

SB2063



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB2063

Introduced 2/25/2005, by Sen. Kirk W. Dillard

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5

from Ch. 120, par. 2405

Amends the Riverboat Gambling Act. Provides that the Gaming Board shall be increased from 5 to 7 members. Provides that one of the new members shall be a recovering compulsive gambler or a person with specialized knowledge in the field of pathological gambling. Effective immediately.

LRB094 11420 AMC 42324 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT in relation to gambling.

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

4 Section 5. 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 Department
9 of Revenue an Illinois Gaming Board which shall have the powers
10 and duties specified in this Act, and all other powers
11 necessary and proper to fully and effectively execute this Act
12 for the purpose of administering, regulating, and enforcing the
13 system of riverboat gambling established by this Act. Its
14 jurisdiction shall extend under this Act to every person,
15 association, corporation, partnership and trust involved in
16 riverboat gambling operations in the State of Illinois.

17 (2) The Board shall consist of 7 ~~5~~ members to be appointed
18 by the Governor with the advice and consent of the Senate, one
19 of whom shall be designated by the Governor to be chairman.
20 Each member shall have a reasonable knowledge of the practice,
21 procedure and principles of gambling operations. Each member
22 shall either be a resident of Illinois or shall certify that he
23 will become a resident of Illinois before taking office. At
24 least one member shall be experienced in law enforcement and
25 criminal investigation, at least one member shall be a
26 certified public accountant experienced in accounting and
27 auditing, ~~and~~ at least one member shall be a lawyer licensed to
28 practice law in Illinois, and at least one member shall be a
29 person verified by the National Counsel on Problem Gambling or
30 by its State affiliate, the Illinois Counsel on Problem and
31 Compulsive Gambling, as either a person who has been in a
32 recovery or treatment program for compulsive gambling for at

1 least 10 years or an individual with specialized knowledge or
2 experience in the field of pathological gambling.

3 (3) The terms of office of the Board members shall be 3
4 years, except that the terms of office of the initial Board
5 members appointed pursuant to this Act will commence from the
6 effective date of this Act and run as follows: one for a term
7 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
8 a term ending July 1, 1993. The terms of office of the initial
9 Board members appointed under this amendatory Act of the 94th
10 General Assembly will commence from the effective date of this
11 amendatory Act and run until July 1, 2006. Upon the expiration
12 of the foregoing terms, the successors of such members shall
13 serve a term for 3 years and until their successors are
14 appointed and qualified for like terms. Vacancies in the Board
15 shall be filled for the unexpired term in like manner as
16 original appointments. Each member of the Board shall be
17 eligible for reappointment at the discretion of the Governor
18 with the advice and consent of the Senate.

19 (4) Each member of the Board shall receive \$300 for each
20 day the Board meets and for each day the member conducts any
21 hearing pursuant to this Act. Each member of the Board shall
22 also be reimbursed for all actual and necessary expenses and
23 disbursements incurred in the execution of official duties.

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

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

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

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

32 (9) An Administrator shall perform any and all duties that
33 the Board shall assign him. The salary of the Administrator
34 shall be determined by the Board and approved by the Director
35 of the Department and, in addition, he shall be reimbursed for
36 all actual and necessary expenses incurred by him in discharge

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

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

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

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

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

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

36 (5) To provide for the levy and collection of penalties

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

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

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

22 (8) To hold at least one meeting each quarter of the
23 fiscal year. In addition, special meetings may be called by
24 the Chairman or any 2 Board members upon 72 hours written
25 notice to each member. All Board meetings shall be subject
26 to the Open Meetings Act. Three members of the Board shall
27 constitute a quorum, and 3 votes shall be required for any
28 final determination by the Board. The Board shall keep a
29 complete and accurate record of all its meetings. A
30 majority of the members of the Board shall constitute a
31 quorum for the transaction of any business, for the
32 performance of any duty, or for the exercise of any power
33 which this Act requires the Board members to transact,
34 perform or exercise en banc, except that, upon order of the
35 Board, one of the Board members or an administrative law
36 judge designated by the Board may conduct any hearing

1 provided for under this Act or by Board rule and may
2 recommend findings and decisions to the Board. The Board
3 member or administrative law judge conducting such hearing
4 shall have all powers and rights granted to the Board in
5 this Act. The record made at the time of the hearing shall
6 be reviewed by the Board, or a majority thereof, and the
7 findings and decision of the majority of the Board shall
8 constitute the order of the Board in such case;

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

13 (10) To file a written annual report with the Governor
14 on or before March 1 each year and such additional reports
15 as the Governor may request. The annual report shall
16 include a statement of receipts and disbursements by the
17 Board, actions taken by the Board, and any additional
18 information and recommendations which the Board may deem
19 valuable or which the Governor may request;

20 (11) (Blank); and

21 (12) To assume responsibility for the administration
22 and enforcement of the Bingo License and Tax Act, the
23 Charitable Games Act, and the Pull Tabs and Jar Games Act
24 if such responsibility is delegated to it by the Director
25 of Revenue.

26 (c) The Board shall have jurisdiction over and shall
27 supervise all gambling operations governed by this Act. The
28 Board shall have all powers necessary and proper to fully and
29 effectively execute the provisions of this Act, including, but
30 not limited to, the following:

31 (1) To investigate applicants and determine the
32 eligibility of applicants for licenses and to select among
33 competing applicants the applicants which best serve the
34 interests of the citizens of Illinois.

35 (2) To have jurisdiction and supervision over all
36 riverboat gambling operations in this State and all persons

1 on riverboats where gambling operations are conducted.

2 (3) To promulgate rules and regulations for the purpose
3 of administering the provisions of this Act and to
4 prescribe rules, regulations and conditions under which
5 all riverboat gambling in the State shall be conducted.
6 Such rules and regulations are to provide for the
7 prevention of practices detrimental to the public interest
8 and for the best interests of riverboat gambling, including
9 rules and regulations regarding the inspection of such
10 riverboats and the review of any permits or licenses
11 necessary to operate a riverboat under any laws or
12 regulations applicable to riverboats, and to impose
13 penalties for violations thereof.

14 (4) To enter the office, riverboats, facilities, or
15 other places of business of a licensee, where evidence of
16 the compliance or noncompliance with the provisions of this
17 Act is likely to be found.

18 (5) To investigate alleged violations of this Act or
19 the rules of the Board and to take appropriate disciplinary
20 action against a licensee or a holder of an occupational
21 license for a violation, or institute appropriate legal
22 action for enforcement, or both.

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

26 (7) To adopt appropriate standards for all riverboats
27 and facilities.

28 (8) To require that the records, including financial or
29 other statements of any licensee under this Act, shall be
30 kept in such manner as prescribed by the Board and that any
31 such licensee involved in the ownership or management of
32 gambling operations submit to the Board an annual balance
33 sheet and profit and loss statement, list of the
34 stockholders or other persons having a 1% or greater
35 beneficial interest in the gambling activities of each
36 licensee, and any other information the Board deems

1 necessary in order to effectively administer this Act and
2 all rules, regulations, orders and final decisions
3 promulgated under this Act.

4 (9) To conduct hearings, issue subpoenas for the
5 attendance of witnesses and subpoenas duces tecum for the
6 production of books, records and other pertinent documents
7 in accordance with the Illinois Administrative Procedure
8 Act, and to administer oaths and affirmations to the
9 witnesses, when, in the judgment of the Board, it is
10 necessary to administer or enforce this Act or the Board
11 rules.

12 (10) To prescribe a form to be used by any licensee
13 involved in the ownership or management of gambling
14 operations as an application for employment for their
15 employees.

16 (11) To revoke or suspend licenses, as the Board may
17 see fit and in compliance with applicable laws of the State
18 regarding administrative procedures, and to review
19 applications for the renewal of licenses. The Board may
20 suspend an owners license, without notice or hearing upon a
21 determination that the safety or health of patrons or
22 employees is jeopardized by continuing a riverboat's
23 operation. The suspension may remain in effect until the
24 Board determines that the cause for suspension has been
25 abated. The Board may revoke the owners license upon a
26 determination that the owner has not made satisfactory
27 progress toward abating the hazard.

28 (12) To eject or exclude or authorize the ejection or
29 exclusion of, any person from riverboat gambling
30 facilities where such person is in violation of this Act,
31 rules and regulations thereunder, or final orders of the
32 Board, or where such person's conduct or reputation is such
33 that his presence within the riverboat gambling facilities
34 may, in the opinion of the Board, call into question the
35 honesty and integrity of the gambling operations or
36 interfere with orderly conduct thereof; provided that the

1 propriety of such ejection or exclusion is subject to
2 subsequent hearing by the Board.

3 (13) To require all licensees of gambling operations to
4 utilize a cashless wagering system whereby all players'
5 money is converted to tokens, electronic cards, or chips
6 which shall be used only for wagering in the gambling
7 establishment.

8 (14) (Blank).

9 (15) To suspend, revoke or restrict licenses, to
10 require the removal of a licensee or an employee of a
11 licensee for a violation of this Act or a Board rule or for
12 engaging in a fraudulent practice, and to impose civil
13 penalties of up to \$5,000 against individuals and up to
14 \$10,000 or an amount equal to the daily gross receipts,
15 whichever is larger, against licensees for each violation
16 of any provision of the Act, any rules adopted by the
17 Board, any order of the Board or any other action which, in
18 the Board's discretion, is a detriment or impediment to
19 riverboat gambling operations.

20 (16) To hire employees to gather information, conduct
21 investigations and carry out any other tasks contemplated
22 under this Act.

23 (17) To establish minimum levels of insurance to be
24 maintained by licensees.

25 (18) To authorize a licensee to sell or serve alcoholic
26 liquors, wine or beer as defined in the Liquor Control Act
27 of 1934 on board a riverboat and to have exclusive
28 authority to establish the hours for sale and consumption
29 of alcoholic liquor on board a riverboat, notwithstanding
30 any provision of the Liquor Control Act of 1934 or any
31 local ordinance, and regardless of whether the riverboat
32 makes excursions. The establishment of the hours for sale
33 and consumption of alcoholic liquor on board a riverboat is
34 an exclusive power and function of the State. A home rule
35 unit may not establish the hours for sale and consumption
36 of alcoholic liquor on board a riverboat. This amendatory

1 Act of 1991 is a denial and limitation of home rule powers
2 and functions under subsection (h) of Section 6 of Article
3 VII of the Illinois Constitution.

4 (19) After consultation with the U.S. Army Corps of
5 Engineers, to establish binding emergency orders upon the
6 concurrence of a majority of the members of the Board
7 regarding the navigability of water, relative to
8 excursions, in the event of extreme weather conditions,
9 acts of God or other extreme circumstances.

10 (20) To delegate the execution of any of its powers
11 under this Act for the purpose of administering and
12 enforcing this Act and its rules and regulations hereunder.

13 (21) To take any other action as may be reasonable or
14 appropriate to enforce this Act and rules and regulations
15 hereunder.

16 (d) The Board may seek and shall receive the cooperation of
17 the Department of State Police in conducting background
18 investigations of applicants and in fulfilling its
19 responsibilities under this Section. Costs incurred by the
20 Department of State Police as a result of such cooperation
21 shall be paid by the Board in conformance with the requirements
22 of Section 2605-400 of the Department of State Police Law (20
23 ILCS 2605/2605-400).

24 (e) The Board must authorize to each investigator and to
25 any other employee of the Board exercising the powers of a
26 peace officer a distinct badge that, on its face, (i) clearly
27 states that the badge is authorized by the Board and (ii)
28 contains a unique identifying number. No other badge shall be
29 authorized by the Board.

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

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.