

1 AN ACT in relation to games of chance.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Video Gaming Act.

6 Section 5. Definitions. As used in this Act:

7 "Board" means the Illinois Gaming Board.

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

10 "Distributor" means an individual, partnership or
11 corporation licensed under this Act to buy, sell, lease, or
12 distribute video gaming terminals to terminal operators.

13 "Terminal operator" means an individual, partnership or
14 corporation that is licensed under this Act and that owns,
15 services, and maintains video gaming terminals for placement
16 in licensed establishments.

17 "Manufacturer" means an individual, partnership, or
18 corporation that is licensed under this Act and that
19 manufactures or assembles video gaming terminals.

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

22 "Video gaming terminal" means any electronic video game
23 machine that, upon insertion of cash, is available to play or
24 simulate the play of a video game, including but not limited
25 to video poker, keno, and blackjack, authorized by the Board
26 utilizing a video display and microprocessors in which the
27 player may receive free games or credits that can be redeemed
28 for cash. The term does not include a machine that directly
29 dispenses coins, cash, or tokens or is for amusement purposes
30 only.

31 "Licensed establishment" means any licensed retail

1 establishment where alcoholic liquor is drawn, poured, mixed,
2 or otherwise served for consumption on the premises.

3 Section 10. Licensing and registration. Every
4 individual, corporation, contractor, subcontractor, or
5 partnership offering a licensee goods or services on a
6 regular basis that directly relate to the manufacture,
7 modification, distribution, sale, operation, maintenance, or
8 security of video gaming terminals shall be licensed and
9 registered pursuant to rules of the Board.

10 Section 15. Minimum requirements for licensing and
11 registration. Every video gaming terminal offered for play
12 shall first be tested and approved pursuant to the rules of
13 the Board, and each video gaming terminal offered in this
14 State for play shall conform to an approved model. The Board
15 may contract with an independent outside vendor for the
16 examination of video gaming machines and associated equipment
17 as required by this Section. Each approved model shall, at a
18 minimum, meet the following criteria:

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

22 (2) It must theoretically pay out a mathematically
23 demonstrable percentage of all amounts played, which must
24 not be less than 80%. Video gaming terminals that may be
25 affected by skill must meet this standard when using a
26 method of play that will provide the greatest return to
27 the player over a period of continuous play.

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

1 (4) It must display an accurate representation of
2 the game outcome.

3 (5) It must not automatically alter pay tables or
4 any function of the video gaming terminal based on
5 internal computation of hold percentage.

6 (6) It must exhibit total immunity to human body
7 electrostatic discharges on all player-exposed areas.

8 (7) The random number generator and random
9 selection process must be impervious to influences from
10 outside the video gaming terminal and must use
11 appropriate communication protocols to protect the random
12 number generator and random selection process from
13 influence by affiliated equipment, such as the central
14 site monitoring equipment.

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

18 (9) The program residing in the video gaming
19 terminal must be contained in a storage medium which is
20 not alterable through any use of the circuitry or
21 programming of the video gaming terminal itself.

22 (10) It must have the capacity to display complete
23 play history (outcome, intermediate play steps, credits
24 available, bets placed, credits paid and credits cashed
25 out) for the most recent game played and one game prior
26 thereto.

27 (11) The control program must check for any
28 corruption of random access memory locations used for
29 crucial video gaming terminal functions including, but
30 not limited to, information pertaining to the play and
31 final outcome of the 2 prior games, random number
32 generator outcome, credits available for play, and any
33 error states. These memory areas must be checked for
34 corruption following game initiation but prior to display

1 of the game outcome to the player. Detection of any
2 uncorrectable corruption shall be deemed to be a game
3 malfunction and must result in a tilt condition.

4 (12) The theoretical payback percentage of a video
5 gaming terminal must not be capable of being changed
6 without making a hardware or software change in the video
7 gaming terminal.

8 (13) Video gaming terminals must be designed so
9 that replacement of parts or modules required for normal
10 maintenance does not necessitate replacement of the
11 electromechanical meters.

12 (14) Video gaming terminals must have an
13 electronically stored digital meter of at least 3 digits
14 for the number of plays since power on and the number of
15 plays since door closure. When the maximum value has
16 been reached, the meters must remain at that value until
17 reset by occurrence of the appropriate event. The video
18 gaming terminal must provide the means for on-demand
19 display of the stored information.

20 (15) Electronically stored meter information
21 required by this Section must be preserved for a minimum
22 of 72 hours after a power loss to the service.

23 (16) Collectible credits may be accumulated from
24 wins or from approved currency acceptors. Collectible
25 credits may be accumulated directly from coin or bill
26 acceptance if the video gaming terminal uses a coin or
27 bill acceptor.

28 (17) It shall have accounting software that keeps
29 an electronic record which includes, but is not limited
30 to, the following: total cash inserted into the video
31 gaming terminal; the value of winning tickets claimed by
32 players; the total credits played; and the total credits
33 awarded by a video gaming terminal.

34 (18) It shall be linked under a central

1 communications system on a "dial-up" basis to provide
2 auditing program information as approved by the Board. In
3 no event may the communications system approved by the
4 Board limit participation to only one manufacturer of
5 video gaming terminals by either the cost in implementing
6 the necessary program modifications to communicate or the
7 inability to communicate with the central communications
8 system.

9 Section 20. Direct dispensing of receipt tickets only.

10 A video gaming terminal may not directly dispense coins,
11 cash, tokens, or any other article of exchange or value
12 except for receipt tickets. Tickets shall be dispensed by
13 pressing the ticket dispensing button on the video gaming
14 terminal at the end of one's turn or play. The ticket shall
15 indicate the total amount of credits and the cash award, and
16 the player shall turn in this ticket to the appropriate
17 person at the licensed establishment to receive the cash
18 award. The cost of the credit shall be 5 cents, 10 cents, or
19 25 cents, and the maximum wager played per game shall not
20 exceed \$2. No cash award for the maximum wager on any
21 individual game shall exceed \$500.

22 Section 25. Restriction of licensees.

23 (a) Manufacturer. A person may not be licensed as a
24 manufacturer of a video gaming terminal in Illinois unless
25 the person has a valid manufacturer's license issued under
26 this Act. A manufacturer may only sell video gaming
27 terminals for use in Illinois to persons having a valid
28 distributor's license.

29 (b) Distributor. A person may not sell, service,
30 distribute, or lease or market a video gaming terminal in
31 Illinois unless the person has a valid distributor's license
32 issued under this Act. A distributor may only sell video

1 gaming terminals for use in Illinois to persons having a
2 valid distributor's or terminal operator's license.

3 (c) Terminal operator. A person may not own, service,
4 maintain, lease, or place a video gaming terminal unless he
5 has a valid terminal operator's license issued under this
6 Act. A terminal operator may only place video gaming
7 terminals for use in Illinois in licensed establishments.
8 No terminal operator may give anything of value to a licensed
9 establishment as any incentive or inducement to locate video
10 terminals in that establishment. The profits from a video
11 gaming terminal shall be divided evenly between a terminal
12 operator and a licensed establishment.

13 (d) Licensed establishment. A valid liquor license
14 shall be prima facie evidence of compliance with the
15 licensing requirements of this Act. No video gaming terminal
16 may be placed in any licensed establishment unless the owner
17 or agent of the owner of the licensed establishment has
18 entered into a written use agreement with the terminal
19 operator for placement of the terminals. A copy of the use
20 agreement shall be on file in the terminal operator's place
21 of business and available for inspection by individuals
22 authorized by the Board. No licensed establishment may have
23 more than 3 video gaming terminals on its premises at any
24 time, unless otherwise authorized by the Board.

25 (e) Residency requirement. Each licensed distributor,
26 terminal operator, and owner of a licensed establishment must
27 be an Illinois resident. However, if an out of state
28 distributor, terminal operator, or owner of a licensed
29 establishment has performed its respective business within
30 Illinois for at least 24 months prior to the effective date
31 of this Act, the out of state person may be eligible for
32 licensing under this Act, upon application to and approval of
33 the Board.

34 (f) Financial interest restrictions. As used in this

1 subsection (f), "substantial interest" in an organization,
2 association, or business means:

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

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

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

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

25 (E) When an individual or his or her marital
26 community furnishes 5% or more of the capital,
27 whether in cash, goods, or services, for the
28 operation of any business, association, or
29 organization during any calendar year.

30 Section 30. Multiple types of licenses prohibited. A
31 video gaming terminal manufacturer may not be licensed as a
32 video gaming terminal distributor or operator or own, manage,
33 or control a licensed establishment, and shall be licensed

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

14 Section 35. Display of license; confiscation; violation
15 as felony. Each video gaming terminal shall be licensed by
16 the Board before placement or operation on the premises of a
17 licensed establishment. Each machine shall have the license
18 prominently displayed thereon. Any licensed establishment
19 used for the conduct of gambling games in violation of this
20 Act shall be considered a gambling place in violation of
21 Section 28-3 of the Criminal Code of 1961. Every gambling
22 device found in a licensed establishment operating gambling
23 games in violation of this Act shall be subject to seizure,
24 confiscation, and destruction as provided in Section 28-5 of
25 the Criminal Code of 1961.

26 Section 40. Video gaming terminal use by minors
27 prohibited. No licensee shall cause or permit any person
28 under the age of 21 years to use or play a video gaming
29 terminal. Any licensee who knowingly permits a person under
30 the age of 21 years to use or play a video gaming terminal is
31 guilty of a business offense and shall be fined an amount not
32 to exceed \$5,000.

1 Section 45. Issuance of license.

2 (a) The burden is upon each applicant to demonstrate his
3 suitability for licensure. Each video gaming terminal
4 manufacturer, distributor, operator, and licensed
5 establishment shall be licensed by the Board before any video
6 gaming terminal is manufactured, distributed, sold, or placed
7 for public use in this State. The Board may not issue a
8 license under this Act to any person who, within 10 years of
9 the date of the application, has been convicted of a felony
10 under the laws of this State, any other state, or the United
11 States, or to any firm or corporation in which such a person
12 is an officer, director, or managerial employee.

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

- 16 (1) Video gaming terminal manufacturer.....\$10,000
- 17 (2) Video gaming terminal distributor.....\$ 5,000
- 18 (3) Video gaming terminal operator.....\$ 2,500

19 (c) The Board shall establish an annual fee for each
20 license not to exceed the following:

- 21 (1) Video gaming terminal manufacturer.....\$10,000
- 22 (2) Video gaming terminal distributor.....\$10,000
- 23 (3) Video gaming terminal operator.....\$ 5,000
- 24 (4) Video gaming terminal location.....\$ 100
- 25 (5) Video gaming terminal..... \$ 100

26 Section 50. Distribution of license fees. All fees
27 collected under Section 45 shall be deposited in the General
28 Revenue Fund. All licenses issued by the Board under this Act
29 are renewable annually unless sooner cancelled or terminated.
30 No license issued under this Act is transferable or
31 assignable.

32 Section 55. Precondition for Licensed Establishment. In

1 all cases of application for a licensed establishment, each
2 licensed establishment shall possess a valid liquor license
3 issued by the Illinois Liquor Control Commission in effect at
4 the time of application for, and issuance of, a video gaming
5 terminal license and at all times thereafter during which a
6 video gaming terminal is made available to the public for
7 play at that location.

8 Section 60. Distribution of tax revenues.

9 (a) All tax revenues derived from video gaming terminals
10 by the State shall be deposited by the Gaming Board into the
11 General Revenue Fund.

12 (b) The State shall receive revenues based on net video
13 gaming terminal income (income after payout). The tax will
14 be 20% of this amount. The tax will automatically increase
15 to 25% 2 years after the effective date of this Act.

16 (c) Revenues generated from the play of video gaming
17 terminals shall be deposited by the terminal operator, who is
18 responsible for tax payments, in a specially created,
19 separate bank account maintained by the video gaming terminal
20 operator to allow for electronic fund transfers of monies for
21 tax payment.

22 (d) Each licensed location shall maintain an adequate
23 video gaming fund, with the amount to be determined by the
24 Board.

25 Section 185. The Riverboat Gambling Act is amended by
26 changing Section 5 as follows:

27 (230 ILCS 10/5) (from Ch. 120, par. 2405)

28 Sec. 5. Gaming Board.

29 (a) (1) There is hereby established within the
30 Department of Revenue an Illinois Gaming Board which shall
31 have the powers and duties specified in this Act, and all

1 other powers necessary and proper to fully and effectively
2 execute this Act for the purpose of administering,
3 regulating, and enforcing the system of riverboat gambling
4 established by this Act. Its jurisdiction shall extend under
5 this Act to every person, association, corporation,
6 partnership and trust involved in riverboat gambling
7 operations in the State of Illinois.

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

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

34 (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
6 or continue to be a member of the Board who is, or whose
7 spouse, child or parent is, a member of the board of
8 directors of, or a person financially interested in, any
9 gambling operation subject to the jurisdiction of this Board,
10 or any race track, race meeting, racing association or the
11 operations thereof subject to the jurisdiction of the
12 Illinois Racing Board. No Board member shall hold any other
13 public office for which he shall receive compensation other
14 than necessary travel or other incidental expenses. No
15 person shall be a member of the Board who is not of good
16 moral character or who has been convicted of, or is under
17 indictment for, a felony under the laws of Illinois or any
18 other state, or the United States.

19 (6) Any member of the Board may be removed by the
20 Governor for neglect of duty, misfeasance, malfeasance, or
21 nonfeasance in office.

22 (7) Before entering upon the discharge of the duties of
23 his office, each member of the Board shall take an oath that
24 he will faithfully execute the duties of his office according
25 to the laws of the State and the rules and regulations
26 adopted therewith and shall give bond to the State of
27 Illinois, approved by the Governor, in the sum of \$25,000.
28 Every such bond, when duly executed and approved, shall be
29 recorded in the office of the Secretary of State. Whenever
30 the Governor determines that the bond of any member of the
31 Board has become or is likely to become invalid or
32 insufficient, he shall require such member forthwith to renew
33 his bond, which is to be approved by the Governor. Any
34 member of the Board who fails to take oath and give bond

1 within 30 days from the date of his appointment, or who fails
2 to renew his bond within 30 days after it is demanded by the
3 Governor, shall be guilty of neglect of duty and may be
4 removed by the Governor. The cost of any bond given by any
5 member of the Board under this Section shall be taken to be a
6 part of the necessary expenses of the Board.

7 (8) Upon the request of the Board, the Department shall
8 employ such personnel as may be necessary to carry out the
9 functions of the Board. No person shall be employed to serve
10 the Board who is, or whose spouse, parent or child is, an
11 official of, or has a financial interest in or financial
12 relation with, any operator engaged in gambling operations
13 within this State or any organization engaged in conducting
14 horse racing within this State. Any employee violating these
15 prohibitions shall be subject to termination of employment.

16 (9) An Administrator shall perform any and all duties
17 that the Board shall assign him. The salary of the
18 Administrator shall be determined by the Board and approved
19 by the Director of the Department and, in addition, he shall
20 be reimbursed for all actual and necessary expenses incurred
21 by him in discharge of his official duties. The
22 Administrator shall keep records of all proceedings of the
23 Board and shall preserve all records, books, documents and
24 other papers belonging to the Board or entrusted to its care.
25 The Administrator shall devote his full time to the duties of
26 the office and shall not hold any other office or employment.

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

30 (1) To decide promptly and in reasonable order all
31 license applications. Any party aggrieved by an action of
32 the Board denying, suspending, revoking, restricting or
33 refusing to renew a license may request a hearing before
34 the Board. A request for a hearing must be made to the

1 Board in writing within 5 days after service of notice of
2 the action of the Board. Notice of the action of the
3 Board shall be served either by personal delivery or by
4 certified mail, postage prepaid, to the aggrieved party.
5 Notice served by certified mail shall be deemed complete
6 on the business day following the date of such mailing.
7 The Board shall conduct all requested hearings promptly
8 and in reasonable order;

9 (2) To conduct all hearings pertaining to civil
10 violations of this Act or rules and regulations
11 promulgated hereunder;

12 (3) To promulgate such rules and regulations as in
13 its judgment may be necessary to protect or enhance the
14 credibility and integrity of gambling operations
15 authorized by this Act and the regulatory process
16 hereunder;

17 (4) To provide for the establishment and collection
18 of all license and registration fees and taxes imposed by
19 this Act and the rules and regulations issued pursuant
20 hereto. All such fees and taxes shall be deposited into
21 the State Gaming Fund;

22 (5) To provide for the levy and collection of
23 penalties and fines for the violation of provisions of
24 this Act and the rules and regulations promulgated
25 hereunder. All such fines and penalties shall be
26 deposited into the Education Assistance Fund, created by
27 Public Act 86-0018, of the State of Illinois;

28 (6) To be present through its inspectors and agents
29 any time gambling operations are conducted on any
30 riverboat for the purpose of certifying the revenue
31 thereof, receiving complaints from the public, and
32 conducting such other investigations into the conduct of
33 the gambling games and the maintenance of the equipment
34 as from time to time the Board may deem necessary and

1 proper;

2 (7) To review and rule upon any complaint by a
3 licensee regarding any investigative procedures of the
4 State which are unnecessarily disruptive of gambling
5 operations. The need to inspect and investigate shall be
6 presumed at all times. The disruption of a licensee's
7 operations shall be proved by clear and convincing
8 evidence, and establish that: (A) the procedures had no
9 reasonable law enforcement purposes, and (B) the
10 procedures were so disruptive as to unreasonably inhibit
11 gambling operations;

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

1 Board in such case;

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

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

15 (11) (Blank); and

16 (12) To assume responsibility for the
17 administration and enforcement of the Bingo License and
18 Tax Act, the Charitable Games Act, and the Pull Tabs and
19 Jar Games Act if such responsibility is delegated to it
20 by the Director of Revenue; and-

21 (13) To assume responsibility for administration
22 and enforcement of the Video Gaming Act.

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,
27 but not limited to, the following:

28 (1) To investigate applicants and determine the
29 eligibility of applicants for licenses and to select
30 among competing applicants the applicants which best
31 serve the interests of the citizens of Illinois.

32 (2) To have jurisdiction and supervision over all
33 riverboat gambling operations in this State and all
34 persons on riverboats where gambling operations are

1 conducted.

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

14 (4) To enter the office, riverboats, facilities, or
15 other places of business of a licensee, where evidence of
16 the compliance or noncompliance with the provisions of
17 this Act is likely to be found.

18 (5) To investigate alleged violations of this Act
19 or the rules of the Board and to take appropriate
20 disciplinary action against a licensee or a holder of an
21 occupational license for a violation, or institute
22 appropriate legal action for enforcement, or both.

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

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

29 (8) To require that the records, including
30 financial or other statements of any licensee under this
31 Act, shall be kept in such manner as prescribed by the
32 Board and that any such licensee involved in the
33 ownership or management of gambling operations submit to
34 the Board an annual balance sheet and profit and loss

1 statement, list of the stockholders or other persons
2 having a 1% or greater beneficial interest in the
3 gambling activities of each licensee, and any other
4 information the Board deems necessary in order to
5 effectively administer this Act and all rules,
6 regulations, orders and final decisions promulgated under
7 this Act.

8 (9) To conduct hearings, issue subpoenas for the
9 attendance of witnesses and subpoenas duces tecum for the
10 production of books, records and other pertinent
11 documents in accordance with the Illinois Administrative
12 Procedure Act, and to administer oaths and affirmations
13 to the witnesses, when, in the judgment of the Board, it
14 is necessary to administer or enforce this Act or the
15 Board rules.

16 (10) To prescribe a form to be used by any licensee
17 involved in the ownership or management of gambling
18 operations as an application for employment for their
19 employees.

20 (11) To revoke or suspend licenses, as the Board
21 may see fit and in compliance with applicable laws of the
22 State regarding administrative procedures, and to review
23 applications for the renewal of licenses. The Board may
24 suspend an owners license, without notice or hearing upon
25 a determination that the safety or health of patrons or
26 employees is jeopardized by continuing a riverboat's
27 operation. The suspension may remain in effect until the
28 Board determines that the cause for suspension has been
29 abated. The Board may revoke the owners license upon a
30 determination that the owner has not made satisfactory
31 progress toward abating the hazard.

32 (12) To eject or exclude or authorize the ejection
33 or exclusion of, any person from riverboat gambling
34 facilities where such person is in violation of this Act,

1 rules and regulations thereunder, or final orders of the
2 Board, or where such person's conduct or reputation is
3 such that his presence within the riverboat gambling
4 facilities may, in the opinion of the Board, call into
5 question the honesty and integrity of the gambling
6 operations or interfere with orderly conduct thereof;
7 provided that the propriety of such ejection or exclusion
8 is subject to subsequent hearing by the Board.

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

14 (14) (Blank).

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

26 (16) To hire employees to gather information,
27 conduct investigations and carry out any other tasks
28 contemplated under this Act.

29 (17) To establish minimum levels of insurance to be
30 maintained by licensees.

31 (18) To authorize a licensee to sell or serve
32 alcoholic liquors, wine or beer as defined in the Liquor
33 Control Act of 1934 on board a riverboat and to have
34 exclusive authority to establish the hours for sale and

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

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

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

23 (21) To take any other action as may be reasonable
24 or appropriate to enforce this Act and rules and
25 regulations hereunder.

26 (d) The Board may seek and shall receive the cooperation
27 of the Department of State Police in conducting background
28 investigations of applicants and in fulfilling its
29 responsibilities under this Section. Costs incurred by the
30 Department of State Police as a result of such cooperation
31 shall be paid by the Board in conformance with the
32 requirements of Section 2605-400 of the Department of State
33 Police Law (20 ILCS 2605/2605-400).

34 (e) The Board must authorize to each investigator and to

1 any other employee of the Board exercising the powers of a
 2 peace officer a distinct badge that, on its face, (i) clearly
 3 states that the badge is authorized by the Board and (ii)
 4 contains a unique identifying number. No other badge shall
 5 be authorized by the Board.

6 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00;
 7 91-883, eff. 1-1-01.)

8 Section 190. The Criminal Code of 1961 is amended by
 9 changing Sections 28-1, 28-1.1, and 28-3 as follows:

10 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

11 Sec. 28-1. Gambling.

12 (a) A person commits gambling when he:

13 (1) Plays a game of chance or skill for money or
 14 other thing of value, unless excepted in subsection (b)
 15 of this Section; or

16 (2) Makes a wager upon the result of any game,
 17 contest, or any political nomination, appointment or
 18 election; or

19 (3) Operates, keeps, owns, uses, purchases,
 20 exhibits, rents, sells, bargains for the sale or lease
 21 of, manufactures or distributes any gambling device; or

22 (4) Contracts to have or give himself or another
 23 the option to buy or sell, or contracts to buy or sell,
 24 at a future time, any grain or other commodity
 25 whatsoever, or any stock or security of any company,
 26 where it is at the time of making such contract intended
 27 by both parties thereto that the contract to buy or sell,
 28 or the option, whenever exercised, or the contract
 29 resulting therefrom, shall be settled, not by the receipt
 30 or delivery of such property, but by the payment only of
 31 differences in prices thereof; however, the issuance,
 32 purchase, sale, exercise, endorsement or guarantee, by or

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

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

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

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

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

25 (9) Knowingly drafts, prints or publishes any
26 lottery ticket or share, or any policy ticket, slip,
27 record, document or similar device, except for such
28 activity related to lotteries, bingo games and raffles
29 authorized by and conducted in accordance with the laws
30 of Illinois or any other state or foreign government; or

31 (10) Knowingly advertises any lottery or policy
32 game, except for such activity related to lotteries,
33 bingo games and raffles authorized by and conducted in
34 accordance with the laws of Illinois or any other state;

1 or

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
5 knowingly installs or maintains equipment for the
6 transmission or receipt of such information; except that
7 nothing in this subdivision (11) prohibits transmission
8 or receipt of such information for use in news reporting
9 of sporting events or contests; or

10 (12) Knowingly establishes, maintains, or operates
11 an Internet site that permits a person to play a game of
12 chance or skill for money or other thing of value by
13 means of the Internet or to make a wager upon the result
14 of any game, contest, political nomination, appointment,
15 or election by means of the Internet.

16 (b) Participants in any of the following activities
17 shall not be convicted of gambling therefor:

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

22 (2) Offers of prizes, award or compensation to the
23 actual contestants in any bona fide contest for the
24 determination of skill, speed, strength or endurance or
25 to the owners of animals or vehicles entered in such
26 contest;

27 (3) Pari-mutuel betting as authorized by the law of
28 this State;

29 (4) Manufacture of gambling devices, including the
30 acquisition of essential parts therefor and the assembly
31 thereof, for transportation in interstate or foreign
32 commerce to any place outside this State when such
33 transportation is not prohibited by any applicable
34 Federal law; or the manufacture, distribution, or

1 possession of video gaming terminals, as defined in the
 2 Video Gaming Act, by manufacturers, distributors, and
 3 terminal operators licensed to do so under the Video
 4 Gaming Act;

5 (5) The game commonly known as "bingo", when
 6 conducted in accordance with the Bingo License and Tax
 7 Act;

8 (6) Lotteries when conducted by the State of
 9 Illinois in accordance with the Illinois Lottery Law;

10 (7) Possession of an antique slot machine that is
 11 neither used nor intended to be used in the operation or
 12 promotion of any unlawful gambling activity or
 13 enterprise. For the purpose of this subparagraph (b)(7),
 14 an antique slot machine is one manufactured 25 years ago
 15 or earlier;

16 (8) Raffles when conducted in accordance with the
 17 Raffles Act;

18 (9) Charitable games when conducted in accordance
 19 with the Charitable Games Act;

20 (10) Pull tabs and jar games when conducted under
 21 the Illinois Pull Tabs and Jar Games Act; or

22 (11) Gambling games conducted on riverboats when
 23 authorized by the Riverboat Gambling Act; or;

24 (12) Video gaming terminal games at licensed
 25 establishments when conducted in accordance with the
 26 Video Gaming Act.

27 (c) Sentence.

28 Gambling under subsection (a)(1) or (a)(2) of this
 29 Section is a Class A misdemeanor. Gambling under any of
 30 subsections (a)(3) through (a)(11) of this Section is a Class
 31 A misdemeanor. A second or subsequent conviction under any
 32 of subsections (a)(3) through (a)(11), is a Class 4 felony.
 33 Gambling under subsection (a)(12) of this Section is a Class
 34 A misdemeanor. A second or subsequent conviction under

1 subsection (a)(12) is a Class 4 felony.

2 (d) Circumstantial evidence.

3 In prosecutions under subsection (a)(1) through (a)(12)
4 of this Section circumstantial evidence shall have the same
5 validity and weight as in any criminal prosecution.

6 (Source: P.A. 91-257, eff. 1-1-00.)

7 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

8 Sec. 28-1.1. Syndicated gambling.

9 (a) Declaration of Purpose. Recognizing the close
10 relationship between professional gambling and other
11 organized crime, it is declared to be the policy of the
12 legislature to restrain persons from engaging in the business
13 of gambling for profit in this State. This Section shall be
14 liberally construed and administered with a view to carrying
15 out this policy.

16 (b) A person commits syndicated gambling when he
17 operates a "policy game" or engages in the business of
18 bookmaking.

19 (c) A person "operates a policy game" when he knowingly
20 uses any premises or property for the purpose of receiving or
21 knowingly does receive from what is commonly called "policy":

22 (1) money from a person other than the better or
23 player whose bets or plays are represented by such money;
24 or

25 (2) written "policy game" records, made or used
26 over any period of time, from a person other than the
27 better or player whose bets or plays are represented by
28 such written record.

29 (d) A person engages in bookmaking when he receives or
30 accepts more than five bets or wagers upon the result of any
31 trials or contests of skill, speed or power of endurance or
32 upon any lot, chance, casualty, unknown or contingent event
33 whatsoever, which bets or wagers shall be of such size that

1 the total of the amounts of money paid or promised to be paid
 2 to such bookmaker on account thereof shall exceed \$2,000.
 3 Bookmaking is the receiving or accepting of such bets or
 4 wagers regardless of the form or manner in which the
 5 bookmaker records them.

6 (e) Participants in any of the following activities
 7 shall not be convicted of syndicated gambling:

8 (1) Agreements to compensate for loss caused by the
 9 happening of chance including without limitation
 10 contracts of indemnity or guaranty and life or health or
 11 accident insurance; and

12 (2) Offers of prizes, award or compensation to the
 13 actual contestants in any bona fide contest for the
 14 determination of skill, speed, strength or endurance or
 15 to the owners of animals or vehicles entered in such
 16 contest; and

17 (3) Pari-mutuel betting as authorized by law of
 18 this State; and

19 (4) Manufacture of gambling devices, including the
 20 acquisition of essential parts therefor and the assembly
 21 thereof, for transportation in interstate or foreign
 22 commerce to any place outside this State when such
 23 transportation is not prohibited by any applicable
 24 Federal law; and

25 (5) Raffles when conducted in accordance with the
 26 Raffles Act; and

27 (6) Gambling games conducted on riverboats when
 28 authorized by the Riverboat Gambling Act; ~~and~~

29 (7) Video gaming terminal games at licensed
 30 establishments when conducted in accordance with the
 31 Video Gaming Act.

32 (f) Sentence. Syndicated gambling is a Class 3 felony.

33 (Source: P.A. 86-1029; 87-435.)

1 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)
2 Sec. 28-3. Keeping a Gambling Place. A "gambling place"
3 is any real estate, vehicle, boat or any other property
4 whatsoever used for the purposes of gambling other than
5 gambling conducted in the manner authorized by the Riverboat
6 Gambling Act or the Video Gaming Act. Any person who
7 knowingly permits any premises or property owned or occupied
8 by him or under his control to be used as a gambling place
9 commits a Class A misdemeanor. Each subsequent offense is a
10 Class 4 felony. When any premises is determined by the
11 circuit court to be a gambling place:

12 (a) Such premises is a public nuisance and may be
13 proceeded against as such, and

14 (b) All licenses, permits or certificates issued by the
15 State of Illinois or any subdivision or public agency thereof
16 authorizing the serving of food or liquor on such premises
17 shall be void; and no license, permit or certificate so
18 cancelled shall be reissued for such premises for a period of
19 60 days thereafter; nor shall any person convicted of keeping
20 a gambling place be reissued such license for one year from
21 his conviction and, after a second conviction of keeping a
22 gambling place, any such person shall not be reissued such
23 license, and

24 (c) Such premises of any person who knowingly permits
25 thereon a violation of any Section of this Article shall be
26 held liable for, and may be sold to pay any unsatisfied
27 judgment that may be recovered and any unsatisfied fine that
28 may be levied under any Section of this Article.

29 (Source: P.A. 86-1029.)

30 Section 199. Effective date. This Act takes effect upon
31 becoming law.