



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5205

Introduced 2/9/2024, by Rep. Brad Halbrook

SYNOPSIS AS INTRODUCED:

230 ILCS 40/45

Amends the Video Gaming Act. Provides that the Illinois Gaming Board shall establish a database that contains the following variables: the population of each municipality and unincorporated county area in which video gaming has not been prohibited; the number of licensed establishments within each municipality and unincorporated county area that has been listed by population in the database; and the ratio, as measured in licensed establishments per 1,000 residents, within each municipality and unincorporated county area listed by population in the database. Provides that, notwithstanding any other provision of law, no new license shall be issued to an applicant for licensure as a licensed establishment if the applicant is located within a municipality or unincorporated county area in which there is more than one licensed establishment per 1,000 residents; and when a municipality or unincorporated county area exists with more than one licensed establishment per 1,000 residents, the Board shall deny a licensed establishment's application to renew its license until the number of licensed establishments within the political subdivision has dropped to a ratio that is equal to, or less than, one license establishment per 1,000 residents. Specifies that the provisions shall not infringe upon the right of a licensed establishment to continue to enjoy licensure as a licensed establishment for the duration of the license that has been awarded to the establishment before the effective date of the amendatory Act. Effective immediately.

LRB103 38359 AWJ 68494 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 45 as follows:

6 (230 ILCS 40/45)

7 Sec. 45. Issuance of license.

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

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

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

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

25 (c) Each person seeking and possessing a license as a
26 video gaming terminal manufacturer, distributor, supplier,

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

14 (d) No person may be licensed as a video gaming terminal
15 manufacturer, distributor, supplier, operator, handler,
16 licensed establishment, licensed truck stop establishment,
17 licensed large truck stop establishment, licensed fraternal
18 establishment, or licensed veterans establishment if that
19 person has been found by the Board to:

20 (1) have a background, including a criminal record,
21 reputation, habits, social or business associations, or
22 prior activities that pose a threat to the public
23 interests of the State or to the security and integrity of
24 video gaming;

25 (2) create or enhance the dangers of unsuitable,
26 unfair, or illegal practices, methods, and activities in

1 the conduct of video gaming; or

2 (3) present questionable business practices and
3 financial arrangements incidental to the conduct of video
4 gaming activities.

5 (d-5) The Board shall establish and maintain a database
6 that contains the following variables:

7 (1) the population, as published by the most recent
8 decennial census of population published by the United
9 States Census Bureau, of each municipality and
10 unincorporated area of a county in which video gaming has
11 not been prohibited under Section 27;

12 (2) the number of licensed establishments within each
13 municipality and unincorporated county area that has been
14 listed by population under item (1); and

15 (3) the ratio, as measured in licensed establishments
16 per 1,000 residents, within each municipality and
17 unincorporated county area listed by population under item
18 (1).

19 Notwithstanding any other provision of law, no new license
20 shall be issued to an applicant for licensure as a licensed
21 establishment if the applicant is located within a
22 municipality or unincorporated county area in which there is
23 more than one licensed establishment per 1,000 residents; and
24 when a municipality or unincorporated county area exists with
25 more than one licensed establishment per 1,000 residents, the
26 Board shall deny a licensed establishment's application to

1 renew its license until the number of licensed establishments
 2 within the municipality or unincorporated area of the county
 3 has dropped to a ratio that is equal to, or less than, one
 4 license establishment per 1,000 residents.

5 Nothing in this subsection shall infringe upon the right
 6 of a licensed establishment in valid possession of a license
 7 on the effective date of this amendatory Act of the 103rd
 8 General Assembly to continue to enjoy licensure as a licensed
 9 establishment for the duration of the license that has been
 10 awarded to the establishment before the effective date of this
 11 amendatory Act of the 103rd General Assembly.

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

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

- 21 (1) Manufacturer \$5,000
- 22 (2) Distributor..... \$5,000
- 23 (3) Terminal operator \$5,000
- 24 (4) Supplier \$2,500
- 25 (5) Technician \$100
- 26 (6) Terminal Handler \$100

1 (7) Licensed establishment, licensed truck stop
 2 establishment, licensed large truck stop establishment,
 3 licensed fraternal establishment, or licensed
 4 veterans establishment \$100

5 (8) Sales agent and broker \$100

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

8 (1) Manufacturer \$10,000

9 (2) Distributor..... \$10,000

10 (3) Terminal operator \$5,000

11 (4) Supplier \$2,000

12 (5) Technician \$100

13 (6) Licensed establishment, licensed truck stop
 14 establishment, licensed large truck stop establishment,
 15 licensed fraternal establishment, or licensed
 16 veterans establishment \$100

17 (7) Video gaming terminal \$100

18 (8) Terminal Handler \$100

19 (9) Sales agent and broker \$100

20 (h) A terminal operator and a licensed establishment,
 21 licensed truck stop establishment, licensed large truck stop
 22 establishment, licensed fraternal establishment, or licensed
 23 veterans establishment shall equally split the fees specified
 24 in item (7) of subsection (g).

25 (Source: P.A. 101-31, eff. 6-28-19; 102-538, eff. 8-20-21;
 26 102-689, eff. 12-17-21.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.