



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2648

by Rep. Robert Rita

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Video Gaming Act. Allows for video gaming by organization licensees and inter-track wagering location licensees under the Illinois Horse Racing Act of 1975; makes conforming changes throughout the Video Gaming Act and in the Criminal Code of 2012. Removes references to organization licensees and inter-track wagering location licensees from the definition of "licensed establishment". Provides that an organization licensee who held that license in 2016 may operate up to 500 video gaming terminals on its premises at any time and an inter-track wagering location licensee may operate up to 5 video gaming terminals at the inter-track wagering location licensee's location or on the premises of the organization licensee with which they are affiliated. Requires organization licensees and inter-track wagering location licensees to deposit 40% of their share of the net terminal income from video gaming into the horsemen purse accounts associated with their respective racetrack to be distributed by agreements between breeds. Makes other changes.

LRB101 08934 SMS 54024 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Video Gaming Act is amended by changing the  
5 Sections 5, 25, 30, 35, 45, 55, 58, and 60 as follows:

6 (230 ILCS 40/5)

7 Sec. 5. Definitions. As used in this Act:

8 "Board" means the Illinois Gaming Board.

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

11 "Distributor" means an individual, partnership,  
12 corporation, or limited liability company licensed under this  
13 Act to buy, sell, lease, or distribute video gaming terminals  
14 or major components or parts of video gaming terminals to or  
15 from terminal operators.

16 "Electronic card" means a card purchased from a licensed  
17 establishment, licensed fraternal establishment, licensed  
18 veterans establishment, or licensed truck stop establishment  
19 for use in that establishment as a substitute for cash in the  
20 conduct of gaming on a video gaming terminal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (230 ILCS 40/25)

16 Sec. 25. Restriction of licensees.

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

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

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

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

1 horsemen purse accounts associated with their respective  
2 racetrack to be distributed by agreements between breeds. A  
3 video terminal operator that violates one or more requirements  
4 of this subsection is guilty of a Class 4 felony and is subject  
5 to termination of his or her license by the Board.

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

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

19 (e) Licensed establishment. No video gaming terminal may be  
20 placed in any licensed establishment, licensed veterans  
21 establishment, licensed truck stop establishment, organization  
22 licensee location, inter-track wagering location licensee  
23 location, or licensed fraternal establishment unless the owner  
24 or agent of the owner of the licensed establishment, licensed  
25 veterans establishment, licensed truck stop establishment,  
26 organization licensee, inter-track wagering location licensee,



1 or licensed fraternal establishment has entered into a written  
2 use agreement with the terminal operator for placement of the  
3 terminals. A copy of the use agreement shall be on file in the  
4 terminal operator's place of business and available for  
5 inspection by individuals authorized by the Board. A licensed  
6 establishment, licensed truck stop establishment, licensed  
7 veterans establishment, or licensed fraternal establishment  
8 may operate up to 5 video gaming terminals on its premises at  
9 any time, except that an organization licensee licensed under  
10 the Illinois Horse Racing Act of 1975 who held that license in  
11 2016 may operate up to 500 video gaming terminals at its  
12 organization licensee location at any time and an inter-track  
13 wagering location licensee may operate up to 5 video gaming  
14 terminals at the inter-track wagering location licensee's  
15 location or on the premises of the organization licensee with  
16 which they are affiliated. An organization licensee may enter  
17 into a written use agreement with multiple terminal operators  
18 for placement of terminals on the organization licensee's  
19 premises.

20 (f) (Blank).

21 (g) Financial interest restrictions. As used in this Act,  
22 "substantial interest" in a partnership, a corporation, an  
23 organization, an association, a business, or a limited  
24 liability company means:

25 (A) When, with respect to a sole proprietorship, an  
26 individual or his or her spouse owns, operates, manages, or

1 conducts, directly or indirectly, the organization,  
2 association, or business, or any part thereof; or

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

6 (C) When, with respect to a corporation, an individual  
7 or his or her spouse is an officer or director, or the  
8 individual or his or her spouse is a holder, directly or  
9 beneficially, of 5% or more of any class of stock of the  
10 corporation; or

11 (D) When, with respect to an organization not covered  
12 in (A), (B) or (C) above, an individual or his or her  
13 spouse is an officer or manages the business affairs, or  
14 the individual or his or her spouse is the owner of or  
15 otherwise controls 10% or more of the assets of the  
16 organization; or

17 (E) When an individual or his or her spouse furnishes  
18 5% or more of the capital, whether in cash, goods, or  
19 services, for the operation of any business, association,  
20 or organization during any calendar year; or

21 (F) When, with respect to a limited liability company,  
22 an individual or his or her spouse is a member, or the  
23 individual or his or her spouse is a holder, directly or  
24 beneficially, of 5% or more of the membership interest of  
25 the limited liability company.

26 For purposes of this subsection (g), "individual" includes

1 all individuals or their spouses whose combined interest would  
2 qualify as a substantial interest under this subsection (g) and  
3 whose activities with respect to an organization, association,  
4 or business are so closely aligned or coordinated as to  
5 constitute the activities of a single entity.

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

1 licensee, inter-track wagering location licensee, or licensed  
2 veterans establishment obtains its original liquor license.  
3 For the purpose of this subsection, "school" means an  
4 elementary or secondary public school, or an elementary or  
5 secondary private school registered with or recognized by the  
6 State Board of Education.

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

21 (i) Undue economic concentration. In addition to  
22 considering all other requirements under this Act, in deciding  
23 whether to approve the operation of video gaming terminals by a  
24 terminal operator in a location, the Board shall consider the  
25 impact of any economic concentration of such operation of video  
26 gaming terminals. The Board shall not allow a terminal operator

1 to operate video gaming terminals if the Board determines such  
2 operation will result in undue economic concentration. For  
3 purposes of this Section, "undue economic concentration" means  
4 that a terminal operator would have such actual or potential  
5 influence over video gaming terminals in Illinois as to:

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

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

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

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

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

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

1           Sec. 30. Multiple types of licenses prohibited. A video  
2 gaming terminal manufacturer may not be licensed as a video  
3 gaming terminal operator or own, manage, or control a licensed  
4 establishment, licensed truck stop establishment, licensed  
5 fraternal establishment, organization licensee location,  
6 inter-track wagering location licensee location, or licensed  
7 veterans establishment, and shall be licensed to sell only to  
8 persons having a valid distributor's license or, if the  
9 manufacturer also holds a valid distributor's license, to sell,  
10 distribute, lease, or market to persons having a valid terminal  
11 operator's license. A video gaming terminal distributor may not  
12 be licensed as a video gaming terminal operator or own, manage,  
13 or control a licensed establishment, licensed truck stop  
14 establishment, licensed fraternal establishment, or licensed  
15 veterans establishment, and shall only contract with a licensed  
16 terminal operator. A video gaming terminal operator may not be  
17 licensed as a video gaming terminal manufacturer or distributor  
18 or own, manage, or control a licensed establishment, licensed  
19 truck stop establishment, licensed fraternal establishment, or  
20 licensed veterans establishment, and shall be licensed only to  
21 contract with licensed distributors and licensed  
22 establishments, licensed truck stop establishments, licensed  
23 fraternal establishments, and licensed veterans  
24 establishments. An owner or manager of a licensed  
25 establishment, licensed truck stop establishment, licensed  
26 fraternal establishment, or licensed veterans establishment

1 may not be licensed as a video gaming terminal manufacturer,  
2 distributor, or operator, and shall only contract with a  
3 licensed operator to place and service this equipment.

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

5 (230 ILCS 40/35)

6 Sec. 35. Display of license; confiscation; violation as  
7 felony.

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

1 wagering location licensee location, or licensed veterans  
2 establishment operating gambling games in violation of this Act  
3 shall be subject to seizure, confiscation, and destruction as  
4 provided in Section 28-5 of the Criminal Code of 2012. Any  
5 license issued under the Liquor Control Act of 1934 to any  
6 owner or operator of a licensed establishment, licensed truck  
7 stop establishment, licensed fraternal establishment,  
8 organization licensee location, inter-track wagering location  
9 licensee location, or licensed veterans establishment that  
10 operates or permits the operation of a video gaming terminal  
11 within its establishment in violation of this Act shall be  
12 immediately revoked. No person may own, operate, have in his or  
13 her possession or custody or under his or her control, or  
14 permit to be kept in any place under his or her possession or  
15 control, any device that awards credits and contains a circuit,  
16 meter, or switch capable of removing and recording the removal  
17 of credits when the award of credits is dependent upon chance.

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

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



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

7           (b) (1) The odds of winning each video game shall be posted  
8 on or near each video gaming terminal. The manner in which the  
9 odds are calculated and how they are posted shall be determined  
10 by the Board by rule.

11           (2) No video gaming terminal licensed under this Act may be  
12 played except during the legal hours of operation allowed for  
13 the consumption of alcoholic beverages at the licensed  
14 establishment, licensed fraternal establishment, or licensed  
15 veterans establishment. A licensed establishment, licensed  
16 fraternal establishment, organization licensee, inter-track  
17 wagering location licensee, or licensed veterans establishment  
18 that violates this subsection is subject to termination of its  
19 license by the Board.

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

21           (230 ILCS 40/45)

22           Sec. 45. Issuance of license.

23           (a) The burden is upon each applicant to demonstrate his  
24 suitability for licensure. Each video gaming terminal  
25 manufacturer, distributor, supplier, operator, handler,

1 licensed establishment, licensed truck stop establishment,  
2 licensed fraternal establishment, organization licensee,  
3 inter-track wagering location licensee, and licensed veterans  
4 establishment shall be licensed by the Board. The Board may  
5 issue or deny a license under this Act to any person pursuant  
6 to the same criteria set forth in Section 9 of the Riverboat  
7 Gambling Act.

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

19 (b) Each person seeking and possessing a license as a video  
20 gaming terminal manufacturer, distributor, supplier, operator,  
21 handler, licensed establishment, licensed truck stop  
22 establishment, licensed fraternal establishment, organization  
23 licensee, inter-track wagering location licensee, or licensed  
24 veterans establishment shall submit to a background  
25 investigation conducted by the Board with the assistance of the  
26 State Police or other law enforcement. To the extent that the

1 corporate structure of the applicant allows, the background  
2 investigation shall include any or all of the following as the  
3 Board deems appropriate or as provided by rule for each  
4 category of licensure: (i) each beneficiary of a trust, (ii)  
5 each partner of a partnership, (iii) each member of a limited  
6 liability company, (iv) each director and officer of a publicly  
7 or non-publicly held corporation, (v) each stockholder of a  
8 non-publicly held corporation, (vi) each stockholder of 5% or  
9 more of a publicly held corporation, or (vii) each stockholder  
10 of 5% or more in a parent or subsidiary corporation.

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

26 (d) No person may be licensed as a video gaming terminal

1 manufacturer, distributor, supplier, operator, handler,  
 2 licensed establishment, licensed truck stop establishment,  
 3 licensed fraternal establishment, organization licensee,  
 4 inter-track wagering location licensee, or licensed veterans  
 5 establishment if that person has been found by the Board to:

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

11 (2) create or enhance the dangers of unsuitable,  
 12 unfair, or illegal practices, methods, and activities in  
 13 the conduct of video gaming; or

14 (3) present questionable business practices and  
 15 financial arrangements incidental to the conduct of video  
 16 gaming activities.

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

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

- 25 (1) Manufacturer ..... \$5,000
- 26 (2) Distributor..... \$5,000

- 1 (3) Terminal operator..... \$5,000
- 2 (4) Supplier ..... \$2,500
- 3 (5) Technician ..... \$100
- 4 (6) Terminal Handler ..... \$100

5 (7) Licensed establishment, licensed truck stop  
 6 establishment, licensed fraternal establishment,  
 7 or licensed veterans establishment ..... \$100

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

- 10 (1) Manufacturer ..... \$10,000
- 11 (2) Distributor..... \$10,000
- 12 (3) Terminal operator..... \$5,000
- 13 (4) Supplier ..... \$2,000
- 14 (5) Technician ..... \$100
- 15 (6) Licensed establishment, licensed truck stop  
 16 establishment, licensed fraternal establishment,  
 17 organization licensee, inter-track wagering location  
 18 licensee, or licensed veterans establishment ..... \$100
- 19 (7) Video gaming terminal..... \$100
- 20 (8) Terminal Handler ..... \$100

21 (h) A terminal operator and a licensed establishment,  
 22 licensed truck stop establishment, licensed fraternal  
 23 establishment, organization licensee, inter-track wagering  
 24 location licensee, or licensed veterans establishment shall  
 25 equally split the fees specified in item (7) of subsection (g).

26 (Source: P.A. 100-1152, eff. 12-14-18.)

1 (230 ILCS 40/55)

2 Sec. 55. Precondition for licensed location. In all cases  
3 of application for a licensed location, to operate a video  
4 gaming terminal, each licensed establishment, licensed  
5 fraternal establishment, or licensed veterans establishment  
6 shall possess a valid liquor license issued by the Illinois  
7 Liquor Control Commission in effect at the time of application  
8 and at all times thereafter during which a video gaming  
9 terminal is made available to the public for play at that  
10 location. Video gaming terminals in a licensed location shall  
11 be operated only during the same hours of operation generally  
12 permitted to holders of a license under the Liquor Control Act  
13 of 1934 within the unit of local government in which they are  
14 located. Organization licensees and inter-track wagering  
15 location licensees may operate video gaming terminals if they  
16 hold an organization license or inter-track wagering location  
17 license issued by the Illinois Racing Board. A licensed truck  
18 stop establishment that does not hold a liquor license may  
19 operate video gaming terminals on a continuous basis. A  
20 licensed fraternal establishment or licensed veterans  
21 establishment that does not hold a liquor license may operate  
22 video gaming terminals if (i) the establishment is located in a  
23 county with a population between 6,500 and 7,000, based on the  
24 2000 U.S. Census, (ii) the county prohibits by ordinance the  
25 sale of alcohol, and (iii) the establishment is in a portion of

1 the county where the sale of alcohol is prohibited. A licensed  
2 fraternal establishment or licensed veterans establishment  
3 that does not hold a liquor license may operate video gaming  
4 terminals if (i) the establishment is located in a municipality  
5 within a county with a population between 8,500 and 9,000 based  
6 on the 2000 U.S. Census and (ii) the municipality or county  
7 prohibits or limits the sale of alcohol by ordinance in a way  
8 that prohibits the establishment from selling alcohol.

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

11 (230 ILCS 40/58)

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

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

24 (230 ILCS 40/60)

1           Sec. 60. Imposition and distribution of tax.

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

4           (b) Of the tax collected under this Section, five-sixths  
5 shall be deposited into the Capital Projects Fund and one-sixth  
6 shall be deposited into the Local Government Video Gaming  
7 Distributive Fund.

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

14           (d) Each licensed establishment, licensed truck stop  
15 establishment, licensed fraternal establishment, organization  
16 licensee, inter-track wagering location licensee, and licensed  
17 veterans establishment shall maintain an adequate video gaming  
18 fund, with the amount to be determined by the Board.

19           (e) The State's percentage of net terminal income shall be  
20 reported and remitted to the Board within 15 days after the  
21 15th day of each month and within 15 days after the end of each  
22 month by the video terminal operator. A video terminal operator  
23 who falsely reports or fails to report the amount due required  
24 by this Section is guilty of a Class 4 felony and is subject to  
25 termination of his or her license by the Board. Each video  
26 terminal operator shall keep a record of net terminal income in



1 such form as the Board may require. All payments not remitted  
2 when due shall be paid together with a penalty assessment on  
3 the unpaid balance at a rate of 1.5% per month.

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

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

7 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

8 Sec. 28-1. Gambling.

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

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

13 (2) knowingly makes a wager upon the result of any  
14 game, contest, or any political nomination, appointment or  
15 election;

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

19 (4) contracts to have or give himself or herself or  
20 another the option to buy or sell, or contracts to buy or  
21 sell, at a future time, any grain or other commodity  
22 whatsoever, or any stock or security of any company, where  
23 it is at the time of making such contract intended by both  
24 parties thereto that the contract to buy or sell, or the

1 option, whenever exercised, or the contract resulting  
2 therefrom, shall be settled, not by the receipt or delivery  
3 of such property, but by the payment only of differences in  
4 prices thereof; however, the issuance, purchase, sale,  
5 exercise, endorsement or guarantee, by or through a person  
6 registered with the Secretary of State pursuant to Section  
7 8 of the Illinois Securities Law of 1953, or by or through  
8 a person exempt from such registration under said Section  
9 8, of a put, call, or other option to buy or sell  
10 securities which have been registered with the Secretary of  
11 State or which are exempt from such registration under  
12 Section 3 of the Illinois Securities Law of 1953 is not  
13 gambling within the meaning of this paragraph (4);

14 (5) knowingly owns or possesses any book, instrument or  
15 apparatus by means of which bets or wagers have been, or  
16 are, recorded or registered, or knowingly possesses any  
17 money which he has received in the course of a bet or  
18 wager;

19 (6) knowingly sells pools upon the result of any game  
20 or contest of skill or chance, political nomination,  
21 appointment or election;

22 (7) knowingly sets up or promotes any lottery or sells,  
23 offers to sell or transfers any ticket or share for any  
24 lottery;

25 (8) knowingly sets up or promotes any policy game or  
26 sells, offers to sell or knowingly possesses or transfers

1 any policy ticket, slip, record, document or other similar  
2 device;

3 (9) knowingly drafts, prints or publishes any lottery  
4 ticket or share, or any policy ticket, slip, record,  
5 document or similar device, except for such activity  
6 related to lotteries, bingo games and raffles authorized by  
7 and conducted in accordance with the laws of Illinois or  
8 any other state or foreign government;

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

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

21 (12) knowingly establishes, maintains, or operates an  
22 Internet site that permits a person to play a game of  
23 chance or skill for money or other thing of value by means  
24 of the Internet or to make a wager upon the result of any  
25 game, contest, political nomination, appointment, or  
26 election by means of the Internet. This item (12) does not

1 apply to activities referenced in items (6) and (6.1) of  
2 subsection (b) of this Section.

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

5 (1) Agreements to compensate for loss caused by the  
6 happening of chance including without limitation contracts  
7 of indemnity or guaranty and life or health or accident  
8 insurance.

9 (2) Offers of prizes, award or compensation to the  
10 actual contestants in any bona fide contest for the  
11 determination of skill, speed, strength or endurance or to  
12 the owners of animals or vehicles entered in such contest.

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

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

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

26 (6) Lotteries when conducted by the State of Illinois

1 in accordance with the Illinois Lottery Law. This exemption  
2 includes any activity conducted by the Department of  
3 Revenue to sell lottery tickets pursuant to the provisions  
4 of the Illinois Lottery Law and its rules.

5 (6.1) The purchase of lottery tickets through the  
6 Internet for a lottery conducted by the State of Illinois  
7 under the program established in Section 7.12 of the  
8 Illinois Lottery Law.

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

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

16 (9) Charitable games when conducted in accordance with  
17 the Charitable Games Act.

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

20 (11) Gambling games conducted on riverboats when  
21 authorized by the Riverboat Gambling Act.

22 (12) Video gaming terminal games at a licensed  
23 establishment, licensed truck stop establishment, licensed  
24 fraternal establishment, organization licensee location,  
25 inter-track wagering location licensee location, or  
26 licensed veterans establishment when conducted in

1           accordance with the Video Gaming Act.

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

5           (14) Savings promotion raffles authorized under  
6 Section 5g of the Illinois Banking Act, Section 7008 of the  
7 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
8 Act, Section 5136B of the National Bank Act (12 U.S.C.  
9 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
10 1463).

11          (c) Sentence.

12          Gambling is a Class A misdemeanor. A second or subsequent  
13 conviction under subsections (a) (3) through (a) (12), is a Class  
14 4 felony.

15          (d) Circumstantial evidence.

16          In prosecutions under this Section circumstantial evidence  
17 shall have the same validity and weight as in any criminal  
18 prosecution.

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

1 INDEX

2 Statutes amended in order of appearance

3 230 ILCS 40/5

4 230 ILCS 40/25

5 230 ILCS 40/30

6 230 ILCS 40/35

7 230 ILCS 40/45

8 230 ILCS 40/55

9 230 ILCS 40/58

10 230 ILCS 40/60

11 720 ILCS 5/28-1 from Ch. 38, par. 28-1