



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB0535

Introduced 2/23/2021, by Sen. Bill Cunningham

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/8 from Ch. 120, par. 2408  
230 ILCS 10/8.1 new  
230 ILCS 40/50  
230 ILCS 45/25-50

Amends the Illinois Gambling Act. Provides that an applicant for a suppliers license under the Act that already holds a specified license issued by the Illinois Gaming Board is entitled to licensure as a supplier under the Act without additional Board investigation or approval, except by a vote of the Board. Provides that an initial suppliers license shall be issued for 4 years and may be renewed for additional 4-year periods. Provides that if a holder of a specified license issued by the Board is granted an additional license issued by the Board, the initial period of the new license shall expire at the earliest expiration date of any other specified licenses held by the licensee. Amends the Video Gaming Act. Changes the period for a terminal handler, technician, licensed establishment, licensed truck stop establishment, licensed large truck establishment, licensed fraternal establishment, and licensed fraternal establishment license from one year to 2 years. Changes the period for a manufacturer, distributor, supplier, and terminal operator license from one year to 4 years. Amends the Sports Wagering Act. Changes the renewal period for a supplier license from one year to 4 years. Provides that beginning 4 years after issuance of the initial supplier license, a holder of a supplier license shall pay a \$150,000 annual license fee. Effective immediately.

LRB102 05176 SMS 15197 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 Illinois Gambling Act is amended by  
5 changing Section 8 and by adding Section 8.1 as follows:

6 (230 ILCS 10/8) (from Ch. 120, par. 2408)

7 Sec. 8. Suppliers licenses.

8 (a) The Board may issue a suppliers license to such  
9 persons, firms or corporations which apply therefor upon the  
10 payment of a non-refundable application fee set by the Board,  
11 upon a determination by the Board that the applicant is  
12 eligible for a suppliers license and upon payment of a \$5,000  
13 annual license fee. At the time of application for a supplier  
14 license under this Act, a person that holds a license as a  
15 manufacturer, distributor, or supplier under the Video Gaming  
16 Act or a supplier license under the Sports Wagering Act shall  
17 be entitled to licensure under this Act as a supplier without  
18 additional Board investigation or approval, except by vote of  
19 the Board; however, the applicant shall pay all fees required  
20 for a suppliers license under this Act.

21 (a-5) Except as provided by Section 8.1, the initial  
22 suppliers license shall be issued for 4 years. Thereafter, the  
23 license may be renewed for additional 4-year periods unless

1 sooner cancelled or terminated.

2 (b) The holder of a suppliers license is authorized to  
3 sell or lease, and to contract to sell or lease, gambling  
4 equipment and supplies to any licensee involved in the  
5 ownership or management of gambling operations.

6 (c) Gambling supplies and equipment may not be distributed  
7 unless supplies and equipment conform to standards adopted by  
8 rules of the Board.

9 (d) A person, firm or corporation is ineligible to receive  
10 a suppliers license if:

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

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

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

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

21 (5) the entity is one in which a person defined in (1),  
22 (2), (3) or (4), is an officer, director or managerial  
23 employee;

24 (6) the firm or corporation employs a person who  
25 participates in the management or operation of gambling  
26 authorized under this Act;

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

5           (e) Any person that supplies any equipment, devices, or  
6           supplies to a licensed gambling operation must first obtain a  
7           suppliers license. A supplier shall furnish to the Board a  
8           list of all equipment, devices and supplies offered for sale  
9           or lease in connection with gambling games authorized under  
10          this Act. A supplier shall keep books and records for the  
11          furnishing of equipment, devices and supplies to gambling  
12          operations separate and distinct from any other business that  
13          the supplier might operate. A supplier shall file a quarterly  
14          return with the Board listing all sales and leases. A supplier  
15          shall permanently affix its name or a distinctive logo or  
16          other mark or design element identifying the manufacturer or  
17          supplier to all its equipment, devices, and supplies, except  
18          gaming chips without a value impressed, engraved, or imprinted  
19          on it, for gambling operations. The Board may waive this  
20          requirement for any specific product or products if it  
21          determines that the requirement is not necessary to protect  
22          the integrity of the game. Items purchased from a licensed  
23          supplier may continue to be used even though the supplier  
24          subsequently changes its name, distinctive logo, or other mark  
25          or design element; undergoes a change in ownership; or ceases  
26          to be licensed as a supplier for any reason. Any supplier's

1 equipment, devices or supplies which are used by any person in  
2 an unauthorized gambling operation shall be forfeited to the  
3 State. A holder of an owners license or an organization gaming  
4 license may own its own equipment, devices and supplies. Each  
5 holder of an owners license or an organization gaming license  
6 under the Act shall file an annual report listing its  
7 inventories of gambling equipment, devices and supplies.

8 (f) Any person who knowingly makes a false statement on an  
9 application is guilty of a Class A misdemeanor.

10 (g) Any gambling equipment, devices and supplies provided  
11 by any licensed supplier may either be repaired on the  
12 riverboat, in the casino, or at the organization gaming  
13 facility or removed from the riverboat, casino, or  
14 organization gaming facility to a facility owned by the holder  
15 of an owners license, organization gaming license, or  
16 suppliers license for repair.

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

18 (230 ILCS 10/8.1 new)

19 Sec. 8.1. Harmonization of supplier category licenses.

20 (a) As used in this Section, "supplier category license"  
21 means a suppliers license issued under this Act, a supplier  
22 license issued under the Sports Wagering Act, or a  
23 manufacturer, distributor, or supplier license issued under  
24 the Video Gaming Act.

25 (b) If a holder of any supplier category license is

1 granted an additional supplier category license, the initial  
2 period of the new supplier category license shall expire at  
3 the earliest expiration date of any other supplier category  
4 license held by the licensee. If a licensee holds multiple  
5 supplier category licenses on the effective date of this  
6 amendatory Act of the 102nd General Assembly, all supplier  
7 category licenses shall expire at the earliest expiration date  
8 of any of the supplier category licenses held by the licensee.

9 Section 10. The Video Gaming Act is amended by changing  
10 Section 50 as follows:

11 (230 ILCS 40/50)

12 Sec. 50. Distribution of license fees.

13 (a) All fees collected under Section 45 shall be deposited  
14 into the State Gaming Fund.

15 (b) Fees collected under Section 45 shall be used as  
16 follows:

17 (1) Twenty-five percent shall be paid, subject to  
18 appropriation by the General Assembly, to the Department  
19 of Human Services for administration of programs for the  
20 treatment of compulsive gambling.

21 (2) Seventy-five percent shall be used for the  
22 administration of this Act.

23 (c) All initial terminal handler, technician, licensed  
24 establishment, licensed truck stop establishment, licensed

1 large truck establishment, licensed fraternal establishment,  
2 and licensed fraternal establishment licenses issued by the  
3 Board under this Act shall be issued for 2 years and are  
4 renewable for additional 2-year periods ~~annually~~ unless sooner  
5 cancelled or terminated. Except as provided by Section 8.1 of  
6 the Illinois Gambling Act, all initial manufacturer,  
7 distributor, supplier, and terminal operator licenses issued  
8 by the Board under this Act shall be issued for 4 years and are  
9 renewable for additional 4-year periods unless sooner  
10 cancelled or terminated. No license issued under this Act is  
11 transferable or assignable.

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

13 Section 15. The Sports Wagering Act is amended by changing  
14 Section 25-50 as follows:

15 (230 ILCS 45/25-50)

16 Sec. 25-50. Supplier license.

17 (a) The Board may issue a supplier license to a person to  
18 sell or lease sports wagering equipment, systems, or other  
19 gaming items to conduct sports wagering and offer services  
20 related to the equipment or other gaming items and data to a  
21 master sports wagering licensee while the license is active.

22 (b) The Board may adopt rules establishing additional  
23 requirements for a supplier and any system or other equipment  
24 utilized for sports wagering. The Board may accept licensing

1 by another jurisdiction that it specifically determines to  
2 have similar licensing requirements as evidence the applicant  
3 meets supplier licensing requirements.

4 (c) An applicant for a supplier license shall demonstrate  
5 that the equipment, system, or services that the applicant  
6 plans to offer to the master sports wagering licensee conforms  
7 to standards established by the Board and applicable State  
8 law. The Board may accept approval by another jurisdiction  
9 that it specifically determines have similar equipment  
10 standards as evidence the applicant meets the standards  
11 established by the Board and applicable State law.

12 (d) Applicants shall pay to the Board a nonrefundable  
13 license and application fee in the amount of \$150,000. Except  
14 as provided by Section 8.1 of the Illinois Gambling Act, the  
15 initial supplier license shall be issued for 4 years unless  
16 sooner cancelled or terminated. After the initial period  
17 4-year term, the Board shall renew supplier licenses for  
18 additional 4-year periods unless sooner cancelled or  
19 terminated annually thereafter. Renewal of a supplier license  
20 shall be granted to a renewal applicant who has continued to  
21 comply with all applicable statutory and regulatory  
22 requirements, ~~upon submission of the Board issued renewal form~~  
23 ~~and payment of a \$150,000 renewal fee.~~ Beginning 4 years after  
24 issuance of the initial supplier license, a holder of a  
25 supplier license shall pay a \$150,000 annual license fee.

26 (e) A supplier shall submit to the Board a list of all



1 sports wagering equipment and services sold, delivered, or  
2 offered to a master sports wagering licensee in this State, as  
3 required by the Board, all of which must be tested and approved  
4 by an independent testing laboratory approved by the Board. A  
5 master sports wagering licensee may continue to use supplies  
6 acquired from a licensed supplier, even if a supplier's  
7 license expires or is otherwise canceled, unless the Board  
8 finds a defect in the supplies.

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

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.