

1 AN ACT in relation to games of chance.

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

4 Section 1. Short title. This Act may be cited as the  
5 Video Gaming Act.

6 Section 5. Definitions. As used in this Act:

7 "Board" means the Illinois Gaming Board.

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

10 "Distributor" means an individual, partnership or  
11 corporation licensed under this Act to buy, sell, lease, or  
12 distribute video gaming terminals to terminal operators.

13 "Terminal operator" means an individual, partnership or  
14 corporation that is licensed under this Act and that owns,  
15 services, and maintains video gaming terminals for placement  
16 in licensed establishments, licensed fraternal  
17 establishments, or licensed veterans establishments.

18 "Licensed technician" means an individual, partnership,  
19 or corporation that is licensed under this Act to repair  
20 video gaming terminals.

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

24 "Supplier" means an individual, partnership, or  
25 corporation that is licensed under this Act to supply video  
26 gaming terminals to licensed establishments, licensed  
27 fraternal establishments, and licensed veterans  
28 establishments.

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

31 "Video gaming terminal" means any electronic video game

1 machine that, upon insertion of cash, is available to play or  
2 simulate the play of a video game, including but not limited  
3 to video poker, in line, and blackjack, authorized by the  
4 Board utilizing a video display and microprocessors in which  
5 the player may receive free games or credits that can be  
6 redeemed for cash. The term does not include a machine that  
7 directly dispenses coins, cash, or tokens or is for amusement  
8 purposes only.

9 "Licensed establishment" means any licensed retail  
10 establishment where alcoholic liquor is drawn, poured, mixed,  
11 or otherwise served for consumption on the premises.

12 "Licensed fraternal establishment" means the location  
13 where a qualified fraternal organization under the Charitable  
14 Games Act that derives its charter from a national fraternal  
15 organization and that has received a charitable games license  
16 from the Illinois Department of Revenue for the conduct of  
17 charitable games is licensed to conduct those games.

18 "Licensed veterans establishment" means the location  
19 where a qualified veterans organization under the Charitable  
20 Games Act that derives its charter from a national veterans  
21 organization and that has received a charitable games license  
22 from the Illinois Department of Revenue for the conduct of  
23 charitable games is licensed to conduct those games.

24 Section 10. Licensing and registration. Every  
25 individual, corporation, contractor, subcontractor, or  
26 partnership offering a licensee goods or services on a  
27 regular basis that directly relate to the manufacture,  
28 modification, distribution, sale, operation, maintenance, or  
29 security of video gaming terminals shall be licensed and  
30 registered pursuant to rules of the Board.

31 Section 15. Minimum requirements for licensing and  
32 registration. Every video gaming terminal offered for play

1 shall first be tested and approved pursuant to the rules of  
2 the Board, and each video gaming terminal offered in this  
3 State for play shall conform to an approved model. The Board  
4 may contract with an independent outside vendor for the  
5 examination of video gaming machines and associated equipment  
6 as required by this Section. Each approved model shall, at a  
7 minimum, meet the following criteria:

8 (1) It must conform to all requirements of federal  
9 law and regulations, including FCC Class A Emissions  
10 Standards.

11 (2) It must theoretically pay out a mathematically  
12 demonstrable percentage of all amounts played, which must  
13 not be less than 80%. Video gaming terminals that may be  
14 affected by skill must meet this standard when using a  
15 method of play that will provide the greatest return to  
16 the player over a period of continuous play.

17 (3) It must use a random selection process to  
18 determine the outcome of each play of a game. The random  
19 selection process must meet 99% confidence limits using a  
20 standard chi-squared test for (randomness) goodness of  
21 fit.

22 (4) It must display an accurate representation of  
23 the game outcome.

24 (5) It must not automatically alter pay tables or  
25 any function of the video gaming terminal based on  
26 internal computation of hold percentage.

27 (6) It must exhibit total immunity to human body  
28 electrostatic discharges on all player-exposed areas.

29 (7) The random number generator and random  
30 selection process must be impervious to influences from  
31 outside the video gaming terminal and must use  
32 appropriate communication protocols to protect the random  
33 number generator and random selection process from  
34 influence by affiliated equipment, such as the central

1 site monitoring equipment.

2 (8) It must be capable of detecting and displaying  
3 the following conditions during idle states or on demand:  
4 power reset; door open; and door just closed.

5 (9) The program residing in the video gaming  
6 terminal must be contained in a storage medium which is  
7 not alterable through any use of the circuitry or  
8 programming of the video gaming terminal itself.

9 (10) It must have the capacity to display complete  
10 play history (outcome, intermediate play steps, credits  
11 available, bets placed, credits paid and credits cashed  
12 out) for the most recent game played and one game prior  
13 thereto.

14 (11) The control program must check for any  
15 corruption of random access memory locations used for  
16 crucial video gaming terminal functions including, but  
17 not limited to, information pertaining to the play and  
18 final outcome of the 2 prior games, random number  
19 generator outcome, credits available for play, and any  
20 error states. These memory areas must be checked for  
21 corruption following game initiation but prior to display  
22 of the game outcome to the player. Detection of any  
23 uncorrectable corruption shall be deemed to be a game  
24 malfunction and must result in a tilt condition.

25 (12) The theoretical payback percentage of a video  
26 gaming terminal must not be capable of being changed  
27 without making a hardware or software change in the video  
28 gaming terminal.

29 (13) Video gaming terminals must be designed so  
30 that replacement of parts or modules required for normal  
31 maintenance does not necessitate replacement of the  
32 electromechanical meters.

33 (14) Video gaming terminals must have an  
34 electronically stored digital meter of at least 3 digits

1 for the number of plays since power on and the number of  
2 plays since door closure. When the maximum value has  
3 been reached, the meters must remain at that value until  
4 reset by occurrence of the appropriate event. The video  
5 gaming terminal must provide the means for on-demand  
6 display of the stored information.

7 (15) Electronically stored meter information  
8 required by this Section must be preserved for a minimum  
9 of 72 hours after a power loss to the service.

10 (16) Collectible credits may be accumulated from  
11 wins or from approved currency acceptors. Collectible  
12 credits may be accumulated directly from coin or bill  
13 acceptance if the video gaming terminal uses a coin or  
14 bill acceptor.

15 (17) It shall have accounting software that keeps  
16 an electronic record which includes, but is not limited  
17 to, the following: total cash inserted into the video  
18 gaming terminal; the value of winning tickets claimed by  
19 players; the total credits played; and the total credits  
20 awarded by a video gaming terminal.

21 (18) It shall be linked under a central  
22 communications system on a "dial-up" basis to provide  
23 auditing program information as approved by the Board. In  
24 no event may the communications system approved by the  
25 Board limit participation to only one manufacturer of  
26 video gaming terminals by either the cost in implementing  
27 the necessary program modifications to communicate or the  
28 inability to communicate with the central communications  
29 system.

30 Section 20. Direct dispensing of receipt tickets only.  
31 A video gaming terminal may not directly dispense coins,  
32 cash, tokens, or any other article of exchange or value  
33 except for receipt tickets. Tickets shall be dispensed by

1 pressing the ticket dispensing button on the video gaming  
2 terminal at the end of one's turn or play. The ticket shall  
3 indicate the total amount of credits and the cash award, and  
4 the player shall turn in this ticket to the appropriate  
5 person at the licensed establishment, licensed fraternal  
6 establishment, or licensed veterans establishment to receive  
7 the cash award. The cost of the credit shall be 5 cents, 10  
8 cents, or 25 cents, and the maximum wager played per hand  
9 shall not exceed \$2. No cash award for the maximum wager on  
10 any individual hand shall exceed \$500.

11 Section 25. Restriction of licensees.

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

18 (b) Distributor. A person may not sell, service,  
19 distribute, or lease or market a video gaming terminal in  
20 Illinois unless the person has a valid distributor's license  
21 issued under this Act. A distributor may only sell video  
22 gaming terminals for use in Illinois to persons having a  
23 valid distributor's or terminal operator's license.

24 (c) Terminal operator. A person may not own, service,  
25 maintain, lease, or place a video gaming terminal unless he  
26 has a valid terminal operator's license issued under this  
27 Act. A terminal operator may only place video gaming  
28 terminals for use in Illinois in licensed establishments,  
29 licensed fraternal establishments, and licensed veterans  
30 establishments. No terminal operator may give anything of  
31 value, including but not limited to a loan or financing  
32 arrangement, to a licensed establishment, licensed fraternal  
33 establishment, or licensed veterans establishment as any

1 incentive or inducement to locate video terminals in that  
2 establishment. Of the after-tax profits from a video gaming  
3 terminal, 50% shall be paid to the terminal operator and 50%  
4 shall be paid to the licensed establishment, licensed  
5 fraternal establishment, or licensed veterans establishment.  
6 A terminal operator shall be entitled to access all  
7 information recorded by the operator's machines pursuant to  
8 item (17) of Section 15. No terminal operator may own or have  
9 a substantial interest in more than 5% of the video gaming  
10 terminals licensed in this State.

11 (d) Licensed technician. A person may not repair a video  
12 gaming terminal in this State unless he or she (1) has a  
13 valid technician's license issued under this Act, (2) is a  
14 terminal operator or is employed by a terminal operator, and  
15 (3) receives continuing education as required by the Board.

16 (e) Licensed establishment. A valid liquor license  
17 shall be prima facie evidence of compliance with the  
18 licensing requirements of this Act. No video gaming terminal  
19 may be placed in any licensed establishment unless the owner  
20 or agent of the owner of the licensed establishment has  
21 entered into a written use agreement with the terminal  
22 operator for placement of the terminals. A copy of the use  
23 agreement shall be on file in the terminal operator's place  
24 of business and available for inspection by individuals  
25 authorized by the Board. A licensed establishment may not  
26 have more than 3 video gaming terminals on its premises at  
27 any time, unless the Board authorizes a greater number. A  
28 licensed fraternal establishment may have up to 5 video  
29 gaming terminals on its premises at any time, unless the  
30 Board authorizes a greater number.

31 (f) Residency requirement. Each licensed distributor,  
32 terminal operator, and owner of a licensed establishment,  
33 licensed fraternal establishment, or licensed veterans  
34 establishment must be an Illinois resident. However, if an

1 out of state distributor, terminal operator, or owner of a  
2 licensed establishment, licensed fraternal establishment, or  
3 licensed veterans establishment has performed its respective  
4 business within Illinois for at least 48 months prior to the  
5 effective date of this Act, the out of state person may be  
6 eligible for licensing under this Act, upon application to  
7 and approval of the Board.

8 (g) Financial interest restrictions. As used in this  
9 Act, "substantial interest" in an organization, association,  
10 or business means:

11 (A) When, with respect to a sole  
12 proprietorship, an individual or his or her marital  
13 community owns, operates, manages, or conducts,  
14 directly or indirectly, the organization,  
15 association, or business, or any part thereof; or

16 (B) When, with respect to a partnership, the  
17 individual or his or her marital community shares in  
18 any of the profits, or potential profits, of the  
19 partnership activities; or

20 (C) When, with respect to a corporation, an  
21 individual or his or her spouse is an officer or  
22 director, or the individual or his or her marital  
23 community is a holder, directly or beneficially, of  
24 5% or more of any class of stock of the corporation;  
25 or

26 (D) When, with respect to an organization not  
27 covered in (A), (B) or (C) above, an individual or  
28 his or her spouse is an officer or manages the  
29 business affairs, or the individual or his or her  
30 marital community is the owner of or otherwise  
31 controls 10% or more of the assets of the  
32 organization; or

33 (E) When an individual or his or her marital  
34 community furnishes 5% or more of the capital,



1           whether in cash, goods, or services, for the  
2           operation of any business, association, or  
3           organization during any calendar year.

4           (h) Licensed fraternal establishment; licensed veterans  
5           establishment. Each licensed fraternal establishment and each  
6           licensed veterans establishment shall possess a valid  
7           charitable games license issued by the Illinois Department of  
8           Revenue in effect at the time of application for, and  
9           issuance of, a video gaming terminal license and at all times  
10          thereafter during which a video gaming terminal is made  
11          available to the public for play at that location. Except as  
12          otherwise specifically authorized by the Board, no licensed  
13          fraternal establishment or licensed veterans establishment  
14          possessing a valid charitable games license shall be licensed  
15          for more than 5 video gaming terminals for any single  
16          license.

17          Section 30. Multiple types of licenses prohibited. A  
18          video gaming terminal manufacturer may not be licensed as a  
19          video gaming terminal distributor, operator, or technician  
20          or own, manage, or control a licensed establishment, licensed  
21          fraternal establishment, or licensed veterans establishment,  
22          and shall be licensed only to sell to distributors. A video  
23          gaming terminal distributor may not be licensed as a video  
24          gaming terminal manufacturer, operator, or technician or own,  
25          manage, or control a licensed establishment, licensed  
26          fraternal establishment, or licensed veterans establishment,  
27          and shall only contract with a licensed terminal operator. A  
28          video gaming terminal operator or technician may not be  
29          licensed as a video gaming terminal manufacturer or  
30          distributor or own, manage, or control a licensed  
31          establishment, licensed fraternal establishment, or licensed  
32          veterans establishment, and shall be licensed only to  
33          contract with licensed distributors and licensed

1 establishments, licensed fraternal establishments, and  
2 licensed veterans establishments. An owner or manager of a  
3 licensed establishment, licensed fraternal establishment, or  
4 licensed veterans establishment may not be licensed as a  
5 video gaming terminal manufacturer, distributor, or operator,  
6 and shall only contract with a licensed operator to place and  
7 service this equipment.

8 Section 35. Display of license; confiscation; violation  
9 as felony. Each video gaming terminal shall be licensed by  
10 the Board before placement or operation on the premises of a  
11 licensed establishment. Each machine shall have the license  
12 prominently displayed thereon. Any licensed establishment,  
13 licensed fraternal establishment, or licensed veterans  
14 establishment used for the conduct of gambling games in  
15 violation of this Act shall be considered a gambling place in  
16 violation of Section 28-3 of the Criminal Code of 1961.  
17 Every gambling device found in a licensed establishment,  
18 licensed fraternal establishment, or licensed veterans  
19 establishment operating gambling games in violation of this  
20 Act shall be subject to seizure, confiscation, and  
21 destruction as provided in Section 28-5 of the Criminal Code  
22 of 1961.

23 Section 40. Video gaming terminal use by minors  
24 prohibited. No licensee shall cause or permit any person  
25 under the age of 21 years to use or play a video gaming  
26 terminal. Any licensee who knowingly permits a person under  
27 the age of 21 years to use or play a video gaming terminal is  
28 guilty of a business offense and shall be fined an amount not  
29 to exceed \$5,000.

30 Section 45. Issuance of license.

31 (a) The burden is upon each applicant to demonstrate his

1 suitability for licensure. Each video gaming terminal  
2 manufacturer, distributor, operator, licensed establishment,  
3 licensed fraternal establishment, and licensed veterans  
4 establishment shall be licensed by the Board before any video  
5 gaming terminal is manufactured, distributed, sold, or placed  
6 for public use in this State. The Board may not issue a  
7 license under this Act to any person who, within 10 years of  
8 the date of the application, has been convicted of a felony  
9 under the laws of this State, any other state, or the United  
10 States, or to any firm or corporation in which such a person  
11 is an officer, director, or managerial employee.

12 (b) A non-refundable application fee shall be paid at  
13 the time an application for a license is filed with the Board  
14 in the following amounts:

- 15 (1) Manufacturer..... \$ 5,000
- 16 (2) Distributor..... \$ 5,000
- 17 (3) Terminal operator..... \$ 5,000
- 18 (4) Licensed supplier..... \$ 2,500
- 19 (5) Technician..... \$ 100

20 (c) The Board shall establish an annual fee for each  
21 license not to exceed the following:

- 22 (1) Manufacturer..... \$10,000
- 23 (2) Distributor..... \$10,000
- 24 (3) Terminal operator..... \$ 5,000
- 25 (4) Technician..... \$ 100
- 26 (5) Licensed establishment, licensed  
27 fraternal establishment, or licensed veterans  
28 establishment..... \$ 100
- 29 (6) Video gaming terminal..... \$ 100

30 Section 50. Distribution of license fees.

31 (a) All fees collected under Section 45 shall be  
32 deposited in the General Revenue Fund.

33 (b) Fees collected under Section 45 shall be used as

1 follows:

2 (1) Twenty-five percent shall be paid to programs  
3 for the treatment of compulsive gambling.

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

6 (c) All licenses issued by the Board under this Act are  
7 renewable annually unless sooner cancelled or terminated. No  
8 license issued under this Act is transferable or assignable.

9 Section 55. Precondition for licensed establishment. In  
10 all cases of application for a licensed establishment, each  
11 licensed establishment shall possess a valid liquor license  
12 issued by the Illinois Liquor Control Commission in effect at  
13 the time of application for, and issuance of, a video gaming  
14 terminal license and at all times thereafter during which a  
15 video gaming terminal is made available to the public for  
16 play at that location.

17 Section 57. Insurance. Each licensed establishment,  
18 licensed fraternal establishment, and licensed veterans  
19 establishment shall maintain insurance on any gaming device  
20 on its premises in an amount set by the Board.

21 Section 60. Imposition and distribution of tax.

22 (a) A tax of 20% is imposed on net terminal income and  
23 shall be collected by the Board.

24 (b) Of the tax collected under this Section, 100% shall  
25 be deposited in the General Revenue Fund.

26 (c) Revenues generated from the play of video gaming  
27 terminals shall be deposited by the terminal operator, who is  
28 responsible for tax payments, in a specially created,  
29 separate bank account maintained by the video gaming terminal  
30 operator to allow for electronic fund transfers of moneys for  
31 tax payment.

1 (d) Each licensed location shall maintain an adequate  
2 video gaming fund, with the amount to be determined by the  
3 Board.

4 Section 185. The Riverboat Gambling Act is amended by  
5 changing Section 5 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established within the  
9 Department of Revenue an Illinois Gaming Board which shall  
10 have the powers and duties specified in this Act, and all  
11 other powers necessary and proper to fully and effectively  
12 execute this Act for the purpose of administering,  
13 regulating, and enforcing the system of riverboat gambling  
14 established by this Act. Its jurisdiction shall extend under  
15 this Act to every person, association, corporation,  
16 partnership and trust involved in riverboat gambling  
17 operations in the State of Illinois.

18 (2) The Board shall consist of 5 members to be appointed  
19 by the Governor with the advice and consent of the Senate,  
20 one of whom shall be designated by the Governor to be  
21 chairman. Each member shall have a reasonable knowledge of  
22 the practice, procedure and principles of gambling  
23 operations. Each member shall either be a resident of  
24 Illinois or shall certify that he will become a resident of  
25 Illinois before taking office. At least one member shall be  
26 experienced in law enforcement and criminal investigation, at  
27 least one member shall be a certified public accountant  
28 experienced in accounting and auditing, and at least one  
29 member shall be a lawyer licensed to practice law in  
30 Illinois.

31 (3) The terms of office of the Board members shall be 3  
32 years, except that the terms of office of the initial Board

1 members appointed pursuant to this Act will commence from the  
2 effective date of this Act and run as follows: one for a  
3 term ending July 1, 1991, 2 for a term ending July 1, 1992,  
4 and 2 for a term ending July 1, 1993. Upon the expiration of  
5 the foregoing terms, the successors of such members shall  
6 serve a term for 3 years and until their successors are  
7 appointed and qualified for like terms. Vacancies in the  
8 Board shall be filled for the unexpired term in like manner  
9 as original appointments. Each member of the Board shall be  
10 eligible for reappointment at the discretion of the Governor  
11 with the advice and consent of the Senate.

12 (4) Each member of the Board shall receive \$300 for each  
13 day the Board meets and for each day the member conducts any  
14 hearing pursuant to this Act. Each member of the Board shall  
15 also be reimbursed for all actual and necessary expenses and  
16 disbursements incurred in the execution of official duties.

17 (5) No person shall be appointed a member of the Board  
18 or continue to be a member of the Board who is, or whose  
19 spouse, child or parent is, a member of the board of  
20 directors of, or a person financially interested in, any  
21 gambling operation subject to the jurisdiction of this Board,  
22 or any race track, race meeting, racing association or the  
23 operations thereof subject to the jurisdiction of the  
24 Illinois Racing Board. No Board member shall hold any other  
25 public office for which he shall receive compensation other  
26 than necessary travel or other incidental expenses. No  
27 person shall be a member of the Board who is not of good  
28 moral character or who has been convicted of, or is under  
29 indictment for, a felony under the laws of Illinois or any  
30 other state, or the United States.

31 (6) Any member of the Board may be removed by the  
32 Governor for neglect of duty, misfeasance, malfeasance, or  
33 nonfeasance in office.

34 (7) Before entering upon the discharge of the duties of

1 his office, each member of the Board shall take an oath that  
2 he will faithfully execute the duties of his office according  
3 to the laws of the State and the rules and regulations  
4 adopted therewith and shall give bond to the State of  
5 Illinois, approved by the Governor, in the sum of \$25,000.  
6 Every such bond, when duly executed and approved, shall be  
7 recorded in the office of the Secretary of State. Whenever  
8 the Governor determines that the bond of any member of the  
9 Board has become or is likely to become invalid or  
10 insufficient, he shall require such member forthwith to renew  
11 his bond, which is to be approved by the Governor. Any  
12 member of the Board who fails to take oath and give bond  
13 within 30 days from the date of his appointment, or who fails  
14 to renew his bond within 30 days after it is demanded by the  
15 Governor, shall be guilty of neglect of duty and may be  
16 removed by the Governor. The cost of any bond given by any  
17 member of the Board under this Section shall be taken to be a  
18 part of the necessary expenses of the Board.

19 (8) Upon the request of the Board, the Department shall  
20 employ such personnel as may be necessary to carry out the  
21 functions of the Board. No person shall be employed to serve  
22 the Board who is, or whose spouse, parent or child is, an  
23 official of, or has a financial interest in or financial  
24 relation with, any operator engaged in gambling operations  
25 within this State or any organization engaged in conducting  
26 horse racing within this State. Any employee violating these  
27 prohibitions shall be subject to termination of employment.

28 (9) An Administrator shall perform any and all duties  
29 that the Board shall assign him. The salary of the  
30 Administrator shall be determined by the Board and approved  
31 by the Director of the Department and, in addition, he shall  
32 be reimbursed for all actual and necessary expenses incurred  
33 by him in discharge of his official duties. The  
34 Administrator shall keep records of all proceedings of the

1 Board and shall preserve all records, books, documents and  
2 other papers belonging to the Board or entrusted to its care.  
3 The Administrator shall devote his full time to the duties of  
4 the office and shall not hold any other office or employment.

5 (b) The Board shall have general responsibility for the  
6 implementation of this Act. Its duties include, without  
7 limitation, the following:

8 (1) To decide promptly and in reasonable order all  
9 license applications. Any party aggrieved by an action of  
10 the Board denying, suspending, revoking, restricting or  
11 refusing to renew a license may request a hearing before  
12 the Board. A request for a hearing must be made to the  
13 Board in writing within 5 days after service of notice of  
14 the action of the Board. Notice of the action of the  
15 Board shall be served either by personal delivery or by  
16 certified mail, postage prepaid, to the aggrieved party.  
17 Notice served by certified mail shall be deemed complete  
18 on the business day following the date of such mailing.  
19 The Board shall conduct all requested hearings promptly  
20 and in reasonable order;

21 (2) To conduct all hearings pertaining to civil  
22 violations of this Act or rules and regulations  
23 promulgated hereunder;

24 (3) To promulgate such rules and regulations as in  
25 its judgment may be necessary to protect or enhance the  
26 credibility and integrity of gambling operations  
27 authorized by this Act and the regulatory process  
28 hereunder;

29 (4) To provide for the establishment and collection  
30 of all license and registration fees and taxes imposed by  
31 this Act and the rules and regulations issued pursuant  
32 hereto. All such fees and taxes shall be deposited into  
33 the State Gaming Fund;

34 (5) To provide for the levy and collection of



1 penalties and fines for the violation of provisions of  
2 this Act and the rules and regulations promulgated  
3 hereunder. All such fines and penalties shall be  
4 deposited into the Education Assistance Fund, created by  
5 Public Act 86-0018, of the State of Illinois;

6 (6) To be present through its inspectors and agents  
7 any time gambling operations are conducted on any  
8 riverboat for the purpose of certifying the revenue  
9 thereof, receiving complaints from the public, and  
10 conducting such other investigations into the conduct of  
11 the gambling games and the maintenance of the equipment  
12 as from time to time the Board may deem necessary and  
13 proper;

14 (7) To review and rule upon any complaint by a  
15 licensee regarding any investigative procedures of the  
16 State which are unnecessarily disruptive of gambling  
17 operations. The need to inspect and investigate shall be  
18 presumed at all times. The disruption of a licensee's  
19 operations shall be proved by clear and convincing  
20 evidence, and establish that: (A) the procedures had no  
21 reasonable law enforcement purposes, and (B) the  
22 procedures were so disruptive as to unreasonably inhibit  
23 gambling operations;

24 (8) To hold at least one meeting each quarter of  
25 the fiscal year. In addition, special meetings may be  
26 called by the Chairman or any 2 Board members upon 72  
27 hours written notice to each member. All Board meetings  
28 shall be subject to the Open Meetings Act. Three members  
29 of the Board shall constitute a quorum, and 3 votes shall  
30 be required for any final determination by the Board.  
31 The Board shall keep a complete and accurate record of  
32 all its meetings. A majority of the members of the Board  
33 shall constitute a quorum for the transaction of any  
34 business, for the performance of any duty, or for the

1 exercise of any power which this Act requires the Board  
2 members to transact, perform or exercise en banc, except  
3 that, upon order of the Board, one of the Board members  
4 or an administrative law judge designated by the Board  
5 may conduct any hearing provided for under this Act or by  
6 Board rule and may recommend findings and decisions to  
7 the Board. The Board member or administrative law judge  
8 conducting such hearing shall have all powers and rights  
9 granted to the Board in this Act. The record made at the  
10 time of the hearing shall be reviewed by the Board, or a  
11 majority thereof, and the findings and decision of the  
12 majority of the Board shall constitute the order of the  
13 Board in such case;

14 (9) To maintain records which are separate and  
15 distinct from the records of any other State board or  
16 commission. Such records shall be available for public  
17 inspection and shall accurately reflect all Board  
18 proceedings;

19 (10) To file a written annual report with the  
20 Governor on or before March 1 each year and such  
21 additional reports as the Governor may request. The  
22 annual report shall include a statement of receipts and  
23 disbursements by the Board, actions taken by the Board,  
24 and any additional information and recommendations which  
25 the Board may deem valuable or which the Governor may  
26 request;

27 (11) (Blank); and

28 (12) To assume responsibility for the  
29 administration and enforcement of the Bingo License and  
30 Tax Act, the Charitable Games Act, and the Pull Tabs and  
31 Jar Games Act if such responsibility is delegated to it  
32 by the Director of Revenue; and-

33 (13) To assume responsibility for administration  
34 and enforcement of the Video Gaming Act.

1 (c) The Board shall have jurisdiction over and shall  
2 supervise all gambling operations governed by this Act. The  
3 Board shall have all powers necessary and proper to fully and  
4 effectively execute the provisions of this Act, including,  
5 but not limited to, the following:

6 (1) To investigate applicants and determine the  
7 eligibility of applicants for licenses and to select  
8 among competing applicants the applicants which best  
9 serve the interests of the citizens of Illinois.

10 (2) To have jurisdiction and supervision over all  
11 riverboat gambling operations in this State and all  
12 persons on riverboats where gambling operations are  
13 conducted.

14 (3) To promulgate rules and regulations for the  
15 purpose of administering the provisions of this Act and  
16 to prescribe rules, regulations and conditions under  
17 which all riverboat gambling in the State shall be  
18 conducted. Such rules and regulations are to provide for  
19 the prevention of practices detrimental to the public  
20 interest and for the best interests of riverboat  
21 gambling, including rules and regulations regarding the  
22 inspection of such riverboats and the review of any  
23 permits or licenses necessary to operate a riverboat  
24 under any laws or regulations applicable to riverboats,  
25 and to impose penalties for violations thereof.

26 (4) To enter the office, riverboats, facilities, or  
27 other places of business of a licensee, where evidence of  
28 the compliance or noncompliance with the provisions of  
29 this Act is likely to be found.

30 (5) To investigate alleged violations of this Act  
31 or the rules of the Board and to take appropriate  
32 disciplinary action against a licensee or a holder of an  
33 occupational license for a violation, or institute  
34 appropriate legal action for enforcement, or both.

1           (6) To adopt standards for the licensing of all  
2 persons under this Act, as well as for electronic or  
3 mechanical gambling games, and to establish fees for such  
4 licenses.

5           (7) To adopt appropriate standards for all  
6 riverboats and facilities.

7           (8) To require that the records, including  
8 financial or other statements of any licensee under this  
9 Act, shall be kept in such manner as prescribed by the  
10 Board and that any such licensee involved in the  
11 ownership or management of gambling operations submit to  
12 the Board an annual balance sheet and profit and loss  
13 statement, list of the stockholders or other persons  
14 having a 1% or greater beneficial interest in the  
15 gambling activities of each licensee, and any other  
16 information the Board deems necessary in order to  
17 effectively administer this Act and all rules,  
18 regulations, orders and final decisions promulgated under  
19 this Act.

20           (9) To conduct hearings, issue subpoenas for the  
21 attendance of witnesses and subpoenas duces tecum for the  
22 production of books, records and other pertinent  
23 documents in accordance with the Illinois Administrative  
24 Procedure Act, and to administer oaths and affirmations  
25 to the witnesses, when, in the judgment of the Board, it  
26 is necessary to administer or enforce this Act or the  
27 Board rules.

28           (10) To prescribe a form to be used by any licensee  
29 involved in the ownership or management of gambling  
30 operations as an application for employment for their  
31 employees.

32           (11) To revoke or suspend licenses, as the Board  
33 may see fit and in compliance with applicable laws of the  
34 State regarding administrative procedures, and to review

1 applications for the renewal of licenses. The Board may  
2 suspend an owners license, without notice or hearing upon  
3 a determination that the safety or health of patrons or  
4 employees is jeopardized by continuing a riverboat's  
5 operation. The suspension may remain in effect until the  
6 Board determines that the cause for suspension has been  
7 abated. The Board may revoke the owners license upon a  
8 determination that the owner has not made satisfactory  
9 progress toward abating the hazard.

10 (12) To eject or exclude or authorize the ejection  
11 or exclusion of, any person from riverboat gambling  
12 facilities where such person is in violation of this Act,  
13 rules and regulations thereunder, or final orders of the  
14 Board, or where such person's conduct or reputation is  
15 such that his presence within the riverboat gambling  
16 facilities may, in the opinion of the Board, call into  
17 question the honesty and integrity of the gambling  
18 operations or interfere with orderly conduct thereof;  
19 provided that the propriety of such ejection or exclusion  
20 is subject to subsequent hearing by the Board.

21 (13) To require all licensees of gambling  
22 operations to utilize a cashless wagering system whereby  
23 all players' money is converted to tokens, electronic  
24 cards, or chips which shall be used only for wagering in  
25 the gambling establishment.

26 (14) (Blank).

27 (15) To suspend, revoke or restrict licenses, to  
28 require the removal of a licensee or an employee of a  
29 licensee for a violation of this Act or a Board rule or  
30 for engaging in a fraudulent practice, and to impose  
31 civil penalties of up to \$5,000 against individuals and  
32 up to \$10,000 or an amount equal to the daily gross  
33 receipts, whichever is larger, against licensees for each  
34 violation of any provision of the Act, any rules adopted

1 by the Board, any order of the Board or any other action  
2 which, in the Board's discretion, is a detriment or  
3 impediment to riverboat gambling operations.

4 (16) To hire employees to gather information,  
5 conduct investigations and carry out any other tasks  
6 contemplated under this Act.

7 (17) To establish minimum levels of insurance to be  
8 maintained by licensees.

9 (18) To authorize a licensee to sell or serve  
10 alcoholic liquors, wine or beer as defined in the Liquor  
11 Control Act of 1934 on board a riverboat and to have  
12 exclusive authority to establish the hours for sale and  
13 consumption of alcoholic liquor on board a riverboat,  
14 notwithstanding any provision of the Liquor Control Act  
15 of 1934 or any local ordinance, and regardless of whether  
16 the riverboat makes excursions. The establishment of the  
17 hours for sale and consumption of alcoholic liquor on  
18 board a riverboat is an exclusive power and function of  
19 the State. A home rule unit may not establish the hours  
20 for sale and consumption of alcoholic liquor on board a  
21 riverboat. This amendatory Act of 1991 is a denial and  
22 limitation of home rule powers and functions under  
23 subsection (h) of Section 6 of Article VII of the  
24 Illinois Constitution.

25 (19) After consultation with the U.S. Army Corps of  
26 Engineers, to establish binding emergency orders upon the  
27 concurrence of a majority of the members of the Board  
28 regarding the navigability of water, relative to  
29 excursions, in the event of extreme weather conditions,  
30 acts of God or other extreme circumstances.

31 (20) To delegate the execution of any of its powers  
32 under this Act for the purpose of administering and  
33 enforcing this Act and its rules and regulations  
34 hereunder.

1           (21) To take any other action as may be reasonable  
2           or appropriate to enforce this Act and rules and  
3           regulations hereunder.

4           (d) The Board may seek and shall receive the cooperation  
5           of the Department of State Police in conducting background  
6           investigations of applicants and in fulfilling its  
7           responsibilities under this Section. Costs incurred by the  
8           Department of State Police as a result of such cooperation  
9           shall be paid by the Board in conformance with the  
10          requirements of Section 2605-400 of the Department of State  
11          Police Law (20 ILCS 2605/2605-400).

12          (e) The Board must authorize to each investigator and to  
13          any other employee of the Board exercising the powers of a  
14          peace officer a distinct badge that, on its face, (i) clearly  
15          states that the badge is authorized by the Board and (ii)  
16          contains a unique identifying number. No other badge shall  
17          be authorized by the Board.

18          (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00;  
19          91-883, eff. 1-1-01.)

20          Section 190. The Criminal Code of 1961 is amended by  
21          changing Sections 28-1, 28-1.1, and 28-3 as follows:

22               (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)  
23               Sec. 28-1. Gambling.

24               (a) A person commits gambling when he:

25                     (1) Plays a game of chance or skill for money or  
26                     other thing of value, unless excepted in subsection (b)  
27                     of this Section; or

28                     (2) Makes a wager upon the result of any game,  
29                     contest, or any political nomination, appointment or  
30                     election; or

31                     (3) Operates, keeps, owns, uses, purchases,  
32                     exhibits, rents, sells, bargains for the sale or lease

1 of, manufactures or distributes any gambling device; or

2 (4) Contracts to have or give himself or another  
3 the option to buy or sell, or contracts to buy or sell,  
4 at a future time, any grain or other commodity  
5 whatsoever, or any stock or security of any company,  
6 where it is at the time of making such contract intended  
7 by both parties thereto that the contract to buy or sell,  
8 or the option, whenever exercised, or the contract  
9 resulting therefrom, shall be settled, not by the receipt  
10 or delivery of such property, but by the payment only of  
11 differences in prices thereof; however, the issuance,  
12 purchase, sale, exercise, endorsement or guarantee, by or  
13 through a person registered with the Secretary of State  
14 pursuant to Section 8 of the Illinois Securities Law of  
15 1953, or by or through a person exempt from such  
16 registration under said Section 8, of a put, call, or  
17 other option to buy or sell securities which have been  
18 registered with the Secretary of State or which are  
19 exempt from such registration under Section 3 of the  
20 Illinois Securities Law of 1953 is not gambling within  
21 the meaning of this paragraph (4); or

22 (5) Knowingly owns or possesses any book,  
23 instrument or apparatus by means of which bets or wagers  
24 have been, or are, recorded or registered, or knowingly  
25 possesses any money which he has received in the course  
26 of a bet or wager; or

27 (6) Sells pools upon the result of any game or  
28 contest of skill or chance, political nomination,  
29 appointment or election; or

30 (7) Sets up or promotes any lottery or sells,  
31 offers to sell or transfers any ticket or share for any  
32 lottery; or

33 (8) Sets up or promotes any policy game or sells,  
34 offers to sell or knowingly possesses or transfers any



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

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

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

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

22 (12) Knowingly establishes, maintains, or operates  
23 an Internet site that permits a person to play a game of  
24 chance or skill for money or other thing of value by  
25 means of the Internet or to make a wager upon the result  
26 of any game, contest, political nomination, appointment,  
27 or election by means of the Internet.

28 (b) Participants in any of the following activities  
29 shall not be convicted of gambling therefor:

30 (1) Agreements to compensate for loss caused by the  
31 happening of chance including without limitation  
32 contracts of indemnity or guaranty and life or health or  
33 accident insurance;

34 (2) Offers of prizes, award or compensation to the

1 actual contestants in any bona fide contest for the  
2 determination of skill, speed, strength or endurance or  
3 to the owners of animals or vehicles entered in such  
4 contest;

5 (3) Pari-mutuel betting as authorized by the law of  
6 this State;

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

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

20 (6) Lotteries when conducted by the State of  
21 Illinois in accordance with the Illinois Lottery Law;

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

28 (8) Raffles when conducted in accordance with the  
29 Raffles Act;

30 (9) Charitable games when conducted in accordance  
31 with the Charitable Games Act;

32 (10) Pull tabs and jar games when conducted under  
33 the Illinois Pull Tabs and Jar Games Act; or

34 (11) Gambling games conducted on riverboats when

1 authorized by the Riverboat Gambling Act; or-

2 (12) Video gaming terminal games at a licensed  
3 establishment, licensed fraternal establishment, or  
4 licensed veterans establishment when conducted in  
5 accordance with the Video Gaming Act.

6 (c) Sentence.

7 Gambling under subsection (a)(1) or (a)(2) of this  
8 Section is a Class A misdemeanor. Gambling under any of  
9 subsections (a)(3) through (a)(11) of this Section is a Class  
10 A misdemeanor. A second or subsequent conviction under any  
11 of subsections (a)(3) through (a)(11), is a Class 4 felony.  
12 Gambling under subsection (a)(12) of this Section is a Class  
13 A misdemeanor. A second or subsequent conviction under  
14 subsection (a)(12) is a Class 4 felony.

15 (d) Circumstantial evidence.

16 In prosecutions under subsection (a)(1) through (a)(12)  
17 of this Section circumstantial evidence shall have the same  
18 validity and weight as in any criminal prosecution.

19 (Source: P.A. 91-257, eff. 1-1-00.)

20 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

21 Sec. 28-1.1. Syndicated gambling.

22 (a) Declaration of Purpose. Recognizing the close  
23 relationship between professional gambling and other  
24 organized crime, it is declared to be the policy of the  
25 legislature to restrain persons from engaging in the business  
26 of gambling for profit in this State. This Section shall be  
27 liberally construed and administered with a view to carrying  
28 out this policy.

29 (b) A person commits syndicated gambling when he  
30 operates a "policy game" or engages in the business of  
31 bookmaking.

32 (c) A person "operates a policy game" when he knowingly  
33 uses any premises or property for the purpose of receiving or

1 knowingly does receive from what is commonly called "policy":

2 (1) money from a person other than the better or  
3 player whose bets or plays are represented by such money;  
4 or

5 (2) written "policy game" records, made or used  
6 over any period of time, from a person other than the  
7 better or player whose bets or plays are represented by  
8 such written record.

9 (d) A person engages in bookmaking when he receives or  
10 accepts more than five bets or wagers upon the result of any  
11 trials or contests of skill, speed or power of endurance or  
12 upon any lot, chance, casualty, unknown or contingent event  
13 whatsoever, which bets or wagers shall be of such size that  
14 the total of the amounts of money paid or promised to be paid  
15 to such bookmaker on account thereof shall exceed \$2,000.  
16 Bookmaking is the receiving or accepting of such bets or  
17 wagers regardless of the form or manner in which the  
18 bookmaker records them.

19 (e) Participants in any of the following activities  
20 shall not be convicted of syndicated gambling:

21 (1) Agreements to compensate for loss caused by the  
22 happening of chance including without limitation  
23 contracts of indemnity or guaranty and life or health or  
24 accident insurance; and

25 (2) Offers of prizes, award or compensation to the  
26 actual contestants in any bona fide contest for the  
27 determination of skill, speed, strength or endurance or  
28 to the owners of animals or vehicles entered in such  
29 contest; and

30 (3) Pari-mutuel betting as authorized by law of  
31 this State; and

32 (4) Manufacture of gambling devices, including the  
33 acquisition of essential parts therefor and the assembly  
34 thereof, for transportation in interstate or foreign

1 commerce to any place outside this State when such  
2 transportation is not prohibited by any applicable  
3 Federal law; and

4 (5) Raffles when conducted in accordance with the  
5 Raffles Act; and

6 (6) Gambling games conducted on riverboats when  
7 authorized by the Riverboat Gambling Act; and-

8 (7) Video gaming terminal games at a licensed  
9 establishment, licensed fraternal establishment, or  
10 licensed veterans establishment when conducted in  
11 accordance with the Video Gaming Act.

12 (f) Sentence. Syndicated gambling is a Class 3 felony.

13 (Source: P.A. 86-1029; 87-435.)

14 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

15 Sec. 28-3. Keeping a Gambling Place. A "gambling place"  
16 is any real estate, vehicle, boat or any other property  
17 whatsoever used for the purposes of gambling other than  
18 gambling conducted in the manner authorized by the Riverboat  
19 Gambling Act or the Video Gaming Act. Any person who  
20 knowingly permits any premises or property owned or occupied  
21 by him or under his control to be used as a gambling place  
22 commits a Class A misdemeanor. Each subsequent offense is a  
23 Class 4 felony. When any premises is determined by the  
24 circuit court to be a gambling place:

25 (a) Such premises is a public nuisance and may be  
26 proceeded against as such, and

27 (b) All licenses, permits or certificates issued by the  
28 State of Illinois or any subdivision or public agency thereof  
29 authorizing the serving of food or liquor on such premises  
30 shall be void; and no license, permit or certificate so  
31 cancelled shall be reissued for such premises for a period of  
32 60 days thereafter; nor shall any person convicted of keeping  
33 a gambling place be reissued such license for one year from

1 his conviction and, after a second conviction of keeping a  
2 gambling place, any such person shall not be reissued such  
3 license, and

4 (c) Such premises of any person who knowingly permits  
5 thereon a violation of any Section of this Article shall be  
6 held liable for, and may be sold to pay any unsatisfied  
7 judgment that may be recovered and any unsatisfied fine that  
8 may be levied under any Section of this Article.

9 (Source: P.A. 86-1029.)

10 Section 199. Effective date. This Act takes effect upon  
11 becoming law.