

101ST GENERAL ASSEMBLY State of Illinois 2019 and 2020 HB5036

Introduced 2/18/2020, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.1 new 230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Illinois Gambling Act. Provides that the Illinois Gaming Board's powers to exclude an individual from a gambling facility includes excluding an individual from video gaming and sports wagering. Requires the Board to publish on its website a list of all individuals excluded. Requires the Board to implement a voluntary self-exclusion program whereby a person who acknowledges that he or she has a gambling problem may self-identify and self-exclude himself or herself from all gaming activities, including video gaming and sports wagering. Provides the Board rulemaking authority, including emergency rules, to implement the provisions, including procedures by which an individual may remove himself or herself from the exclusion or self-exclusion list. Makes conforming changes in the Illinois Administrative Procedure Act.

LRB101 19614 SMS 69094 b

1 AN ACT concerning gaming.

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

- Section 5. The Illinois Administrative Procedure Act is amended by adding Section 5-45.1 as follows:
- 6 (5 ILCS 100/5-45.1 new)
- 7 Sec. 5-45.1. Emergency rulemaking; Illinois Gaming Board exclusion list. To provide for the expeditious and timely 8 9 implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules implementing the 10 changes made to the Illinois Gambling Act by this amendatory 11 12 Act of the 101st General Assembly may be adopted in accordance with Section 5-45 by the Illinois Gaming Board. The adoption of 13 14 emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and 15 16 welfare.
- This Section is repealed on January 1, 2026.
- Section 10. The Illinois Gambling Act is amended by changing Section 5 as follows:
- 20 (230 ILCS 10/5) (from Ch. 120, par. 2405)
- 21 Sec. 5. Gaming Board.

- (a) (1) There is hereby established the Illinois Gaming Board, which shall have the powers and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act for the purpose of administering, regulating, and enforcing the system of riverboat and casino gambling established by this Act and gaming pursuant to an organization gaming license issued under this Act. Its jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in riverboat and casino gambling operations and gaming pursuant to an organization gaming license issued under this Act in the State of Illinois.
- (2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be chairperson. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall certify that he or she will become a resident of Illinois before taking office.

On and after the effective date of this amendatory Act of the 101st General Assembly, new appointees to the Board must include the following:

(A) One member who has received, at a minimum, a bachelor's degree from an accredited school and at least 10 years of verifiable experience in the fields of investigation and law enforcement.

- (B) One member who is a certified public accountant with experience in auditing and with knowledge of complex corporate structures and transactions.
 - (C) One member who has 5 years' experience as a principal, senior officer, or director of a company or business with either material responsibility for the daily operations and management of the overall company or business or material responsibility for the policy making of the company or business.
- 10 (D) One member who is an attorney licensed to practice
 11 law in Illinois for at least 5 years.

Notwithstanding any provision of this subsection (a), the requirements of subparagraphs (A) through (D) of this paragraph (2) shall not apply to any person reappointed pursuant to paragraph (3).

No more than 3 members of the Board may be from the same political party. No Board member shall, within a period of one year immediately preceding nomination, have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Board members must publicly disclose all prior affiliations with gaming interests, including any compensation, fees, bonuses, salaries, and other reimbursement received from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a

- licensee, or a licensee under the Illinois Horse Racing Act of 1975. This disclosure must be made within 30 days after nomination but prior to confirmation by the Senate and must be made available to the members of the Senate.
 - (3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.
 - (4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.
 - (5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation

- subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.
- (5.5) No member of the Board shall engage in any political activity. For the purposes of this Section, "political" means any activity in support of or in connection with any campaign for federal, State, or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.
 - (6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office or for engaging in any political activity.
 - (7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted

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therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(7.5)For the examination of all mechanical, electromechanical, or electronic table games, slot machines, slot accounting systems, sports wagering systems, and other electronic gaming equipment, and the field inspection of such systems, games, and machines, for compliance with this Act, the Board shall utilize the services of independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they are qualified to perform such examinations. Notwithstanding any law to the contrary, the

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Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required under this paragraph (7.5) and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required Board shall license independent rules, the testing laboratories and accept the test reports of any licensed testing laboratory of the system's, game's, or machine manufacturer's choice, notwithstanding the existence contracts between the Board and any independent testing laboratory.

(8) The Board shall employ such personnel as may be necessary to carry out its functions and shall determine the salaries of all personnel, except those personnel whose salaries are determined under the terms of a collective bargaining agreement. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. For the one year immediately preceding employment, an employee shall not have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the

- Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Any employee violating these prohibitions shall be subject to termination of employment.
 - (9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.
 - (b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without limitation, the following:
 - (1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the

business day following the date of such mailing. The Board shall conduct any such hearings promptly and in reasonable order;

- (2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder:
- (3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process hereunder;
- (4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;
- (5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;
- (6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat, in any casino, or at any organization gaming facility for the purpose of certifying the revenue thereof, receiving

complaints from the public, and conducting such other investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;

- (7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;
- (8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the

Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

- (9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;
- (10) To file a written annual report with the Governor on or before July 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;
 - (11) (Blank);
 - (12) (Blank);
- (13) To assume responsibility for administration and enforcement of the Video Gaming Act;
 - (13.1) To assume responsibility for the administration

- and enforcement of operations at organization gaming facilities pursuant to this Act and the Illinois Horse Racing Act of 1975;
 - (13.2) To assume responsibility for the administration and enforcement of the Sports Wagering Act; and
 - (14) To adopt, by rule, a code of conduct governing Board members and employees that ensure, to the maximum extent possible, that persons subject to this Code avoid situations, relationships, or associations that may represent or lead to a conflict of interest.

Internal controls and changes submitted by licensees must be reviewed and either approved or denied with cause within 90 days after receipt of submission is deemed final by the Illinois Gaming Board. In the event an internal control submission or change does not meet the standards set by the Board, staff of the Board must provide technical assistance to the licensee to rectify such deficiencies within 90 days after the initial submission and the revised submission must be reviewed and approved or denied with cause within 90 days after the date the revised submission is deemed final by the Board. For the purposes of this paragraph, "with cause" means that the approval of the submission would jeopardize the integrity of gaming. In the event the Board staff has not acted within the timeframe, the submission shall be deemed approved.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The

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- Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:
 - (1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.
 - (2) To have jurisdiction and supervision over all riverboat gambling operations authorized under this Act and all persons in places where gambling operations are conducted.
 - (3) To promulgate rules and regulations for the purpose administering the provisions of this Act and to prescribe rules, regulations and conditions under which all gambling operations subject to this Act shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of riverboat gambling, including rules and regulations regarding the inspection of organization gaming facilities, casinos, riverboats, and the review of any permits or licenses necessary to operate a riverboat, casino, or organization gaming facility under any laws or regulations applicable to riverboats, casinos, or organization gaming facilities and to impose penalties for violations thereof.
 - (4) To enter the office, riverboats, casinos,

organization gaming facilities, and other facilities, or other places of business of a licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.

- (5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.
- (6) To adopt standards for the licensing of all persons and entities under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.
- (7) To adopt appropriate standards for all organization gaming facilities, riverboats, casinos, and other facilities authorized under this Act.
- (8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and

all rules, regulations, orders and final decisions promulgated under this Act.

- (9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.
- (10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.
- (11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license or an organization gaming license without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a gambling operation conducted under that license. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke an owners license or organization gaming license upon a determination that the

licensee	has	not	made	satisfactory	progress	toward	abating
the hazar	rd.						

- (12) (A) To eject or exclude or authorize the ejection or exclusion of, any person from gambling facilities where that person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the gambling facilities may, in the opinion of the Board, call into question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.
 - (B) In addition to exclusion from gambling facilities under this Act, an exclusion ordered by the Board under this paragraph shall constitute an exclusion from the following:
 - (i) Video gaming under the Video Gaming Act.
 - (ii) Sports wagering under the Sports Wagering Act.
 - (C) The Board shall publish on its website a list of all individuals excluded under this paragraph (12).
 - (D) The Board may adopt rules, including emergency rules, to implement the provisions of this paragraph, including procedures under which individuals on the exclusion list may seek removal from the exclusion list

1	chrough procedures and requirements established by the
2	Board.
3	(12.5) (A) The Board shall implement a voluntary
4	self-exclusion program whereby a person who acknowledges
5	that he or she has a gambling problem may self-identify and
6	self-exclude himself or herself from all gaming
7	activities.
8	(B) In addition to exclusion from gambling
9	facilities under this Act, an exclusion ordered by the
10	Board under this paragraph shall constitute an
11	exclusion from the following:
12	(i) Video gaming under the Video Gaming Act.
13	(ii) Sports wagering under the Sports Wagering
14	Act.
15	(C) The Board may adopt rules, including emergency
16	rules, to implement the provisions of this paragraph,
17	including procedures under which individuals on the
18	voluntary self-exclusion list may seek removal from
19	the list under procedures and requirements established
20	by the Board.
21	(13) To require all licensees of gambling operations to
22	utilize a cashless wagering system whereby all players'
23	money is converted to tokens, electronic cards, or chips
24	which shall be used only for wagering in the gambling
25	establishment.
26	(14) (Blank).

- require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to gambling operations.
- (16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.
- (17) To establish minimum levels of insurance to be maintained by licensees.
- (18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat or in a casino and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino is an

exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino. This subdivision (18) is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

- (19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.
- (20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and the rules adopted by the Board.
- (20.5) To approve any contract entered into on its behalf.
- (20.6) To appoint investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise

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provided by this Act or any other law.

- (20.7) To contract with the Department of State Police for the use of trained and qualified State police officers and with the Department of Revenue for the use of trained and qualified Department of Revenue investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and to exercise all of the rights and powers of peace officers, provided that the powers of Department of Revenue investigators under this subdivision (20.7) shall be limited to offenses violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law. In the event the Department of State Police or the Department of Revenue is unable to fill contracted police investigative positions, the Board may appoint investigators to fill those positions pursuant subdivision (20.6).
- (21) To adopt rules concerning the conduct of gaming pursuant to an organization gaming license issued under this Act.
- (22) To have the same jurisdiction and supervision over casinos and organization gaming facilities as the Board has over riverboats, including, but not limited to, the power to (i) investigate, review, and approve contracts as that

power is applied to riverboats, (ii) adopt rules for administering the provisions of this Act, (iii) adopt standards for the licensing of all persons involved with a casino or organization gaming facility, (iv) investigate alleged violations of this Act by any person involved with a casino or organization gaming facility, and (v) require that records, including financial or other statements of any casino or organization gaming facility, shall be kept in such manner as prescribed by the Board.

- (23) To take any other action as may be reasonable or appropriate to enforce this Act and the rules adopted by the Board.
- (d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background investigations of applicants and in fulfilling its responsibilities under this Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of Section 2605-400 of the Department of State Police Law.
- (e) The Board must authorize to each investigator and to any other employee of the Board exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Board and (ii) contains a unique identifying number. No other badge shall be authorized by the Board.
- 26 (Source: P.A. 100-1152, eff. 12-14-18; 101-31, eff. 6-28-19.)