



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB3453

Introduced 11/16/2016, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

230 ILCS 40/5
230 ILCS 40/25
230 ILCS 40/30
230 ILCS 40/35
230 ILCS 40/45
230 ILCS 40/55
230 ILCS 40/58
230 ILCS 40/60
720 ILCS 5/28-1

from Ch. 38, par. 28-1

Amends the Video Gaming Act. Allows for video gaming by organization licensees and inter-track wagering location licensees under the Illinois Horse Racing Act of 1975; makes conforming changes throughout the Video Gaming Act and in the Criminal Code of 2012. Removes references to organization licensees and inter-track wagering location licensees from the definition of "licensed establishment". Provides that an organization licensee may operate up to 100 video gaming terminals on its premises at any time and an inter-track wagering location licensee may operate up to 5 video gaming terminals at the inter-track wagering location licensee's location or on the premises of the organization licensee with which they are affiliated. Requires organization licensees and inter-track wagering location licensees that are directly owned by the organization licensee to deposit 40% of their share of the after-tax profits from video gaming into the horsemen purse accounts associated with their respective racetrack proportionally by handle for each breed. Makes other changes.

LRB099 23980 AMC 51558 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 the
5 Sections 5, 25, 30, 35, 45, 55, 58, and 60 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 "Electronic card" means a card purchased from a licensed
17 establishment, licensed fraternal establishment, licensed
18 veterans establishment, or licensed truck stop establishment
19 for use in that establishment as a substitute for cash in the
20 conduct of gaming on a video gaming terminal.

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

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

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

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

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

26 "Supplier" means an individual, partnership, corporation,

1 or limited liability company that is licensed under this Act to
2 supply major components or parts to video gaming terminals to
3 licensed terminal operators.

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

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

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

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

1 ~~licensed establishment that has such a contractual~~
2 ~~relationship with an inter-track wagering location licensee~~
3 ~~may not, itself, be (i) an inter-track wagering location~~
4 ~~licensee, (ii) the corporate parent or subsidiary of any~~
5 ~~licensee licensed under the Illinois Horse Racing Act of 1975,~~
6 ~~or (iii) the corporate subsidiary of a corporation that is also~~
7 ~~the corporate parent or subsidiary of any licensee licensed~~
8 ~~under the Illinois Horse Racing Act of 1975. "Licensed~~
9 ~~establishment" does not include a facility operated by an~~
10 ~~organization licensee, an inter-track wagering licensee, or an~~
11 ~~inter-track wagering location licensee licensed under the~~
12 ~~Illinois Horse Racing Act of 1975 or a riverboat licensed under~~
13 ~~the Riverboat Gambling Act, except as provided in this~~
14 ~~paragraph. The changes made to this definition by Public Act~~
15 ~~98-587 are declarative of existing law.~~

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

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

23 "Licensed truck stop establishment" means a facility (i)
24 that is at least a 3-acre facility with a convenience store,
25 (ii) with separate diesel islands for fueling commercial motor
26 vehicles, (iii) that sells at retail more than 10,000 gallons

1 of diesel or biodiesel fuel per month, and (iv) with parking
2 spaces for commercial motor vehicles. "Commercial motor
3 vehicles" has the same meaning as defined in Section 18b-101 of
4 the Illinois Vehicle Code. The requirement of item (iii) of
5 this paragraph may be met by showing that estimated future
6 sales or past sales average at least 10,000 gallons per month.

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

9 "Inter-track wagering location licensee" means an
10 inter-track wagering location licensee as defined in the
11 Illinois Horse Racing Act of 1975.

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

15 (230 ILCS 40/25)

16 Sec. 25. Restriction of licensees.

17 (a) Manufacturer. A person may not be licensed as a
18 manufacturer of a video gaming terminal in Illinois unless the
19 person has a valid manufacturer's license issued under this
20 Act. A manufacturer may only sell video gaming terminals for
21 use in Illinois to persons having a valid distributor's
22 license.

23 (b) Distributor. A person may not sell, distribute, or
24 lease or market a video gaming terminal in Illinois unless the
25 person has a valid distributor's license issued under this Act.

1 A distributor may only sell video gaming terminals for use in
2 Illinois to persons having a valid distributor's or terminal
3 operator's license.

4 (c) Terminal operator. A person may not own, maintain, or
5 place a video gaming terminal unless he has a valid terminal
6 operator's license issued under this Act. A terminal operator
7 may only place video gaming terminals for use in Illinois in
8 licensed establishments, licensed truck stop establishments,
9 licensed fraternal establishments, and licensed veterans
10 establishments. No terminal operator may give anything of
11 value, including but not limited to a loan or financing
12 arrangement, to a licensed establishment, licensed truck stop
13 establishment, licensed fraternal establishment, or licensed
14 veterans establishment as any incentive or inducement to locate
15 video terminals in that establishment. Of the after-tax profits
16 from a video gaming terminal, 50% shall be paid to the terminal
17 operator and 50% shall be paid to the licensed establishment,
18 licensed truck stop establishment, licensed fraternal
19 establishment, or licensed veterans establishment,
20 notwithstanding any agreement to the contrary. Organization
21 licensee locations and inter-track wagering location licensee
22 locations that are directly owned by the organization licensee
23 shall deposit 40% of their share of the after-tax profits into
24 the horsemen purse accounts associated with their respective
25 racetrack proportionally by handle for each breed. A video
26 terminal operator that violates one or more requirements of

1 this subsection is guilty of a Class 4 felony and is subject to
2 termination of his or her license by the Board.

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

8 (d-5) Licensed terminal handler. No person, including, but
9 not limited to, an employee or independent contractor working
10 for a manufacturer, distributor, supplier, technician, or
11 terminal operator licensed pursuant to this Act, shall have
12 possession or control of a video gaming terminal, or access to
13 the inner workings of a video gaming terminal, unless that
14 person possesses a valid terminal handler's license issued
15 under this Act.

16 (e) Licensed establishment. No video gaming terminal may be
17 placed in any licensed establishment, licensed veterans
18 establishment, licensed truck stop establishment, organization
19 licensee location, inter-track wagering location licensee
20 location, or licensed fraternal establishment unless the owner
21 or agent of the owner of the licensed establishment, licensed
22 veterans establishment, licensed truck stop establishment,
23 organization licensee, inter-track wagering location licensee,
24 or licensed fraternal establishment has entered into a written
25 use agreement with the terminal operator for placement of the
26 terminals. A copy of the use agreement shall be on file in the

1 terminal operator's place of business and available for
2 inspection by individuals authorized by the Board. A licensed
3 establishment, licensed truck stop establishment, licensed
4 veterans establishment, or licensed fraternal establishment
5 may operate up to 5 video gaming terminals on its premises at
6 any time, except that an organization licensee licensed under
7 the Illinois Horse Racing Act of 1975 may operate up to 100
8 video gaming terminals at its organization licensee location at
9 any time and an inter-track wagering location licensee may
10 operate up to 5 video gaming terminals at the inter-track
11 wagering location licensee's location or on the premises of the
12 organization licensee with which they are affiliated.

13 (f) (Blank).

14 (g) Financial interest restrictions. As used in this Act,
15 "substantial interest" in a partnership, a corporation, an
16 organization, an association, a business, or a limited
17 liability company means:

18 (A) When, with respect to a sole proprietorship, an
19 individual or his or her spouse owns, operates, manages, or
20 conducts, directly or indirectly, the organization,
21 association, or business, or any part thereof; or

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

25 (C) When, with respect to a corporation, an individual
26 or his or her spouse is an officer or director, or the

1 individual or his or her spouse is a holder, directly or
2 beneficially, of 5% or more of any class of stock of the
3 corporation; or

4 (D) When, with respect to an organization not covered
5 in (A), (B) or (C) above, an individual or his or her
6 spouse is an officer or manages the business affairs, or
7 the individual or his or her spouse is the owner of or
8 otherwise controls 10% or more of the assets of the
9 organization; or

10 (E) When an individual or his or her spouse furnishes
11 5% or more of the capital, whether in cash, goods, or
12 services, for the operation of any business, association,
13 or organization during any calendar year; or

14 (F) When, with respect to a limited liability company,
15 an individual or his or her spouse is a member, or the
16 individual or his or her spouse is a holder, directly or
17 beneficially, of 5% or more of the membership interest of
18 the limited liability company.

19 For purposes of this subsection (g), "individual" includes
20 all individuals or their spouses whose combined interest would
21 qualify as a substantial interest under this subsection (g) and
22 whose activities with respect to an organization, association,
23 or business are so closely aligned or coordinated as to
24 constitute the activities of a single entity.

25 (h) Location restriction. A licensed establishment,
26 licensed truck stop establishment, licensed fraternal

1 establishment, organization licensee location, inter-track
2 wagering location licensee location, or licensed veterans
3 establishment that is (i) located within 1,000 feet of ~~a~~
4 ~~facility operated by an organization licensee licensed under~~
5 ~~the Illinois Horse Racing Act of 1975 or~~ the home dock of a
6 riverboat licensed under the Riverboat Gambling Act or (ii)
7 located within 100 feet of a school or a place of worship under
8 the Religious Corporation Act, is ineligible to operate a video
9 gaming terminal. The location restrictions in this subsection
10 (h) do not apply if (A) ~~a facility operated by an organization~~
11 ~~licensee,~~ a school, or a place of worship moves to or is
12 established within the restricted area after a licensed
13 establishment, licensed truck stop establishment, licensed
14 fraternal establishment, organization licensee, inter-track
15 wagering location licensee, or licensed veterans establishment
16 becomes licensed under this Act or (B) a school or place of
17 worship moves to or is established within the restricted area
18 after a licensed establishment, licensed truck stop
19 establishment, licensed fraternal establishment, organization
20 licensee, inter-track wagering location licensee, or licensed
21 veterans establishment obtains its original liquor license.
22 For the purpose of this subsection, "school" means an
23 elementary or secondary public school, or an elementary or
24 secondary private school registered with or recognized by the
25 State Board of Education.

26 Notwithstanding the provisions of this subsection (h), the

1 Board may waive the requirement that a licensed establishment,
2 licensed truck stop establishment, licensed fraternal
3 establishment, organization licensee location, inter-track
4 wagering location licensee location, or licensed veterans
5 establishment not be located within 1,000 feet from ~~a facility~~
6 ~~operated by an organization licensee licensed under the~~
7 ~~Illinois Horse Racing Act of 1975 or~~ the home dock of a
8 riverboat licensed under the Riverboat Gambling Act. The Board
9 shall not grant such waiver if there is any common ownership or
10 control, shared business activity, or contractual arrangement
11 of any type between the establishment and the ~~organization~~
12 ~~licensee or~~ owners licensee of a riverboat. The Board shall
13 adopt rules to implement the provisions of this paragraph.

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

- 25 (1) substantially impede or suppress competition among
26 terminal operators;

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

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

5 The Board shall adopt rules concerning undue economic
6 concentration with respect to the operation of video gaming
7 terminals in Illinois. The rules shall include, but not be
8 limited to, (i) limitations on the number of video gaming
9 terminals operated by any terminal operator within a defined
10 geographic radius and (ii) guidelines on the discontinuation of
11 operation of any such video gaming terminals the Board
12 determines will cause undue economic concentration.

13 (j) The provisions of the Illinois Antitrust Act are fully
14 and equally applicable to the activities of any licensee under
15 this Act.

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

18 (230 ILCS 40/30)

19 Sec. 30. Multiple types of licenses prohibited. A video
20 gaming terminal manufacturer may not be licensed as a video
21 gaming terminal operator or own, manage, or control a licensed
22 establishment, licensed truck stop establishment, licensed
23 fraternal establishment, organization licensee location,
24 inter-track wagering location licensee location, or licensed
25 veterans establishment, and shall be licensed to sell only to

1 persons having a valid distributor's license or, if the
2 manufacturer also holds a valid distributor's license, to sell,
3 distribute, lease, or market to persons having a valid terminal
4 operator's license. A video gaming terminal distributor may not
5 be licensed as a video gaming terminal operator or own, manage,
6 or control a licensed establishment, licensed truck stop
7 establishment, licensed fraternal establishment, or licensed
8 veterans establishment, and shall only contract with a licensed
9 terminal operator. A video gaming terminal operator may not be
10 licensed as a video gaming terminal manufacturer or distributor
11 or own, manage, or control a licensed establishment, licensed
12 truck stop establishment, licensed fraternal establishment, or
13 licensed veterans establishment, and shall be licensed only to
14 contract with licensed distributors and licensed
15 establishments, licensed truck stop establishments, licensed
16 fraternal establishments, and licensed veterans
17 establishments. An owner or manager of a licensed
18 establishment, licensed truck stop establishment, licensed
19 fraternal establishment, or licensed veterans establishment
20 may not be licensed as a video gaming terminal manufacturer,
21 distributor, or operator, and shall only contract with a
22 licensed operator to place and service this equipment.

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

24 (230 ILCS 40/35)

25 Sec. 35. Display of license; confiscation; violation as

1 felony.

2 (a) Each video gaming terminal shall be licensed by the
3 Board before placement or operation on the premises of a
4 licensed establishment, licensed truck stop establishment,
5 licensed fraternal establishment, organization licensee
6 location, inter-track wagering location licensee location, or
7 licensed veterans establishment. The license of each video
8 gaming terminal shall be maintained at the location where the
9 video gaming terminal is operated. Failure to do so is a petty
10 offense with a fine not to exceed \$100. Any licensed
11 establishment, licensed truck stop establishment, licensed
12 fraternal establishment, organization licensee location,
13 inter-track wagering location licensee location, or licensed
14 veterans establishment used for the conduct of gambling games
15 in violation of this Act shall be considered a gambling place
16 in violation of Section 28-3 of the Criminal Code of 2012.
17 Every gambling device found in a licensed establishment,
18 licensed truck stop establishment, licensed fraternal
19 establishment, organization licensee location, inter-track
20 wagering location licensee location, or licensed veterans
21 establishment operating gambling games in violation of this Act
22 shall be subject to seizure, confiscation, and destruction as
23 provided in Section 28-5 of the Criminal Code of 2012. Any
24 license issued under the Liquor Control Act of 1934 to any
25 owner or operator of a licensed establishment, licensed truck
26 stop establishment, licensed fraternal establishment,

1 organization licensee location, inter-track wagering location
2 licensee location, or licensed veterans establishment that
3 operates or permits the operation of a video gaming terminal
4 within its establishment in violation of this Act shall be
5 immediately revoked. No person may own, operate, have in his or
6 her possession or custody or under his or her control, or
7 permit to be kept in any place under his or her possession or
8 control, any device that awards credits and contains a circuit,
9 meter, or switch capable of removing and recording the removal
10 of credits when the award of credits is dependent upon chance.

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

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

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

26 (b) (1) The odds of winning each video game shall be posted

1 on or near each video gaming terminal. The manner in which the
2 odds are calculated and how they are posted shall be determined
3 by the Board by rule.

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

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

18 (230 ILCS 40/45)

19 Sec. 45. Issuance of license.

20 (a) The burden is upon each applicant to demonstrate his
21 suitability for licensure. Each video gaming terminal
22 manufacturer, distributor, supplier, operator, handler,
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, organization licensee,
25 inter-track wagering location licensee, and licensed veterans

1 establishment shall be licensed by the Board. The Board may
2 issue or deny a license under this Act to any person pursuant
3 to the same criteria set forth in Section 9 of the Riverboat
4 Gambling Act.

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

16 (b) Each person seeking and possessing a license as a video
17 gaming terminal manufacturer, distributor, supplier, operator,
18 handler, licensed establishment, licensed truck stop
19 establishment, licensed fraternal establishment, organization
20 licensee, inter-track wagering location licensee, or licensed
21 veterans establishment shall submit to a background
22 investigation conducted by the Board with the assistance of the
23 State Police or other law enforcement. To the extent that the
24 corporate structure of the applicant allows, the background
25 investigation shall include any or all of the following as the
26 Board deems appropriate or as provided by rule for each

1 category of licensure: (i) each beneficiary of a trust, (ii)
2 each partner of a partnership, (iii) each member of a limited
3 liability company, (iv) each director and officer of a publicly
4 or non-publicly held corporation, (v) each stockholder of a
5 non-publicly held corporation, (vi) each stockholder of 5% or
6 more of a publicly held corporation, or (vii) each stockholder
7 of 5% or more in a parent or subsidiary corporation.

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

23 (d) No person may be licensed as a video gaming terminal
24 manufacturer, distributor, supplier, operator, handler,
25 licensed establishment, licensed truck stop establishment,
26 licensed fraternal establishment, organization licensee,

1 inter-track wagering location licensee, or licensed veterans
2 establishment if that person has been found by the Board to:

3 (1) have a background, including a criminal record,
4 reputation, habits, social or business associations, or
5 prior activities that pose a threat to the public interests
6 of the State or to the security and integrity of video
7 gaming;

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

11 (3) present questionable business practices and
12 financial arrangements incidental to the conduct of video
13 gaming activities.

14 (e) Any applicant for any license under this Act has the
15 burden of proving his or her qualifications to the satisfaction
16 of the Board. The Board may adopt rules to establish additional
17 qualifications and requirements to preserve the integrity and
18 security of video gaming in this State.

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

- 22 (1) Manufacturer \$5,000
- 23 (2) Distributor..... \$5,000
- 24 (3) Terminal operator..... \$5,000
- 25 (4) Supplier \$2,500
- 26 (5) Technician \$100

1 (6) Terminal Handler \$50

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

4 (1) Manufacturer \$10,000

5 (2) Distributor..... \$10,000

6 (3) Terminal operator..... \$5,000

7 (4) Supplier \$2,000

8 (5) Technician \$100

9 (6) Licensed establishment, licensed truck stop
10 establishment, licensed fraternal establishment,
11 organization licensee, inter-track wagering location
12 licensee, or licensed veterans establishment \$100

13 (7) Video gaming terminal..... \$100

14 (8) Terminal Handler \$50

15 (h) A terminal operator and a licensed establishment,
16 licensed truck stop establishment, licensed fraternal
17 establishment, organization licensee, inter-track wagering
18 location licensee, or licensed veterans establishment shall

19 equally split the fees specified in item (7) of subsection (g).

20 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
21 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

22 (230 ILCS 40/55)

23 Sec. 55. Precondition for licensed location. In all cases
24 of application for a licensed location, to operate a video
25 gaming terminal, each licensed establishment, licensed

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

1 on the 2000 U.S. Census and (ii) the municipality or county
2 prohibits or limits the sale of alcohol by ordinance in a way
3 that prohibits the establishment from selling alcohol.

4 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;
5 97-594, eff. 8-26-11.)

6 (230 ILCS 40/58)

7 Sec. 58. Location of terminals. Video gaming terminals
8 must be located in an area restricted to persons over 21 years
9 of age the entrance to which is within the view of at least one
10 employee, who is over 21 years of age, of the establishment in
11 which they are located. The placement of video gaming terminals
12 in licensed establishments, licensed truck stop
13 establishments, licensed fraternal establishments,
14 organization licensee locations, inter-track wagering location
15 licensee locations, and licensed veterans establishments shall
16 be subject to the rules promulgated by the Board pursuant to
17 the Illinois Administrative Procedure Act.

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

19 (230 ILCS 40/60)

20 Sec. 60. Imposition and distribution of tax.

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

23 (b) Of the tax collected under this Section, five-sixths
24 shall be deposited into the Capital Projects Fund and one-sixth

1 shall be deposited into the Local Government Video Gaming
2 Distributive Fund.

3 (c) Revenues generated from the play of video gaming
4 terminals shall be deposited by the terminal operator, who is
5 responsible for tax payments, in a specially created, separate
6 bank account maintained by the video gaming terminal operator
7 to allow for electronic fund transfers of moneys for tax
8 payment.

9 (d) Each licensed establishment, licensed truck stop
10 establishment, licensed fraternal establishment, organization
11 licensee, inter-track wagering location licensee, and licensed
12 veterans establishment shall maintain an adequate video gaming
13 fund, with the amount to be determined by the Board.

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

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

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

3 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

4 Sec. 28-1. Gambling.

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

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

9 (2) knowingly makes a wager upon the result of any
10 game, contest, or any political nomination, appointment or
11 election;

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

15 (4) contracts to have or give himself or herself or
16 another the option to buy or sell, or contracts to buy or
17 sell, at a future time, any grain or other commodity
18 whatsoever, or any stock or security of any company, where
19 it is at the time of making such contract intended by both
20 parties thereto that the contract to buy or sell, or the
21 option, whenever exercised, or the contract resulting
22 therefrom, shall be settled, not by the receipt or delivery
23 of such property, but by the payment only of differences in
24 prices thereof; however, the issuance, purchase, sale,
25 exercise, endorsement or guarantee, by or through a person

1 registered with the Secretary of State pursuant to Section
2 8 of the Illinois Securities Law of 1953, or by or through
3 a person exempt from such registration under said Section
4 8, of a put, call, or other option to buy or sell
5 securities which have been registered with the Secretary of
6 State or which are exempt from such registration under
7 Section 3 of the Illinois Securities Law of 1953 is not
8 gambling within the meaning of this paragraph (4);

9 (5) knowingly owns or possesses any book, instrument or
10 apparatus by means of which bets or wagers have been, or
11 are, recorded or registered, or knowingly possesses any
12 money which he has received in the course of a bet or
13 wager;

14 (6) knowingly sells pools upon the result of any game
15 or contest of skill or chance, political nomination,
16 appointment or election;

17 (7) knowingly sets up or promotes any lottery or sells,
18 offers to sell or transfers any ticket or share for any
19 lottery;

20 (8) knowingly sets up or promotes any policy game or
21 sells, offers to sell or knowingly possesses or transfers
22 any policy ticket, slip, record, document or other similar
23 device;

24 (9) knowingly drafts, prints or publishes any lottery
25 ticket or share, or any policy ticket, slip, record,
26 document or similar device, except for such activity

1 related to lotteries, bingo games and raffles authorized by
2 and conducted in accordance with the laws of Illinois or
3 any other state or foreign government;

4 (10) knowingly advertises any lottery or policy game,
5 except for such activity related to lotteries, bingo games
6 and raffles authorized by and conducted in accordance with
7 the laws of Illinois or any other state;

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

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

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

26 (1) Agreements to compensate for loss caused by the

1 happening of chance including without limitation contracts
2 of indemnity or guaranty and life or health or accident
3 insurance.

4 (2) Offers of prizes, award or compensation to the
5 actual contestants in any bona fide contest for the
6 determination of skill, speed, strength or endurance or to
7 the owners of animals or vehicles entered in such contest.

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

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

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

21 (6) Lotteries when conducted by the State of Illinois
22 in accordance with the Illinois Lottery Law. This exemption
23 includes any activity conducted by the Department of
24 Revenue to sell lottery tickets pursuant to the provisions
25 of the Illinois Lottery Law and its rules.

26 (6.1) The purchase of lottery tickets through the

1 Internet for a lottery conducted by the State of Illinois
2 under the program established in Section 7.12 of the
3 Illinois Lottery Law.

4 (7) Possession of an antique slot machine that is
5 neither used nor intended to be used in the operation or
6 promotion of any unlawful gambling activity or enterprise.
7 For the purpose of this subparagraph (b)(7), an antique
8 slot machine is one manufactured 25 years ago or earlier.

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

11 (9) Charitable games when conducted in accordance with
12 the Charitable Games Act.

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

15 (11) Gambling games conducted on riverboats when
16 authorized by the Riverboat Gambling Act.

17 (12) Video gaming terminal games at a licensed
18 establishment, licensed truck stop establishment, licensed
19 fraternal establishment, organization licensee location,
20 inter-track wagering location licensee location, or
21 licensed veterans establishment when conducted in
22 accordance with the Video Gaming Act.

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

26 (14) Savings promotion raffles authorized under

1 Section 5g of the Illinois Banking Act, Section 7008 of the
2 Savings Bank Act, Section 42.7 of the Illinois Credit Union
3 Act, Section 5136B of the National Bank Act (12 U.S.C.
4 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
5 1463).

6 (c) Sentence.

7 Gambling is a Class A misdemeanor. A second or subsequent
8 conviction under subsections (a) (3) through (a) (12), is a Class
9 4 felony.

10 (d) Circumstantial evidence.

11 In prosecutions under this Section circumstantial evidence
12 shall have the same validity and weight as in any criminal
13 prosecution.

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