



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4804

Introduced 2/18/2020, by Rep. Kambium Buckner

SYNOPSIS AS INTRODUCED:

230 ILCS 40/35
720 ILCS 5/28-1 from Ch. 38, par. 28-1
815 ILCS 525/Act title
815 ILCS 525/1
815 ILCS 525/10
815 ILCS 525/33 new
815 ILCS 525/45 new
815 ILCS 525/50 new

Amends the Prizes and Gifts Act. Changes the short title of the Act to the Sweepstakes, Prizes, and Gifts Act. Provides that it is unlawful for a person to operate more than 10 electronic product promotion sweepstakes kiosks on any premises at one time. Includes restrictions on electronic product promotion sweepstakes kiosks. Provides fees imposed by the Department of Revenue on each kiosk in operation. Makes conforming changes in the Criminal Code of 2012 and the Video Gaming Act. Effective immediately.

LRB101 19348 SMS 68820 b

1 AN ACT concerning gaming.

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

4 Section 5. The Video Gaming Act is amended by changing
5 Section 35 as follows:

6 (230 ILCS 40/35)

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

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

1 licensed large truck stop establishment, licensed fraternal
2 establishment, or licensed veterans establishment operating
3 gambling games in violation of this Act shall be subject to
4 seizure, confiscation, and destruction as provided in Section
5 28-5 of the Criminal Code of 2012. Any license issued under the
6 Liquor Control Act of 1934 to any owner or operator of a
7 licensed establishment, licensed truck stop establishment,
8 licensed large truck stop establishment, licensed fraternal
9 establishment, 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. An applicant or licensee under this
22 Act is not in violation of this Act or its rules and shall not
23 be subject to disciplinary action for operating a game device
24 if operation of the gaming device is in compliance with and not
25 considered gambling under subsection (b) of Section 28-1 of the
26 Criminal Code of 2012.

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

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

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

16 (2) No video gaming terminal licensed under this Act may be
17 played except during the legal hours of operation allowed for
18 the consumption of alcoholic beverages at the licensed
19 establishment, licensed fraternal establishment, or licensed
20 veterans establishment. A licensed establishment, licensed
21 fraternal establishment, or licensed veterans establishment
22 that violates this subsection is subject to termination of its
23 license by the Board.

24 (Source: P.A. 101-31, eff. 6-28-19.)

25 Section 10. The Criminal Code of 2012 is amended by

1 changing Section 28-1 as follows:

2 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

3 Sec. 28-1. Gambling.

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

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

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

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

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

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

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

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

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

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

23 (9) knowingly drafts, prints or publishes any lottery
24 ticket or share, or any policy ticket, slip, record,
25 document or similar device, except for such activity
26 related to lotteries, bingo games and raffles authorized by

1 and conducted in accordance with the laws of Illinois or
2 any other state or foreign government;

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

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

15 (12) knowingly establishes, maintains, or operates an
16 Internet site that permits a person to play a game of
17 chance or skill for money or other thing of value by means
18 of the Internet or to make a wager upon the result of any
19 game, contest, political nomination, appointment, or
20 election by means of the Internet. This item (12) does not
21 apply to activities referenced in items (6), (6.1), (8),
22 ~~and~~ (8.1), and (15) of subsection (b) of this Section.

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

25 (1) Agreements to compensate for loss caused by the
26 happening of chance including without limitation contracts

1 of indemnity or guaranty and life or health or accident
2 insurance.

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

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

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

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

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

25 (6.1) The purchase of lottery tickets through the
26 Internet for a lottery conducted by the State of Illinois

1 under the program established in Section 7.12 of the
2 Illinois Lottery Law.

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

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

10 (8.1) The purchase of raffle chances for a raffle
11 conducted in accordance with the Raffles and Poker Runs
12 Act.

13 (9) Charitable games when conducted in accordance with
14 the Charitable Games Act.

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

17 (11) Gambling games when authorized by the Illinois
18 Gambling Act.

19 (12) Video gaming terminal games at a licensed
20 establishment, licensed truck stop establishment, licensed
21 large truck stop establishment, licensed fraternal
22 establishment, or licensed veterans establishment when
23 conducted in accordance with the Video Gaming Act.

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

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

7 (15) Sports wagering when conducted in accordance with
8 the Sports Wagering Act.

9 (16) Electronic product promotion sweepstakes when
10 conducted in accordance with the Sweepstakes, Prizes, and
11 Gifts Act.

12 (c) Sentence.

13 Gambling is a Class A misdemeanor. A second or subsequent
14 conviction under subsections (a) (3) through (a) (12), is a Class
15 4 felony.

16 (d) Circumstantial evidence.

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

20 (Source: P.A. 101-31, Article 25, Section 25-915, eff. 6-28-19;
21 101-31, Article 35, Section 35-80, eff. 6-28-19; 101-109, eff.
22 7-19-19; revised 8-6-19.)

23 Section 15. The Prizes and Gifts Act is amended by changing
24 th title of the Act and Sections 1 and 10 and by adding
25 Sections 33, 45 and 50 as follows:

1 (815 ILCS 525/Act title)

2 An Act concerning sweepstakes, prizes, and gifts.

3 (815 ILCS 525/1)

4 Sec. 1. Short title. This Act may be cited as the
5 Sweepstakes, Prizes, and Gifts Act.

6 (Source: P.A. 92-436, eff. 1-1-02.)

7 (815 ILCS 525/10)

8 Sec. 10. Definitions. As used in this Act:

9 "Bona fide product" means any item of real value, which
10 includes gift certificates to be used for or towards the
11 purchase of a retail item. "Bona fide product" does not include
12 a discount coupon, Internet access, or a telephone card.

13 "Catalog seller" means an entity (and its subsidiaries) or
14 a person at least 50% of whose annual revenues are derived from
15 the sale of products sold in connection with the distribution
16 of catalogs of at least 24 pages, which contain written
17 descriptions or illustrations and sale prices for each item of
18 merchandise and which are distributed in more than one state
19 with a total annual distribution of at least 250,000.

20 "Discount coupon" means a coupon that has a value worth
21 double the amount inserted into the electronic product
22 promotion sweepstakes kiosk and is used to offset the price of
23 a retail item at a store with a physical location or ecommerce

1 website.

2 "Distributor" means a provider of electronic product
3 promotion sweepstakes kiosks that sells fills through the fill
4 system and is responsible for the collection and remittance of
5 the revenue operation fee to the Department of Revenue.

6 "Electronic product promotion sweepstakes kiosk" means any
7 electronic video machine that is used to promote the purchase
8 of a bona fide product from a sponsor and offers or awards a
9 prize, without requiring payment or purchase to participate, as
10 a means to promote that sponsor and is otherwise consistent
11 with paragraph (12) of subsection (a) and paragraph (16) of
12 subsection (b) of Section 28-1 of the Criminal Code of 2012,
13 contains a fill system, and is not connected directly or
14 indirectly to the Internet, either by cellular modem, hardwire
15 or wireless connection, or to a set of interconnected networked
16 devices in order to participate in the game or contest or to
17 receive or retrieve any data related to the kiosk or device
18 unless the connected device is a redemption vault.

19 "Fills" means the extended play authorizations for the
20 software.

21 "Fill system" means the internal revenue generation refill
22 system of the electronic product promotion sweepstakes kiosk
23 that permits the operation of and access to plays on the
24 software on a fee basis, automatically ceases to operate upon
25 the completion of a revenue cycle, and provides for the
26 auditable determination of the revenue operation fee.

1 "Internet access" means a connection of individual
2 computer terminals, computers, mobile devices, and computer
3 networks to the Internet, enabling users to access Internet
4 services, such as email and the World Wide Web.

5 "Operator" means an individual, entity, partnership, or
6 otherwise that provides electronic product promotion
7 sweepstakes kiosks for use by others.

8 "Person" means a corporation, partnership, limited
9 liability company, sole proprietorship, or natural person.

10 "Prize" means a gift, award, or other item or service of
11 value that is offered or awarded to a participant in a real or
12 purported contest, competition, sweepstakes, scheme, plan, or
13 other selection process that involves an element of chance.

14 "Redemption vault" means a standalone or connected device
15 to an electronic product promotion sweepstakes kiosk for the
16 sole purpose of redeeming a prize or award.

17 "Retail value" of a prize means:

18 (1) a price at which the sponsor can substantiate that
19 a substantial quantity of the item or service offered as a
20 prize has been sold to the public; or

21 (2) if the sponsor is unable to satisfy the requirement
22 in subdivision (1), no more than 3 times the amount the
23 sponsor paid for the prize in a bona fide purchase from an
24 unaffiliated seller.

25 "Revenue cycle" means the end of a fill or software
26 generated through the fill system.

1 "Revenue operation fee" means the fee paid to the State
2 through the Department of Revenue for each fill generated
3 through the fill system.

4 "Software" means the software that runs the product
5 promotion sweepstakes kiosk that runs through the fill system.

6 "Sponsor" means a person on whose behalf a promotion is
7 conducted to promote or advertise goods, services, or property
8 of that person. "Sponsor" includes a person who conducts a
9 promotion on behalf of another sponsor.

10 "Telephone card" means any stored-value system capable of
11 being discarded when depleted or recharged for reuse and
12 utilized to place a telephone call.

13 (Source: P.A. 92-436, eff. 1-1-02.)

14 (815 ILCS 525/33 new)

15 Sec. 33. Electronic product promotion sweepstakes kiosks.

16 (a) It is unlawful for a person to operate on any premises
17 more than 10 electronic product promotion sweepstakes kiosks at
18 any one time.

19 (b) No electronic product promotion sweepstakes kiosk
20 shall be connected directly or indirectly to the Internet,
21 either by cellular modem, hardwire or wireless connection, or
22 to a set of interconnected networked devices in order to
23 participate in the game or contest or to receive or retrieve
24 any data related to the kiosk or device unless the connected
25 device is a redemption vault.

1 (c) It is unlawful for an electronic product promotion
2 sweepstakes kiosk to offer the sale of anything other than a
3 bona fide product.

4 (d) It is unlawful to operate an electronic product
5 promotion sweepstakes kiosk without a self-contained fill
6 system.

7 (815 ILCS 525/45 new)

8 Sec. 45. Electronic product promotion sweepstakes kiosk;
9 annual fee and revenue operation fee. The Department of Revenue
10 is hereby authorized to impose an annual fee of not more than
11 \$100 for the operation of each electronic product promotion
12 sweepstakes kiosk and collect a revenue operation fee of \$1,000
13 for each revenue cycle.

14 Distributors of lawful electronic product promotion
15 sweepstakes kiosks shall be responsible for the collection and
16 remittance of the revenue operation fee on a quarterly basis.

17 The Department of Revenue may audit a distributor or
18 operator to ensure that all fills sold through the fill system
19 are accounted for and subject to the revenue operation fee.

20 For the operation of each electronic product promotion
21 sweepstakes kiosk, a municipality with a population of more
22 than 2,000,000 inhabitants may impose a revenue operation fee
23 not to exceed \$500 and an annual fee not to exceed the amount
24 of the fee the municipality imposes for an amusement device.

25 For the operation of each electronic product promotion

1 sweepstakes kiosk, a municipality with a population of
2 2,000,000 inhabitants or less may impose a revenue operation
3 fee not to exceed \$100 and an annual fee not to exceed the
4 amount of the fee the municipality imposes for an amusement
5 device.

6 For the operation of each electronic product promotion
7 sweepstakes kiosk, a county with a population of more than
8 2,000,000 inhabitants may impose an annual fee not to exceed
9 \$100.

10 For the operation of each electronic product promotion
11 sweepstakes kiosk, a county with a population of 2,000,000
12 inhabitants or less may impose an annual fee not to exceed \$50.

13 (815 ILCS 525/50 new)

14 Sec. 50. Application for distributor and operator license.

15 (a) An application for a distribution or operator license
16 shall be made in conformity with the provisions of this Act and
17 the general requirements of the Department of Revenue relating
18 to applications for licenses.

19 (b) The application shall be in writing and signed by the
20 applicant, if an individual. If the applicant is a partnership
21 or corporation, the application shall be signed by a duly
22 authorized agent of the partnership or corporation. If the
23 applicant is a limited liability company managed by managers,
24 the application shall be signed by a manager. If the applicant
25 is a limited liability company managed by its members, the

1 application shall be signed by a member. The application shall
2 be verified by oath or affidavit and shall include the
3 following statements and information:

4 (1) in the case of:

5 (A) an individual: the name, date of birth,
6 residence address, current telephone number, and
7 social security number of the applicant; or

8 (B) a partnership, limited partnership,
9 corporation, limited liability company, or other legal
10 entity: the date of its organization or incorporation;
11 the objects for which it was organized or incorporated;
12 a summary of its activities during the past year; the
13 name, residence address, date of birth, and social
14 security numbers of any person owning directly or
15 beneficially any percentage of ownership of the
16 partnership, limited partnership, corporation, limited
17 liability company, other legal entity; however, if the
18 partnership, limited partnership, corporation, limited
19 liability company, or other legal entity is publicly
20 traded on an exchange within the meaning of the federal
21 Securities Exchange Act of 1934, the names, residence
22 addresses, social security numbers, dates of birth,
23 and percentage of interest of the 3 members who own the
24 highest percentage of interest in the partnership,
25 limited partnership, corporation, limited liability
26 company, or other legal entity and of any other members

1 who hold a 5% or greater interest in the partnership,
2 limited partnership, corporation, limited liability
3 company, or other legal entity; and, where applicable,
4 the names, residence addresses, dates of birth, and
5 social security numbers of all principal officers and
6 directors; if the entity is a manager-managed limited
7 liability company, the names, residence addresses,
8 dates of birth, and social security numbers of all
9 managers; and the name and current telephone number of
10 any authorized agent;

11 (2) the length of time the applicant has been in a
12 business of that character or, in the case of a
13 corporation, the date when its charter was issued;

14 (3) the location of the place of business that is to be
15 operated under the license;

16 (4) a statement as to whether the applicant is not
17 disqualified to receive a license by reason of any
18 provision of this Act or the laws of the State of Illinois;

19 (5) a statement as to whether the applicant has ever
20 been convicted of a felony related to a gambling offense;
21 and

22 (6) a statement that the applicant will not violate any
23 of the laws of the State of Illinois or of the United
24 States in the conduct of business.

25 (c) Applicants for a distributor or operator license must
26 have a fingerprint-based criminal history background check

1 completed by an Illinois licensed live scan fingerprint vendor.

2 (d) Applicants for a distributor or operator license shall
3 be issued and approved within 30 days after the application is
4 submitted to the Department of Revenue. No license shall be
5 issued if the applicant or any of its owners, partners,
6 shareholders, or members have been convicted of a felony
7 related to gambling.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.