



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5132

by Rep. Sara Wojcicki Jimenez

SYNOPSIS AS INTRODUCED:

230 ILCS 40/25

Amends the Video Gaming Act. Provides that of the after-tax profits from a video gaming terminal located in a licensed veterans establishment, 40% shall be paid to the terminal operator and 60% shall be paid to the licensed veterans establishment (rather than 50% shall be paid to the terminal operator and 50% shall be paid to the licensed veterans establishment), notwithstanding any agreement to the contrary. Effective immediately.

LRB100 16408 MJP 31536 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
5 Section 25 as follows:

6 (230 ILCS 40/25)

7 Sec. 25. Restriction of licensees.

8 (a) Manufacturer. A person may not be licensed as a
9 manufacturer of a video gaming terminal in Illinois unless the
10 person has a valid manufacturer's license issued under this
11 Act. A manufacturer may only sell video gaming terminals for
12 use in Illinois to persons having a valid distributor's
13 license.

14 (b) Distributor. A person may not sell, distribute, or
15 lease or market a video gaming terminal in Illinois unless the
16 person has a valid distributor's license issued under this Act.
17 A distributor may only sell video gaming terminals for use in
18 Illinois to persons having a valid distributor's or terminal
19 operator's license.

20 (c) Terminal operator. A person may not own, maintain, or
21 place a video gaming terminal unless he has a valid terminal
22 operator's license issued under this Act. A terminal operator
23 may only place video gaming terminals for use in Illinois in

1 licensed establishments, licensed truck stop establishments,
2 licensed fraternal establishments, and licensed veterans
3 establishments. No terminal operator may give anything of
4 value, including but not limited to a loan or financing
5 arrangement, to a licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment as any incentive or inducement to locate
8 video terminals in that establishment. Of the after-tax profits
9 from a video gaming terminal located in a licensed
10 establishment, licensed truck stop establishment, or licensed
11 fraternal establishment, 50% shall be paid to the terminal
12 operator and 50% shall be paid to the licensed establishment,
13 licensed truck stop establishment, or licensed fraternal
14 establishment, ~~or licensed veterans establishment~~,
15 notwithstanding any agreement to the contrary. Of the after-tax
16 profits from a video gaming terminal located in a licensed
17 veterans establishment, 40% shall be paid to the terminal
18 operator and 60% shall be paid to the licensed veterans
19 establishment, notwithstanding any agreement to the contrary.
20 A video terminal operator that violates one or more
21 requirements of this subsection is guilty of a Class 4 felony
22 and is subject to termination of his or her license by the
23 Board.

24 (d) Licensed technician. A person may not service,
25 maintain, or repair a video gaming terminal in this State
26 unless he or she (1) has a valid technician's license issued

1 under this Act, (2) is a terminal operator, or (3) is employed
2 by a terminal operator, distributor, or manufacturer.

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

11 (e) Licensed establishment. No video gaming terminal may be
12 placed in any licensed establishment, licensed veterans
13 establishment, licensed truck stop establishment, or licensed
14 fraternal establishment unless the owner or agent of the owner
15 of the licensed establishment, licensed veterans
16 establishment, licensed truck stop establishment, or licensed
17 fraternal establishment has entered into a written use
18 agreement with the terminal operator for placement of the
19 terminals. A copy of the use agreement shall be on file in the
20 terminal operator's place of business and available for
21 inspection by individuals authorized by the Board. A licensed
22 establishment, licensed truck stop establishment, licensed
23 veterans establishment, or licensed fraternal establishment
24 may operate up to 5 video gaming terminals on its premises at
25 any time.

26 (f) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.