

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 Riverboat Gambling Act is amended by
5 changing Sections 5, 7, and 7.6 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established the Illinois Gaming
9 Board, which shall have the powers and duties specified in this
10 Act, and all other powers necessary and proper to fully and
11 effectively execute this Act for the purpose of administering,
12 regulating, and enforcing the system of riverboat gambling
13 established by this Act. Its jurisdiction shall extend under
14 this Act to every person, association, corporation,
15 partnership and trust involved in riverboat gambling
16 operations in the State of Illinois.

17 (2) The Board shall consist of 5 members to be appointed by
18 the Governor with the advice and consent of the Senate, one of
19 whom shall be designated by the Governor to be chairman. Each
20 member shall have a reasonable knowledge of the practice,
21 procedure and principles of gambling operations. Each member
22 shall either be a resident of Illinois or shall certify that he
23 will become a resident of Illinois before taking office. At

1 least one member shall be experienced in law enforcement and
2 criminal investigation, at least one member shall be a
3 certified public accountant experienced in accounting and
4 auditing, and at least one member shall be a lawyer licensed to
5 practice law in Illinois.

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

19 (4) Each member of the Board shall receive \$300 for each
20 day the Board meets and for each day the member conducts any
21 hearing pursuant to this Act. Each member of the Board shall
22 also be reimbursed for all actual and necessary expenses and
23 disbursements incurred in the execution of official duties.

24 (5) No person shall be appointed a member of the Board or
25 continue to be a member of the Board who is, or whose spouse,
26 child or parent is, a member of the board of directors of, or a

1 person financially interested in, any gambling operation
2 subject to the jurisdiction of this Board, or any race track,
3 race meeting, racing association or the operations thereof
4 subject to the jurisdiction of the Illinois Racing Board. No
5 Board member shall hold any other public office. No person
6 shall be a member of the Board who is not of good moral
7 character or who has been convicted of, or is under indictment
8 for, a felony under the laws of Illinois or any other state, or
9 the United States.

10 (5.5) No member of the Board shall engage in any political
11 activity. For the purposes of this Section, "political" means
12 any activity in support of or in connection with any campaign
13 for federal, State, or local elective office or any political
14 organization, but does not include activities (i) relating to
15 the support or opposition of any executive, legislative, or
16 administrative action (as those terms are defined in Section 2
17 of the Lobbyist Registration Act), (ii) relating to collective
18 bargaining, or (iii) that are otherwise in furtherance of the
19 person's official State duties or governmental and public
20 service functions.

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

24 (7) Before entering upon the discharge of the duties of his
25 office, each member of the Board shall take an oath that he
26 will faithfully execute the duties of his office according to

1 the laws of the State and the rules and regulations adopted
2 therewith and shall give bond to the State of Illinois,
3 approved by the Governor, in the sum of \$25,000. Every such
4 bond, when duly executed and approved, shall be recorded in the
5 office of the Secretary of State. Whenever the Governor
6 determines that the bond of any member of the Board has become
7 or is likely to become invalid or insufficient, he shall
8 require such member forthwith to renew his bond, which is to be
9 approved by the Governor. Any member of the Board who fails to
10 take oath and give bond within 30 days from the date of his
11 appointment, or who fails to renew his bond within 30 days
12 after it is demanded by the Governor, shall be guilty of
13 neglect of duty and may be removed by the Governor. The cost of
14 any bond given by any member of the Board under this Section
15 shall be taken to be a part of the necessary expenses of the
16 Board.

17 (7.5) For the examination of all mechanical,
18 electromechanical, or electronic table games, slot machines,
19 slot accounting systems, and other electronic gaming equipment
20 for compliance with this Act, the Board may utilize the
21 services of one or more independent outside testing
22 laboratories that have been accredited by a national
23 accreditation body and that, in the judgment of the Board, are
24 qualified to perform such examinations.

25 (8) The Board shall employ such personnel as may be
26 necessary to carry out its functions and shall determine the

1 salaries of all personnel, except those personnel whose
2 salaries are determined under the terms of a collective
3 bargaining agreement. No person shall be employed to serve the
4 Board who is, or whose spouse, parent or child is, an official
5 of, or has a financial interest in or financial relation with,
6 any operator engaged in gambling operations within this State
7 or any organization engaged in conducting horse racing within
8 this State. Any employee violating these prohibitions shall be
9 subject to termination of employment.

10 (9) An Administrator shall perform any and all duties that
11 the Board shall assign him. The salary of the Administrator
12 shall be determined by the Board and, in addition, he shall be
13 reimbursed for all actual and necessary expenses incurred by
14 him in discharge of his official duties. The Administrator
15 shall keep records of all proceedings of the Board and shall
16 preserve all records, books, documents and other papers
17 belonging to the Board or entrusted to its care. The
18 Administrator shall devote his full time to the duties of the
19 office and shall not hold any other office or employment.

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

23 (1) To decide promptly and in reasonable order all
24 license applications. Any party aggrieved by an action of
25 the Board denying, suspending, revoking, restricting or
26 refusing to renew a license may request a hearing before

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

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

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

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

23 (5) To provide for the levy and collection of penalties
24 and fines for the violation of provisions of this Act and
25 the rules and regulations promulgated hereunder. All such
26 fines and penalties shall be deposited into the Education

1 Assistance Fund, created by Public Act 86-0018, of the
2 State of Illinois;

3 (6) To be present through its inspectors and agents any
4 time gambling operations are conducted on any riverboat for
5 the purpose of certifying the revenue thereof, receiving
6 complaints from the public, and conducting such other
7 investigations into the conduct of the gambling games and
8 the maintenance of the equipment as from time to time the
9 Board may deem necessary and proper;

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

19 (8) To hold at least one meeting each quarter of the
20 fiscal year. In addition, special meetings may be called by
21 the Chairman or any 2 Board members upon 72 hours written
22 notice to each member. All Board meetings shall be subject
23 to the Open Meetings Act. Three members of the Board shall
24 constitute a quorum, and 3 votes shall be required for any
25 final determination by the Board. The Board shall keep a
26 complete and accurate record of all its meetings. A

1 majority of the members of the Board shall constitute a
2 quorum for the transaction of any business, for the
3 performance of any duty, or for the exercise of any power
4 which this Act requires the Board members to transact,
5 perform or exercise en banc, except that, upon order of the
6 Board, one of the Board members or an administrative law
7 judge designated by the Board may conduct any hearing
8 provided for under this Act or by Board rule and may
9 recommend findings and decisions to the Board. The Board
10 member or administrative law judge conducting such hearing
11 shall have all powers and rights granted to the Board in
12 this Act. The record made at the time of the hearing shall
13 be reviewed by the Board, or a majority thereof, and the
14 findings and decision of the majority of the Board shall
15 constitute the order of the Board in such case;

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

20 (10) To file a written annual report with the Governor
21 on or before July 1 ~~March 1~~ each year and such additional
22 reports as the Governor may request. The annual report
23 shall include a statement of receipts and disbursements by
24 the Board, actions taken by the Board, and any additional
25 information and recommendations which the Board may deem
26 valuable or which the Governor may request;

1 (11) (Blank);

2 (12) (Blank);

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

5 (14) To adopt, by rule, a code of conduct governing
6 Board members and employees that ensure, to the maximum
7 extent possible, that persons subject to this Code avoid
8 situations, relationships, or associations that may
9 represent or lead to a conflict of interest.

10 (c) The Board shall have jurisdiction over and shall
11 supervise all gambling operations governed by this Act. The
12 Board shall have all powers necessary and proper to fully and
13 effectively execute the provisions of this Act, including, but
14 not limited to, the following:

15 (1) To investigate applicants and determine the
16 eligibility of applicants for licenses and to select among
17 competing applicants the applicants which best serve the
18 interests of the citizens of Illinois.

19 (2) To have jurisdiction and supervision over all
20 riverboat gambling operations in this State and all persons
21 on riverboats where gambling operations are conducted.

22 (3) To promulgate rules and regulations for the purpose
23 of administering the provisions of this Act and to
24 prescribe rules, regulations and conditions under which
25 all riverboat gambling in the State shall be conducted.
26 Such rules and regulations are to provide for the

1 prevention of practices detrimental to the public interest
2 and for the best interests of riverboat gambling, including
3 rules and regulations regarding the inspection of such
4 riverboats and the review of any permits or licenses
5 necessary to operate a riverboat under any laws or
6 regulations applicable to riverboats, and to impose
7 penalties for violations thereof.

8 (4) To enter the office, riverboats, facilities, or
9 other places of business of a licensee, where evidence of
10 the compliance or noncompliance with the provisions of this
11 Act is likely to be found.

12 (5) To investigate alleged violations of this Act or
13 the rules of the Board and to take appropriate disciplinary
14 action against a licensee or a holder of an occupational
15 license for a violation, or institute appropriate legal
16 action for enforcement, or both.

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

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

22 (8) To require that the records, including financial or
23 other statements of any licensee under this Act, shall be
24 kept in such manner as prescribed by the Board and that any
25 such licensee involved in the ownership or management of
26 gambling operations submit to the Board an annual balance

1 sheet and profit and loss statement, list of the
2 stockholders or other persons having a 1% or greater
3 beneficial interest in the gambling activities of each
4 licensee, and any other information the Board deems
5 necessary in order to effectively administer this Act and
6 all rules, regulations, orders and final decisions
7 promulgated under 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 documents
11 in accordance with the Illinois Administrative Procedure
12 Act, and to administer oaths and affirmations to the
13 witnesses, when, in the judgment of the Board, it is
14 necessary to administer or enforce this Act or the Board
15 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 may
21 see fit and in compliance with applicable laws of the State
22 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 a
25 determination that the safety or health of patrons or
26 employees is jeopardized by continuing a riverboat's

1 operation. The suspension may remain in effect until the
2 Board determines that the cause for suspension has been
3 abated. The Board may revoke the owners license upon a
4 determination that the owner has not made satisfactory
5 progress toward abating the hazard.

6 (12) To eject or exclude or authorize the ejection or
7 exclusion of, any person from riverboat gambling
8 facilities where such person is in violation of this Act,
9 rules and regulations thereunder, or final orders of the
10 Board, or where such person's conduct or reputation is such
11 that his presence within the riverboat gambling facilities
12 may, in the opinion of the Board, call into question the
13 honesty and integrity of the gambling operations or
14 interfere with orderly conduct thereof; provided that the
15 propriety of such ejection or exclusion is subject to
16 subsequent hearing by the Board.

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

22 (14) (Blank).

23 (15) To suspend, revoke or restrict licenses, to
24 require the removal of a licensee or an employee of a
25 licensee for a violation of this Act or a Board rule or for
26 engaging in a fraudulent practice, and to impose civil

1 penalties of up to \$5,000 against individuals and up to
2 \$10,000 or an amount equal to the daily gross receipts,
3 whichever is larger, against licensees for each violation
4 of any provision of the Act, any rules adopted by the
5 Board, any order of the Board or any other action which, in
6 the Board's discretion, is a detriment or impediment to
7 riverboat gambling operations.

8 (16) To hire employees to gather information, conduct
9 investigations and carry out any other tasks contemplated
10 under this Act.

11 (17) To establish minimum levels of insurance to be
12 maintained by licensees.

13 (18) To authorize a licensee to sell or serve alcoholic
14 liquors, wine or beer as defined in the Liquor Control Act
15 of 1934 on board a riverboat and to have exclusive
16 authority to establish the hours for sale and consumption
17 of alcoholic liquor on board a riverboat, notwithstanding
18 any provision of the Liquor Control Act of 1934 or any
19 local ordinance, and regardless of whether the riverboat
20 makes excursions. The establishment of the hours for sale
21 and consumption of alcoholic liquor on board a riverboat is
22 an exclusive power and function of the State. A home rule
23 unit may not establish the hours for sale and consumption
24 of alcoholic liquor on board a riverboat. This amendatory
25 Act of 1991 is a denial and limitation of home rule powers
26 and functions under subsection (h) of Section 6 of Article

1 VII of the Illinois Constitution.

2 (19) After consultation with the U.S. Army Corps of
3 Engineers, to establish binding emergency orders upon the
4 concurrence of a majority of the members of the Board
5 regarding the navigability of water, relative to
6 excursions, in the event of extreme weather conditions,
7 acts of God or other extreme circumstances.

8 (20) To delegate the execution of any of its powers
9 under this Act for the purpose of administering and
10 enforcing this Act and its rules and regulations hereunder.

11 (20.5) To approve any contract entered into on its
12 behalf.

13 (20.6) To appoint investigators to conduct
14 investigations, searches, seizures, arrests, and other
15 duties imposed under this Act, as deemed necessary by the
16 Board. These investigators have and may exercise all of the
17 rights and powers of peace officers, provided that these
18 powers shall be limited to offenses or violations occurring
19 or committed on a riverboat or dock, as defined in
20 subsections (d) and (f) of Section 4, or as otherwise
21 provided by this Act or any other law.

22 (20.7) To contract with the Department of State Police
23 for the use of trained and qualified State police officers
24 and with the Department of Revenue for the use of trained
25 and qualified Department of Revenue investigators to
26 conduct investigations, searches, seizures, arrests, and

1 other duties imposed under this Act and to exercise all of
2 the rights and powers of peace officers, provided that the
3 powers of Department of Revenue investigators under this
4 subdivision (20.7) shall be limited to offenses or
5 violations occurring or committed on a riverboat or dock,
6 as defined in subsections (d) and (f) of Section 4, or as
7 otherwise provided by this Act or any other law. In the
8 event the Department of State Police or the Department of
9 Revenue is unable to fill contracted police or
10 investigative positions, the Board may appoint
11 investigators to fill those positions pursuant to
12 subdivision (20.6).

13 (21) To take any other action as may be reasonable or
14 appropriate to enforce this Act and rules and regulations
15 hereunder.

16 (d) The Board may seek and shall receive the cooperation of
17 the Department of State Police in conducting background
18 investigations of applicants and in fulfilling its
19 responsibilities under this Section. Costs incurred by the
20 Department of State Police as a result of such cooperation
21 shall be paid by the Board in conformance with the requirements
22 of Section 2605-400 of the Department of State Police Law (20
23 ILCS 2605/2605-400).

24 (e) The Board must authorize to each investigator and to
25 any other employee of the Board exercising the powers of a
26 peace officer a distinct badge that, on its face, (i) clearly

1 states that the badge is authorized by the Board and (ii)
2 contains a unique identifying number. No other badge shall be
3 authorized by the Board.

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

5 (230 ILCS 10/7) (from Ch. 120, par. 2407)

6 Sec. 7. Owners licenses.

7 (a) The Board shall issue owners licenses to persons, firms
8 or corporations which apply for such licenses upon payment to
9 the Board of the non-refundable license fee set by the Board,
10 upon payment of a \$25,000 license fee for the first year of
11 operation and a \$5,000 license fee for each succeeding year and
12 upon a determination by the Board that the applicant is
13 eligible for an owners license pursuant to this Act and the
14 rules of the Board. From the effective date of this amendatory
15 Act of the 95th General Assembly until (i) 3 years after the
16 effective date of this amendatory Act of the 95th General
17 Assembly, (ii) the date any organization licensee begins to
18 operate a slot machine or video game of chance under the
19 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
20 that payments begin under subsection (c-5) of Section 13 of the
21 Act, or (iv) the wagering tax imposed under Section 13 of this
22 Act is increased by law to reflect a tax rate that is at least
23 as stringent or more stringent than the tax rate contained in
24 subsection (a-3) of Section 13, whichever occurs first, as a
25 condition of licensure and as an alternative source of payment

1 for those funds payable under subsection (c-5) of Section 13 of
2 the Riverboat Gambling Act, any owners licensee that holds or
3 receives its owners license on or after the effective date of
4 this amendatory Act of the 94th General Assembly, other than an
5 owners licensee operating a riverboat with adjusted gross
6 receipts in calendar year 2004 of less than \$200,000,000, must
7 pay into the Horse Racing Equity Trust Fund, in addition to any
8 other payments required under this Act, an amount equal to 3%
9 of the adjusted gross receipts received by the owners licensee.
10 The payments required under this Section shall be made by the
11 owners licensee to the State Treasurer no later than 3:00
12 o'clock p.m. of the day after the day when the adjusted gross
13 receipts were received by the owners licensee. A person, firm
14 or corporation is ineligible to receive an owners license if:

15 (1) the person has been convicted of a felony under the
16 laws of this State, any other state, or the United States;

17 (2) the person has been convicted of any violation of
18 Article 28 of the Criminal Code of 1961 or the Criminal
19 Code of 2012, or substantially similar laws of any other
20 jurisdiction;

21 (3) the person has submitted an application for a
22 license under this Act which contains false information;

23 (4) the person is a member of the Board;

24 (5) a person defined in (1), (2), (3) or (4) is an
25 officer, director or managerial employee of the firm or
26 corporation;

1 (6) the firm or corporation employs a person defined in
2 (1), (2), (3) or (4) who participates in the management or
3 operation of gambling operations authorized under this
4 Act;

5 (7) (blank); or

6 (8) a license of the person, firm or corporation issued
7 under this Act, or a license to own or operate gambling
8 facilities in any other jurisdiction, has been revoked.

9 The Board is expressly prohibited from making changes to
10 the requirement that licensees make payment into the Horse
11 Racing Equity Trust Fund without the express authority of the
12 Illinois General Assembly and making any other rule to
13 implement or interpret this amendatory Act of the 95th General
14 Assembly. For the purposes of this paragraph, "rules" is given
15 the meaning given to that term in Section 1-70 of the Illinois
16 Administrative Procedure Act.

17 (b) In determining whether to grant an owners license to an
18 applicant, the Board shall consider:

19 (1) the character, reputation, experience and
20 financial integrity of the applicants and of any other or
21 separate person that either:

22 (A) controls, directly or indirectly, such
23 applicant, or

24 (B) is controlled, directly or indirectly, by such
25 applicant or by a person which controls, directly or
26 indirectly, such applicant;

1 (2) the facilities or proposed facilities for the
2 conduct of riverboat gambling;

3 (3) the highest prospective total revenue to be derived
4 by the State from the conduct of riverboat gambling;

5 (4) the extent to which the ownership of the applicant
6 reflects the diversity of the State by including minority
7 persons, women, and persons with a disability and the good
8 faith affirmative action plan of each applicant to recruit,
9 train and upgrade minority persons, women, and persons with
10 a disability in all employment classifications;

11 (4.5) the extent to which the ownership of the
12 applicant includes veterans of service in the armed forces
13 of the United States, and the good faith affirmative action
14 plan of each applicant to recruit, train, and upgrade
15 veterans of service in the armed forces of the United
16 States in all employment classifications;

17 (5) the financial ability of the applicant to purchase
18 and maintain adequate liability and casualty insurance;

19 (6) whether the applicant has adequate capitalization
20 to provide and maintain, for the duration of a license, a
21 riverboat;

22 (7) the extent to which the applicant exceeds or meets
23 other standards for the issuance of an owners license which
24 the Board may adopt by rule; and

25 (8) The amount of the applicant's license bid.

26 (c) Each owners license shall specify the place where

1 riverboats shall operate and dock.

2 (d) Each applicant shall submit with his application, on
3 forms provided by the Board, 2 sets of his fingerprints.

4 (e) The Board may issue up to 10 licenses authorizing the
5 holders of such licenses to own riverboats. In the application
6 for an owners license, the applicant shall state the dock at
7 which the riverboat is based and the water on which the
8 riverboat will be located. The Board shall issue 5 licenses to
9 become effective not earlier than January 1, 1991. Three of
10 such licenses shall authorize riverboat gambling on the
11 Mississippi River, or, with approval by the municipality in
12 which the riverboat was docked on August 7, 2003 and with Board
13 approval, be authorized to relocate to a new location, in a
14 municipality that (1) borders on the Mississippi River or is
15 within 5 miles of the city limits of a municipality that
16 borders on the Mississippi River and (2), on August 7, 2003,
17 had a riverboat conducting riverboat gambling operations
18 pursuant to a license issued under this Act; one of which shall
19 authorize riverboat gambling from a home dock in the city of
20 East St. Louis. One other license shall authorize riverboat
21 gambling on the Illinois River south of Marshall County. The
22 Board shall issue one additional license to become effective
23 not earlier than March 1, 1992, which shall authorize riverboat
24 gambling on the Des Plaines River in Will County. The Board may
25 issue 4 additional licenses to become effective not earlier
26 than March 1, 1992. In determining the water upon which

1 riverboats will operate, the Board shall consider the economic
2 benefit which riverboat gambling confers on the State, and
3 shall seek to assure that all regions of the State share in the
4 economic benefits of riverboat gambling.

5 In granting all licenses, the Board may give favorable
6 consideration to economically depressed areas of the State, to
7 applicants presenting plans which provide for significant
8 economic development over a large geographic area, and to
9 applicants who currently operate non-gambling riverboats in
10 Illinois. The Board shall review all applications for owners
11 licenses, and shall inform each applicant of the Board's
12 decision. The Board may grant an owners license to an applicant
13 that has not submitted the highest license bid, but if it does
14 not select the highest bidder, the Board shall issue a written
15 decision explaining why another applicant was selected and
16 identifying the factors set forth in this Section that favored
17 the winning bidder.

18 In addition to any other revocation powers granted to the
19 Board under this Act, the Board may revoke the owners license
20 of a licensee which fails to begin conducting gambling within
21 15 months of receipt of the Board's approval of the application
22 if the Board determines that license revocation is in the best
23 interests of the State.

24 (f) The first 10 owners licenses issued under this Act
25 shall permit the holder to own up to 2 riverboats and equipment
26 thereon for a period of 3 years after the effective date of the

1 license. Holders of the first 10 owners licenses must pay the
2 annual license fee for each of the 3 years during which they
3 are authorized to own riverboats.

4 (g) Upon the termination, expiration, or revocation of each
5 of the first 10 licenses, which shall be issued for a 3 year
6 period, all licenses are renewable annually upon payment of the
7 fee and a determination by the Board that the licensee
8 continues to meet all of the requirements of this Act and the
9 Board's rules. However, for licenses renewed on or after May 1,
10 1998, renewal shall be for a period of 4 years, unless the
11 Board sets a shorter period.

12 (h) An owners license shall entitle the licensee to own up
13 to 2 riverboats. A licensee shall limit the number of gambling
14 participants to 1,200 for any such owners license. A licensee
15 may operate both of its riverboats concurrently, provided that
16 the total number of gambling participants on both riverboats
17 does not exceed 1,200. Riverboats licensed to operate on the
18 Mississippi River and the Illinois River south of Marshall
19 County shall have an authorized capacity of at least 500
20 persons. Any other riverboat licensed under this Act shall have
21 an authorized capacity of at least 400 persons.

22 (i) A licensed owner is authorized to apply to the Board
23 for and, if approved therefor, to receive all licenses from the
24 Board necessary for the operation of a riverboat, including a
25 liquor license, a license to prepare and serve food for human
26 consumption, and other necessary licenses. All use, occupation

1 and excise taxes which apply to the sale of food and beverages
2 in this State and all taxes imposed on the sale or use of
3 tangible personal property apply to such sales aboard the
4 riverboat.

5 (j) The Board may issue or re-issue a license authorizing a
6 riverboat to dock in a municipality or approve a relocation
7 under Section 11.2 only if, prior to the issuance or
8 re-issuance of the license or approval, the governing body of
9 the municipality in which the riverboat will dock has by a
10 majority vote approved the docking of riverboats in the
11 municipality. The Board may issue or re-issue a license
12 authorizing a riverboat to dock in areas of a county outside
13 any municipality or approve a relocation under Section 11.2
14 only if, prior to the issuance or re-issuance of the license or
15 approval, the governing body of the county has by a majority
16 vote approved of the docking of riverboats within such areas.

17 (Source: P.A. 100-391, eff. 8-25-17.)

18 (230 ILCS 10/7.6)

19 Sec. 7.6. Business enterprise program.

20 (a) For the purposes of this Section, the terms "minority",
21 "minority-owned business", "woman", "women-owned business",
22 "person with a disability", and "business owned by a person
23 with a disability" have the meanings ascribed to them in the
24 Business Enterprise for Minorities, Women, and Persons with
25 Disabilities Act.

1 (b) The Board shall, by rule, establish goals for the award
2 of contracts by each owners licensee to businesses owned by
3 minorities, women, and persons with disabilities, expressed as
4 percentages of an owners licensee's total dollar amount of
5 contracts awarded during each calendar year. Each owners
6 licensee must make every effort to meet the goals established
7 by the Board pursuant to this Section. When setting the goals
8 for the award of contracts, the Board shall not include
9 contracts where: (1) any purchasing mandates would be dependent
10 upon the availability of minority-owned businesses,
11 women-owned businesses, and businesses owned by persons with
12 disabilities ready, willing, and able with capacity to provide
13 quality goods and services to a gaming operation at reasonable
14 prices; (2) there are no or a limited number of licensed
15 suppliers as defined by this Act for the goods or services
16 provided to the licensee; (3) the licensee or its parent
17 company owns a company that provides the goods or services; or
18 (4) the goods or services are provided to the licensee by a
19 publicly traded company.

20 (c) Each owners licensee shall file with the Board an
21 annual report of its utilization of minority-owned businesses,
22 women-owned businesses, and businesses owned by persons with
23 disabilities during the preceding calendar year. The reports
24 shall include a self-evaluation of the efforts of the owners
25 licensee to meet its goals under this Section.

26 (c-5) The Board shall, by rule, establish goals for the

1 award of contracts by each owners licensee to businesses owned
2 by veterans of service in the armed forces of the United
3 States, expressed as percentages of an owners licensee's total
4 dollar amount of contracts awarded during each calendar year.
5 When setting the goals for the award of contracts, the Board
6 shall not include contracts where: (1) any purchasing mandates
7 would be dependent upon the availability of veteran-owned
8 businesses ready, willing, and able with capacity to provide
9 quality goods and services to a gaming operation at reasonable
10 prices; (2) there are no or a limited number of licensed
11 suppliers as defined in this Act for the goods or services
12 provided to the licensee; (3) the licensee or its parent
13 company owns a company that provides the goods or services; or
14 (4) the goods or services are provided to the licensee by a
15 publicly traded company.

16 Each owners licensee shall file with the Board an annual
17 report of its utilization of veteran-owned businesses during
18 the preceding calendar year. The reports shall include a
19 self-evaluation of the efforts of the owners licensee to meet
20 its goals under this Section.

21 (d) The owners licensee shall have the right to request a
22 waiver from the requirements of this Section. The Board shall
23 grant the waiver where the owners licensee demonstrates that
24 there has been made a good faith effort to comply with the
25 goals for participation by minority-owned businesses,
26 women-owned businesses, ~~and~~ businesses owned by persons with

1 disabilities, and veteran-owned businesses.

2 (e) If the Board determines that its goals and policies are
3 not being met by any owners licensee, then the Board may:

4 (1) adopt remedies for such violations; and

5 (2) recommend that the owners licensee provide
6 additional opportunities for participation by
7 minority-owned businesses, women-owned businesses, ~~and~~
8 businesses owned by persons with disabilities, and
9 veteran-owned businesses; such recommendations may
10 include, but shall not be limited to:

11 (A) assurances of stronger and better focused
12 solicitation efforts to obtain more minority-owned
13 businesses, women-owned businesses, ~~and~~ businesses
14 owned by persons with disabilities, and veteran-owned
15 businesses as potential sources of supply;

16 (B) division of job or project requirements, when
17 economically feasible, into tasks or quantities to
18 permit participation of minority-owned businesses,
19 women-owned businesses, ~~and~~ businesses owned by
20 persons with disabilities, and veteran-owned
21 businesses;

22 (C) elimination of extended experience or
23 capitalization requirements, when programmatically
24 feasible, to permit participation of minority-owned
25 businesses, women-owned businesses, ~~and~~ businesses
26 owned by persons with disabilities, and veteran-owned

1 businesses;

2 (D) identification of specific proposed contracts
3 as particularly attractive or appropriate for
4 participation by minority-owned businesses,
5 women-owned businesses, ~~and~~ businesses owned by
6 persons with disabilities, and veteran-owned
7 businesses, such identification to result from and be
8 coupled with the efforts of items (A) through (C); and

9 (E) implementation of regulations established for
10 the use of the sheltered market process.

11 (f) The Board shall file, no later than March 1 of each
12 year, an annual report that shall detail the level of
13 achievement toward the goals specified in this Section over the
14 3 most recent fiscal years. The annual report shall include,
15 but need not be limited to:

16 (1) a summary detailing expenditures subject to the
17 goals, the actual goals specified, and the goals attained
18 by each owners licensee; and

19 (2) an analysis of the level of overall goal
20 achievement concerning purchases from minority-owned
21 businesses, women-owned businesses, ~~and~~ businesses owned
22 by persons with disabilities, and veteran-owned
23 businesses.

24 (Source: P.A. 99-78, eff. 7-20-15; 100-391, eff. 8-25-17.)

25 Section 10. The Video Gaming Act is amended by changing

1 Sections 25, 45, and 80 as follows:

2 (230 ILCS 40/25)

3 Sec. 25. Restriction of licensees.

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

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

16 (c) Terminal operator. A person may not own, maintain, or
17 place a video gaming terminal unless he has a valid terminal
18 operator's license issued under this Act. A terminal operator
19 may only place video gaming terminals for use in Illinois in
20 licensed establishments, licensed truck stop establishments,
21 licensed fraternal establishments, and licensed veterans
22 establishments. No terminal operator may give anything of
23 value, including but not limited to a loan or financing
24 arrangement, to a licensed establishment, licensed truck stop
25 establishment, licensed fraternal establishment, or licensed

1 veterans establishment as any incentive or inducement to locate
2 video terminals in that establishment. Of the after-tax profits
3 from a video gaming terminal, 50% shall be paid to the terminal
4 operator and 50% shall be paid to the licensed establishment,
5 licensed truck stop establishment, licensed fraternal
6 establishment, or licensed veterans establishment,
7 notwithstanding any agreement to the contrary. A video terminal
8 operator that violates one or more requirements of this
9 subsection is guilty of a Class 4 felony and is subject to
10 termination of his or her license by the Board.

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

16 (d-5) Licensed terminal handler. No person, including, but
17 not limited to, an employee or independent contractor working
18 for a manufacturer, distributor, supplier, technician, or
19 terminal operator licensed pursuant to this Act, shall have
20 possession or control of a video gaming terminal, or access to
21 the inner workings of a video gaming terminal, unless that
22 person possesses a valid terminal handler's license issued
23 under this Act.

24 (e) Licensed establishment. No video gaming terminal may be
25 placed in any licensed establishment, licensed veterans
26 establishment, licensed truck stop establishment, or licensed

1 fraternal establishment unless the owner or agent of the owner
2 of the licensed establishment, licensed veterans
3 establishment, licensed truck stop establishment, or licensed
4 fraternal establishment has entered into a written use
5 agreement with the terminal operator for placement of the
6 terminals. A copy of the use agreement shall be on file in the
7 terminal operator's place of business and available for
8 inspection by individuals authorized by the Board. A licensed
9 establishment, licensed truck stop establishment, licensed
10 veterans establishment, or licensed fraternal establishment
11 may operate up to 5 video gaming terminals on its premises at
12 any time.

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

22 Notwithstanding the provisions of this subsection (h), the
23 Board may waive the requirement that a licensed establishment,
24 licensed truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment not be
26 located within 1,000 feet from a facility operated by an

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

9 (h-5) Restrictions on licenses in malls. The Board shall
10 not grant an application to become a licensed video gaming
11 location if the Board determines that granting the application
12 would more likely than not cause a terminal operator,
13 individually or in combination with other terminal operators,
14 licensed video gaming location, or other person or entity, to
15 operate the video gaming terminals in 2 or more licensed video
16 gaming locations as a single video gaming operation.

17 (1) In making determinations under this subsection
18 (h-5), factors to be considered by the Board shall include,
19 but not be limited to, the following:

20 (A) the physical aspects of the location;

21 (B) the ownership, control, or management of the
22 location;

23 (C) any arrangements, understandings, or
24 agreements, written or otherwise, among or involving
25 any persons or entities that involve the conducting of
26 any video gaming business or the sharing of costs or

1 revenues; and

2 (D) the manner in which any terminal operator or
3 other related entity markets, advertises, or otherwise
4 describes any location or locations to any other person
5 or entity or to the public.

6 (2) The Board shall presume, subject to rebuttal, that
7 the granting of an application to become a licensed video
8 gaming location within a mall will cause a terminal
9 operator, individually or in combination with other
10 persons or entities, to operate the video gaming terminals
11 in 2 or more licensed video gaming locations as a single
12 video gaming operation if the Board determines that
13 granting the license would create a local concentration of
14 licensed video gaming locations.

15 For the purposes of this subsection (h-5):

16 "Mall" means a building, or adjoining or connected
17 buildings, containing 4 or more separate locations.

18 "Video gaming operation" means the conducting of video
19 gaming and all related activities.

20 "Location" means a space within a mall containing a
21 separate business, a place for a separate business, or a place
22 subject to a separate leasing arrangement by the mall owner.

23 "Licensed video gaming location" means a licensed
24 establishment, licensed fraternal establishment, licensed
25 veterans establishment, or licensed truck stop.

26 "Local concentration of licensed video gaming locations"

1 means that the combined number of licensed video gaming
2 locations within a mall exceed half of the separate locations
3 within the mall.

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

15 (1) substantially impede or suppress competition among
16 terminal operators;

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

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

21 The Board shall adopt rules concerning undue economic
22 concentration with respect to the operation of video gaming
23 terminals in Illinois. The rules shall include, but not be
24 limited to, (i) limitations on the number of video gaming
25 terminals operated by any terminal operator within a defined
26 geographic radius and (ii) guidelines on the discontinuation of

1 operation of any such video gaming terminals the Board
2 determines will cause undue economic concentration.

3 (j) The provisions of the Illinois Antitrust Act are fully
4 and equally applicable to the activities of any licensee under
5 this Act.

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

8 (230 ILCS 40/45)

9 Sec. 45. Issuance of license.

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

19 (a-5) The Board shall not grant a license to a person who
20 has facilitated, enabled, or participated in the use of
21 coin-operated devices for gambling purposes or who is under the
22 significant influence or control of such a person. For the
23 purposes of this Act, "facilitated, enabled, or participated in
24 the use of coin-operated amusement devices for gambling
25 purposes" means that the person has been convicted of any

1 violation of Article 28 of the Criminal Code of 1961 or the
2 Criminal Code of 2012. If there is pending legal action against
3 a person for any such violation, then the Board shall delay the
4 licensure of that person until the legal action is resolved.

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

22 (c) Each person seeking and possessing a license as a video
23 gaming terminal manufacturer, distributor, supplier, operator,
24 handler, licensed establishment, licensed truck stop
25 establishment, licensed fraternal establishment, or licensed
26 veterans establishment shall disclose the identity of every

1 person, association, trust, corporation, or limited liability
2 company having a greater than 1% direct or indirect pecuniary
3 interest in the video gaming terminal operation for which the
4 license is sought. If the disclosed entity is a trust, the
5 application shall disclose the names and addresses of the
6 beneficiaries; if a corporation, the names and addresses of all
7 stockholders and directors; if a limited liability company, the
8 names and addresses of all members; or if a partnership, the
9 names and addresses of all partners, both general and limited.

10 (d) No person may be licensed as a video gaming terminal
11 manufacturer, distributor, supplier, operator, handler,
12 licensed establishment, licensed truck stop establishment,
13 licensed fraternal establishment, or licensed veterans
14 establishment if that person has been found by the Board to:

15 (1) have a background, including a criminal record,
16 reputation, habits, social or business associations, or
17 prior activities that pose a threat to the public interests
18 of the State or to the security and integrity of video
19 gaming;

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

23 (3) present questionable business practices and
24 financial arrangements incidental to the conduct of video
25 gaming activities.

26 (e) Any applicant for any license under this Act has the

1 burden of proving his or her qualifications to the satisfaction
2 of the Board. The Board may adopt rules to establish additional
3 qualifications and requirements to preserve the integrity and
4 security of video gaming in this State.

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

- 8 (1) Manufacturer \$5,000
- 9 (2) Distributor..... \$5,000
- 10 (3) Terminal operator..... \$5,000
- 11 (4) Supplier \$2,500
- 12 (5) Technician \$100
- 13 (6) Terminal Handler \$100 ~~\$50~~
- 14 (7) Licensed establishment, licensed truck stop
- 15 establishment, licensed fraternal establishment,
- 16 or licensed veterans establishment \$100

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

- 19 (1) Manufacturer \$10,000
- 20 (2) Distributor..... \$10,000
- 21 (3) Terminal operator..... \$5,000
- 22 (4) Supplier \$2,000
- 23 (5) Technician \$100
- 24 (6) Licensed establishment, licensed truck stop
- 25 establishment, licensed fraternal establishment,
- 26 or licensed veterans establishment \$100

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

2 (8) Terminal Handler \$100 ~~\$50~~

3 (h) A terminal operator and a licensed establishment,
4 licensed truck stop establishment, licensed fraternal
5 establishment, or licensed veterans establishment shall
6 equally split the fees specified in item (7) of subsection (g).
7 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
8 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

9 (230 ILCS 40/80)

10 Sec. 80. Applicability of Illinois Riverboat Gambling Act.
11 The provisions of the Illinois Riverboat Gambling Act, and all
12 rules promulgated thereunder, shall apply to the Video Gaming
13 Act, except where there is a conflict between the 2 Acts. All
14 current supplier licensees under the Riverboat Gambling Act
15 shall be entitled to licensure under the Video Gaming Act as
16 manufacturers, distributors, or suppliers without additional
17 Board investigation or approval, except by vote of the Board;
18 however, they are required to pay application and annual fees
19 under this Act. All provisions of the Uniform Penalty and
20 Interest Act shall apply, as far as practicable, to the subject
21 matter of this Act to the same extent as if such provisions
22 were included herein.

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