2 (11) knowingly transmits information as to wagers,  
3 betting odds, or changes in betting odds by telephone,  
4 telegraph, radio, semaphore or similar means; or knowingly  
5 installs or maintains equipment for the transmission or  
6 receipt of such information; except that nothing in this  
7 subdivision (11) prohibits transmission or receipt of such  
8 information for use in news reporting of sporting events or  
9 contests; or

10 (12) knowingly establishes, maintains, or operates an  
11 Internet site that permits a person to play a game of  
12 chance or skill for money or other thing of value by means  
13 of the Internet or to make a wager upon the result of any  
14 game, contest, political nomination, appointment, or  
15 election by means of the Internet. This item (12) does not  
16 apply to activities referenced in items (6) and (6.1) of  
17 subsection (b) of this Section.

18 (b) Participants in any of the following activities shall  
19 not be convicted of gambling:

20 (1) Agreements to compensate for loss caused by the  
21 happening of chance including without limitation contracts  
22 of indemnity or guaranty and life or health or accident  
23 insurance.

24 (2) Offers of prizes, award or compensation to the  
25 actual contestants in any bona fide contest for the  
26 determination of skill, speed, strength or endurance or to

1 the owners of animals or vehicles entered in such contest.

2 (3) Pari-mutuel betting as authorized by the law of  
3 this State.

4 (4) Manufacture of gambling devices, including the  
5 acquisition of essential parts therefor and the assembly  
6 thereof, for transportation in interstate or foreign  
7 commerce to any place outside this State when such  
8 transportation is not prohibited by any applicable Federal  
9 law; or the manufacture, distribution, or possession of  
10 video gaming terminals, as defined in the Video Gaming Act,  
11 by manufacturers, distributors, and terminal operators  
12 licensed to do so under the Video Gaming Act.

13 (5) The game commonly known as "bingo", when conducted  
14 in accordance with the Bingo License and Tax Act.

15 (6) Lotteries when conducted by the State of Illinois  
16 in accordance with the Illinois Lottery Law. This exemption  
17 includes any activity conducted by the Department of  
18 Revenue to sell lottery tickets pursuant to the provisions  
19 of the Illinois Lottery Law and its rules.

20 (6.1) The purchase of lottery tickets through the  
21 Internet for a lottery conducted by the State of Illinois  
22 under the program established in Section 7.12 of the  
23 Illinois Lottery Law.

24 (7) Possession of an antique slot machine that is  
25 neither used nor intended to be used in the operation or  
26 promotion of any unlawful gambling activity or enterprise.

1 For the purpose of this subparagraph (b)(7), an antique  
2 slot machine is one manufactured 25 years ago or earlier.

3 (8) Raffles and poker runs when conducted in accordance  
4 with the Raffles and Poker Runs Act.

5 (9) Charitable games when conducted in accordance with  
6 the Charitable Games Act.

7 (10) Pull tabs and jar games when conducted under the  
8 Illinois Pull Tabs and Jar Games Act.

9 (11) Gambling games conducted on riverboats when  
10 authorized by the Riverboat Gambling Act.

11 (12) Video gaming terminal games at a licensed  
12 establishment, licensed truck stop establishment, licensed  
13 fraternal establishment, organization licensee location,  
14 inter-track wagering location licensee location, or  
15 licensed veterans establishment when conducted in  
16 accordance with the Video Gaming Act.

17 (13) Games of skill or chance where money or other  
18 things of value can be won but no payment or purchase is  
19 required to participate.

20 (14) Savings promotion raffles authorized under  
21 Section 5g of the Illinois Banking Act, Section 7008 of the  
22 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
23 Act, Section 5136B of the National Bank Act (12 U.S.C.  
24 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
25 1463).

26 (c) Sentence.

1           Gambling is a Class A misdemeanor. A second or subsequent  
2 conviction under subsections (a) (3) through (a) (12), is a Class  
3 4 felony.

4           (d) Circumstantial evidence.

5           In prosecutions under this Section circumstantial evidence  
6 shall have the same validity and weight as in any criminal  
7 prosecution.

8           (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)".