



Sen. Terry Link

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09900SB2523sam001

LRB099 18503 AMC 46205 a

1 AMENDMENT TO SENATE BILL 2523

2 AMENDMENT NO. _____. Amend Senate Bill 2523 by replacing
3 everything after the enacting clause with the following:

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.

1 (2) The Board shall consist of 5 members to be appointed by
2 the Governor with the advice and consent of the Senate, one of
3 whom shall be designated by the Governor to be chairman. Each
4 member shall have a reasonable knowledge of the practice,
5 procedure and principles of gambling operations. Each member
6 shall either be a resident of Illinois or shall certify that he
7 will become a resident of Illinois before taking office. At
8 least one member shall be experienced in law enforcement and
9 criminal investigation, at least one member shall be a
10 certified public accountant experienced in accounting and
11 auditing, and at least one member shall be a lawyer licensed to
12 practice law in Illinois.

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

26 (4) Each member of the Board shall receive \$300 for each

1 day the Board meets and for each day the member conducts any
2 hearing pursuant to this Act. Each member of the Board shall
3 also be reimbursed for all actual and necessary expenses and
4 disbursements incurred in the execution of official duties.

5 (5) No person shall be appointed a member of the Board or
6 continue to be a member of the Board who is, or whose spouse,
7 child or parent is, a member of the board of directors of, or a
8 person financially interested in, any gambling operation
9 subject to the jurisdiction of this Board, or any race track,
10 race meeting, racing association or the operations thereof
11 subject to the jurisdiction of the Illinois Racing Board. No
12 Board member shall hold any other public office. No person
13 shall be a member of the Board who is not of good moral
14 character or who has been convicted of, or is under indictment
15 for, a felony under the laws of Illinois or any other state, or
16 the United States.

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

1 service functions.

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

5 (7) Before entering upon the discharge of the duties of his
6 office, each member of the Board shall take an oath that he
7 will faithfully execute the duties of his office according to
8 the laws of the State and the rules and regulations adopted
9 therewith and shall give bond to the State of Illinois,
10 approved by the Governor, in the sum of \$25,000. Every such
11 bond, when duly executed and approved, shall be recorded in the
12 office of the Secretary of State. Whenever the Governor
13 determines that the bond of any member of the Board has become
14 or is likely to become invalid or insufficient, he shall
15 require such member forthwith to renew his bond, which is to be
16 approved by the Governor. Any member of the Board who fails to
17 take oath and give bond within 30 days from the date of his
18 appointment, or who fails to renew his bond within 30 days
19 after it is demanded by the Governor, shall be guilty of
20 neglect of duty and may be removed by the Governor. The cost of
21 any bond given by any member of the Board under this Section
22 shall be taken to be a part of the necessary expenses of the
23 Board.

24 (7.5) For the examination of all mechanical,
25 electromechanical, or electronic table games, slot machines,
26 slot accounting systems, and other electronic gaming equipment

1 for compliance with this Act, the Board shall ~~may~~ utilize the
2 services of all ~~one or more~~ independent outside testing
3 laboratories that have been accredited by a national
4 accreditation body signifying they are qualified to ~~and that,~~
5 ~~in the judgment of the Board, are qualified to~~ perform such
6 examinations. The Board shall not unreasonably withhold its
7 recognition of an accredited independent outside testing
8 laboratory as long as the laboratory is found suitable by the
9 Board and holds a license to perform such examinations in good
10 standing or is recognized to perform such examinations in New
11 Jersey, Nevada, or Ohio.

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

23 (9) An Administrator shall perform any and all duties that
24 the Board shall assign him. The salary of the Administrator
25 shall be determined by the Board and, in addition, he shall be
26 reimbursed for all actual and necessary expenses incurred by

1 him in discharge of his official duties. The Administrator
2 shall keep records of all proceedings of the Board and shall
3 preserve all records, books, documents and other papers
4 belonging to the Board or entrusted to its care. The
5 Administrator shall devote his full time to the duties of the
6 office and shall not hold any other office or employment.

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

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

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

26 (3) To promulgate such rules and regulations as in its

1 judgment may be necessary to protect or enhance the
2 credibility and integrity of gambling operations
3 authorized by this Act and the regulatory process
4 hereunder;

5 (4) To provide for the establishment and collection of
6 all license and registration fees and taxes imposed by this
7 Act and the rules and regulations issued pursuant hereto.
8 All such fees and taxes shall be deposited into the State
9 Gaming Fund;

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

16 (6) To be present through its inspectors and agents any
17 time gambling operations are conducted on any riverboat for
18 the purpose of certifying the revenue thereof, receiving
19 complaints from the public, and conducting such other
20 investigations into the conduct of the gambling games and
21 the maintenance of the equipment as from time to time the
22 Board may deem necessary and proper;

23 (7) To review and rule upon any complaint by a licensee
24 regarding any investigative procedures of the State which
25 are unnecessarily disruptive of gambling operations. The
26 need to inspect and investigate shall be presumed at all

1 times. The disruption of a licensee's operations shall be
2 proved by clear and convincing evidence, and establish
3 that: (A) the procedures had no reasonable law enforcement
4 purposes, and (B) the procedures were so disruptive as to
5 unreasonably inhibit gambling operations;

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

1 findings and decision of the majority of the Board shall
2 constitute the order of the Board in such case;

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

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

14 (11) (Blank);

15 (12) (Blank);

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

18 (14) To adopt, by rule, a code of conduct governing
19 Board members and employees that ensure, to the maximum
20 extent possible, that persons subject to this Code avoid
21 situations, relationships, or associations that may
22 represent or lead to a conflict of interest.

23 (c) The Board shall have jurisdiction over and shall
24 supervise all gambling operations governed by this Act. The
25 Board shall have all powers necessary and proper to fully and
26 effectively execute the provisions of this Act, including, but

1 not limited to, the following:

2 (1) To investigate applicants and determine the
3 eligibility of applicants for licenses and to select among
4 competing applicants the applicants which best serve the
5 interests of the citizens of Illinois.

6 (2) To have jurisdiction and supervision over all
7 riverboat gambling operations in this State and all persons
8 on riverboats where gambling operations are conducted.

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

21 (4) To enter the office, riverboats, facilities, or
22 other places of business of a licensee, where evidence of
23 the compliance or noncompliance with the provisions of this
24 Act is likely to be found.

25 (5) To investigate alleged violations of this Act or
26 the rules of the Board and to take appropriate disciplinary

1 action against a licensee or a holder of an occupational
2 license for a violation, or institute appropriate legal
3 action for enforcement, or both.

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

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

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

21 (9) To conduct hearings, issue subpoenas for the
22 attendance of witnesses and subpoenas duces tecum for the
23 production of books, records and other pertinent documents
24 in accordance with the Illinois Administrative Procedure
25 Act, and to administer oaths and affirmations to the
26 witnesses, when, in the judgment of the Board, it is

1 necessary to administer or enforce this Act or the Board
2 rules.

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

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

19 (12) To eject or exclude or authorize the ejection or
20 exclusion of, any person from riverboat gambling
21 facilities where such person is in violation of this Act,
22 rules and regulations thereunder, or final orders of the
23 Board, or where such person's conduct or reputation is such
24 that his presence within the riverboat gambling facilities
25 may, in the opinion of the Board, call into question the
26 honesty and integrity of the gambling operations or

1 interfere with orderly conduct thereof; provided that the
2 propriety of such ejection or exclusion is subject to
3 subsequent hearing by the Board.

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

9 (14) (Blank).

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

21 (16) To hire employees to gather information, conduct
22 investigations and carry out any other tasks contemplated
23 under this Act.

24 (17) To establish minimum levels of insurance to be
25 maintained by licensees.

26 (18) To authorize a licensee to sell or serve alcoholic

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

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

21 (20) To delegate the execution of any of its powers
22 under this Act for the purpose of administering and
23 enforcing this Act and its rules and regulations hereunder.

24 (20.5) To approve any contract entered into on its
25 behalf.

26 (20.6) To appoint investigators to conduct

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

9 (20.7) To contract with the Department of State Police
10 for the use of trained and qualified State police officers
11 and with the Department of Revenue for the use of trained
12 and qualified Department of Revenue investigators to
13 conduct investigations, searches, seizures, arrests, and
14 other duties imposed under this Act and to exercise all of
15 the rights and powers of peace officers, provided that the
16 powers of Department of Revenue investigators under this
17 subdivision (20.7) shall be limited to offenses or
18 violations occurring or committed on a riverboat or dock,
19 as defined in subsections (d) and (f) of Section 4, or as
20 otherwise provided by this Act or any other law. In the
21 event the Department of State Police or the Department of
22 Revenue is unable to fill contracted police or
23 investigative positions, the Board may appoint
24 investigators to fill those positions pursuant to
25 subdivision (20.6).

26 (21) To take any other action as may be reasonable or

1 appropriate to enforce this Act and rules and regulations
2 hereunder.

3 (d) The Board may seek and shall receive the cooperation of
4 the Department of State Police in conducting background
5 investigations of applicants and in fulfilling its
6 responsibilities under this Section. Costs incurred by the
7 Department of State Police as a result of such cooperation
8 shall be paid by the Board in conformance with the requirements
9 of Section 2605-400 of the Department of State Police Law (20
10 ILCS 2605/2605-400).

11 (e) The Board must authorize to each investigator and to
12 any other employee of the Board exercising the powers of a
13 peace officer a distinct badge that, on its face, (i) clearly
14 states that the badge is authorized by the Board and (ii)
15 contains a unique identifying number. No other badge shall be
16 authorized by the Board.

17 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

18 Section 10. The Video Gaming Act is amended by changing
19 Section 15 as follows:

20 (230 ILCS 40/15)

21 Sec. 15. Minimum requirements for licensing and
22 registration. Every video gaming terminal offered for play
23 shall first be tested and approved pursuant to the rules of the
24 Board, and each video gaming terminal offered in this State for

1 play shall conform to an approved model. For the examination of
2 video gaming machines and associated equipment as required by
3 this Section, the Board shall ~~may~~ utilize the services of all
4 ~~one or more~~ independent outside testing laboratories that have
5 been accredited by a national accreditation body signifying
6 they are qualified to ~~and that, in the judgment of the Board,~~
7 ~~are qualified to~~ perform such examinations. The Board shall not
8 unreasonably withhold its recognition of an accredited
9 independent outside testing laboratory as long as the
10 laboratory is found suitable by the Board and holds a license
11 to perform such examinations in good standing or is recognized
12 to perform such examinations in New Jersey, Nevada, or Ohio.
13 Every video gaming terminal offered in this State for play must
14 meet minimum standards ~~set by an independent outside testing~~
15 ~~laboratory~~ approved by the Board. Each approved model shall, at
16 a minimum, meet the following criteria:

17 (1) It must conform to all requirements of federal law
18 and regulations, including FCC Class A Emissions
19 Standards.

20 (2) It must theoretically pay out a mathematically
21 demonstrable percentage during the expected lifetime of
22 the machine of all amounts played, which must not be less
23 than 80%. The Board shall establish a maximum payout
24 percentage for approved models by rule. Video gaming
25 terminals that may be affected by skill must meet this
26 standard when using a method of play that will provide the

1 greatest return to the player over a period of continuous
2 play.

3 (3) It must use a random selection process to determine
4 the outcome of each play of a game. The random selection
5 process must meet 99% confidence limits using a standard
6 chi-squared test for (randomness) goodness of fit.

7 (4) It must display an accurate representation of the
8 game outcome.

9 (5) It must not automatically alter pay tables or any
10 function of the video gaming terminal based on internal
11 computation of hold percentage or have any means of
12 manipulation that affects the random selection process or
13 probabilities of winning a game.

14 (6) It must not be adversely affected by static
15 discharge or other electromagnetic interference.

16 (7) It must be capable of detecting and displaying the
17 following conditions during idle states or on demand: power
18 reset; door open; and door just closed.

19 (8) It must have the capacity to display complete play
20 history (outcome, intermediate play steps, credits
21 available, bets placed, credits paid, and credits cashed
22 out) for the most recent game played and 10 games prior
23 thereto.

24 (9) The theoretical payback percentage of a video
25 gaming terminal must not be capable of being changed
26 without making a hardware or software change in the video

1 gaming terminal, either on site or via the central
2 communications system.

3 (10) Video gaming terminals must be designed so that
4 replacement of parts or modules required for normal
5 maintenance does not necessitate replacement of the
6 electromechanical meters.

7 (11) It must have nonresettable meters housed in a
8 locked area of the terminal that keep a permanent record of
9 all cash inserted into the machine, all winnings made by
10 the terminal printer, credits played in for video gaming
11 terminals, and credits won by video gaming players. The
12 video gaming terminal must provide the means for on-demand
13 display of stored information as determined by the Board.

14 (12) Electronically stored meter information required
15 by this Section must be preserved for a minimum of 180 days
16 after a power loss to the service.

17 (13) It must have one or more mechanisms that accept
18 cash in the form of bills. The mechanisms shall be designed
19 to prevent obtaining credits without paying by stringing,
20 slamming, drilling, or other means. If such attempts at
21 physical tampering are made, the video gaming terminal
22 shall suspend itself from operating until reset.

23 (14) It shall have accounting software that keeps an
24 electronic record which includes, but is not limited to,
25 the following: total cash inserted into the video gaming
26 terminal; the value of winning tickets claimed by players;

1 the total credits played; the total credits awarded by a
2 video gaming terminal; and pay back percentage credited to
3 players of each video game.

4 (15) It shall be linked by a central communications
5 system to provide auditing program information as approved
6 by the Board. The central communications system shall use a
7 standard industry protocol, as defined by the Gaming
8 Standards Association, and shall have the functionality to
9 enable the Board or its designee to activate or deactivate
10 individual gaming devices from the central communications
11 system. In no event may the communications system approved
12 by the Board limit participation to only one manufacturer
13 of video gaming terminals by either the cost in
14 implementing the necessary program modifications to
15 communicate or the inability to communicate with the
16 central communications system.

17 (16) The Board, in its discretion, may require video
18 gaming terminals to display Amber Alert messages if the
19 Board makes a finding that it would be economically and
20 technically feasible and pose no risk to the integrity and
21 security of the central communications system and video
22 gaming terminals.

23 The Board may adopt rules to establish additional criteria
24 to preserve the integrity and security of video gaming in this
25 State. The central communications system vendor may be licensed
26 as a video gaming terminal manufacturer or a video gaming

1 terminal distributor, or both, but in no event shall the
2 central communications system vendor be licensed as a video
3 gaming terminal operator.

4 The Board shall not permit the development of information
5 or the use by any licensee of gaming device or individual game
6 performance data. Nothing in this Act shall inhibit or prohibit
7 the Board from the use of gaming device or individual game
8 performance data in its regulatory duties. The Board shall
9 adopt rules to ensure that all licensees are treated and all
10 licensees act in a non-discriminatory manner and develop
11 processes and penalties to enforce those rules.

12 (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,
13 eff. 8-27-13; 98-756, eff. 7-16-14.)".