

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

17 (2) The Board shall consist of 5 members to be appointed by
18 the Governor with the advice and consent of the Senate, one of
19 whom shall be designated by the Governor to be chairman. Each
20 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

1 least one member shall be experienced in law enforcement and
2 criminal investigation, at least one member shall be a
3 certified public accountant experienced in accounting and
4 auditing, and at least one member shall be a lawyer licensed to
5 practice law in Illinois.

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

1 person financially interested in, any gambling operation
2 subject to the jurisdiction of this Board, or any race track,
3 race meeting, racing association or the operations thereof
4 subject to the jurisdiction of the Illinois Racing Board. No
5 Board member shall hold any other public office. No person
6 shall be a member of the Board who is not of good moral
7 character or who has been convicted of, or is under indictment
8 for, a felony under the laws of Illinois or any other state, or
9 the United States.

10 (5.5) No member of the Board shall engage in any political
11 activity. For the purposes of this Section, "political" means
12 any activity in support of or in connection with any campaign
13 for federal, State, or local elective office or any political
14 organization, but does not include activities (i) relating to
15 the support or opposition of any executive, legislative, or
16 administrative action (as those terms are defined in Section 2
17 of the Lobbyist Registration Act), (ii) relating to collective
18 bargaining, or (iii) that are otherwise in furtherance of the
19 person's official State duties or governmental and public
20 service functions.

21 (6) Any member of the Board may be removed by the Governor
22 for neglect of duty, misfeasance, malfeasance, or nonfeasance
23 in office or for engaging in any political activity.

24 (7) Before entering upon the discharge of the duties of his
25 office, each member of the Board shall take an oath that he
26 will faithfully execute the duties of his office according to

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

17 (7.5) For the examination of all mechanical,
18 electromechanical, or electronic table games, slot machines,
19 slot accounting systems, and other electronic gaming equipment
20 for compliance with this Act, the Board shall ~~may~~ utilize the
21 services of all ~~one or more~~ independent outside testing
22 laboratories that have been accredited by a national
23 accreditation body signifying they are qualified to ~~and that,~~
24 ~~in the judgment of the Board, are qualified to~~ perform such
25 examinations. The Board shall not unreasonably withhold its
26 recognition of an accredited independent outside testing

1 laboratory as long as the laboratory is found suitable by the
2 Board and holds a license to perform such examinations in good
3 standing or is recognized to perform such examinations in New
4 Jersey, Nevada, or Ohio.

5 (8) The Board shall employ such personnel as may be
6 necessary to carry out its functions and shall determine the
7 salaries of all personnel, except those personnel whose
8 salaries are determined under the terms of a collective
9 bargaining agreement. No person shall be employed to serve the
10 Board who is, or whose spouse, parent or child is, an official
11 of, or has a financial interest in or financial relation with,
12 any operator engaged in gambling operations within this State
13 or any organization engaged in conducting horse racing within
14 this State. Any employee violating these prohibitions shall be
15 subject to termination of employment.

16 (9) An Administrator shall perform any and all duties that
17 the Board shall assign him. The salary of the Administrator
18 shall be determined by the Board and, in addition, he shall be
19 reimbursed for all actual and necessary expenses incurred by
20 him in discharge of his official duties. The Administrator
21 shall keep records of all proceedings of the Board and shall
22 preserve all records, books, documents and other papers
23 belonging to the Board or entrusted to its care. The
24 Administrator shall devote his full time to the duties of the
25 office and shall not hold any other office or employment.

26 (b) The Board shall have general responsibility for the

1 implementation of this Act. Its duties include, without
2 limitation, the following:

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

16 (2) To conduct all hearings pertaining to civil
17 violations of this Act or rules and regulations promulgated
18 hereunder;

19 (3) To promulgate such rules and regulations as in its
20 judgment may be necessary to protect or enhance the
21 credibility and integrity of gambling operations
22 authorized by this Act and the regulatory process
23 hereunder;

24 (4) To provide for the establishment and collection of
25 all license and registration fees and taxes imposed by this
26 Act and the rules and regulations issued pursuant hereto.

1 All such fees and taxes shall be deposited into the State
2 Gaming Fund;

3 (5) To provide for the levy and collection of penalties
4 and fines for the violation of provisions of this Act and
5 the rules and regulations promulgated hereunder. All such
6 fines and penalties shall be deposited into the Education
7 Assistance Fund, created by Public Act 86-0018, of the
8 State of Illinois;

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

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

25 (8) To hold at least one meeting each quarter of the
26 fiscal year. In addition, special meetings may be called by

1 the Chairman or any 2 Board members upon 72 hours written
2 notice to each member. All Board meetings shall be subject
3 to the Open Meetings Act. Three members of the Board shall
4 constitute a quorum, and 3 votes shall be required for any
5 final determination by the Board. The Board shall keep a
6 complete and accurate record of all its meetings. A
7 majority of the members of the Board shall constitute a
8 quorum for the transaction of any business, for the
9 performance of any duty, or for the exercise of any power
10 which this Act requires the Board members to transact,
11 perform or exercise en banc, except that, upon order of the
12 Board, one of the Board members or an administrative law
13 judge designated by the Board may conduct any hearing
14 provided for under this Act or by Board rule and may
15 recommend findings and decisions to the Board. The Board
16 member or administrative law judge conducting such hearing
17 shall have all powers and rights granted to the Board in
18 this Act. The record made at the time of the hearing shall
19 be reviewed by the Board, or a majority thereof, and the
20 findings and decision of the majority of the Board shall
21 constitute the order of the Board in such case;

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

26 (10) To file a written annual report with the Governor

1 on or before March 1 each year and such additional reports
2 as the Governor may request. The annual report shall
3 include a statement of receipts and disbursements by the
4 Board, actions taken by the Board, and any additional
5 information and recommendations which the Board may deem
6 valuable or which the Governor may request;

7 (11) (Blank);

8 (12) (Blank);

9 (13) To assume responsibility for administration and
10 enforcement of the Video Gaming Act; and

11 (14) To adopt, by rule, a code of conduct governing
12 Board members and employees that ensure, to the maximum
13 extent possible, that persons subject to this Code avoid
14 situations, relationships, or associations that may
15 represent or lead to a conflict of interest.

16 (c) The Board shall have jurisdiction over and shall
17 supervise all gambling operations governed by this Act. The
18 Board shall have all powers necessary and proper to fully and
19 effectively execute the provisions of this Act, including, but
20 not limited to, the following:

21 (1) To investigate applicants and determine the
22 eligibility of applicants for licenses and to select among
23 competing applicants the applicants which best serve the
24 interests of the citizens of Illinois.

25 (2) To have jurisdiction and supervision over all
26 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

1 and facilities.

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

14 (9) To conduct hearings, issue subpoenas for the
15 attendance of witnesses and subpoenas duces tecum for the
16 production of books, records and other pertinent documents
17 in accordance with the Illinois Administrative Procedure
18 Act, and to administer oaths and affirmations to the
19 witnesses, when, in the judgment of the Board, it is
20 necessary to administer or enforce this Act or the Board
21 rules.

22 (10) To prescribe a form to be used by any licensee
23 involved in the ownership or management of gambling
24 operations as an application for employment for their
25 employees.

26 (11) To revoke or suspend licenses, as the Board may

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

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

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

1 establishment.

2 (14) (Blank).

3 (15) To suspend, revoke or restrict licenses, to
4 require the removal of a licensee or an employee of a
5 licensee for a violation of this Act or a Board rule or for
6 engaging in a fraudulent practice, and to impose civil
7 penalties of up to \$5,000 against individuals and up to
8 \$10,000 or an amount equal to the daily gross receipts,
9 whichever is larger, against licensees for each violation
10 of any provision of the Act, any rules adopted by the
11 Board, any order of the Board or any other action which, in
12 the Board's discretion, is a detriment or impediment to
13 riverboat gambling operations.

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

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

19 (18) To authorize a licensee to sell or serve alcoholic
20 liquors, wine or beer as defined in the Liquor Control Act
21 of 1934 on board a riverboat and to have exclusive
22 authority to establish the hours for sale and consumption
23 of alcoholic liquor on board a riverboat, notwithstanding
24 any provision of the Liquor Control Act of 1934 or any
25 local ordinance, and regardless of whether the riverboat
26 makes excursions. The establishment of the hours for sale

1 and consumption of alcoholic liquor on board a riverboat is
2 an exclusive power and function of the State. A home rule
3 unit may not establish the hours for sale and consumption
4 of alcoholic liquor on board a riverboat. This amendatory
5 Act of 1991 is a denial and limitation of home rule powers
6 and functions under subsection (h) of Section 6 of Article
7 VII of the Illinois Constitution.

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

14 (20) To delegate the execution of any of its powers
15 under this Act for the purpose of administering and
16 enforcing this Act and its rules and regulations hereunder.

17 (20.5) To approve any contract entered into on its
18 behalf.

19 (20.6) To appoint investigators to conduct
20 investigations, searches, seizures, arrests, and other
21 duties imposed under this Act, as deemed necessary by the
22 Board. These investigators have and may exercise all of the
23 rights and powers of peace officers, provided that these
24 powers shall be limited to offenses or violations occurring
25 or committed on a riverboat or dock, as defined in
26 subsections (d) and (f) of Section 4, or as otherwise

1 provided by this Act or any other law.

2 (20.7) To contract with the Department of State Police
3 for the use of trained and qualified State police officers
4 and with the Department of Revenue for the use of trained
5 and qualified Department of Revenue investigators to
6 conduct investigations, searches, seizures, arrests, and
7 other duties imposed under this Act and to exercise all of
8 the rights and powers of peace officers, provided that the
9 powers of Department of Revenue investigators under this
10 subdivision (20.7) shall be limited to offenses or
11 violations occurring or committed on a riverboat or dock,
12 as defined in subsections (d) and (f) of Section 4, or as
13 otherwise provided by this Act or any other law. In the
14 event the Department of State Police or the Department of
15 Revenue is unable to fill contracted police or
16 investigative positions, the Board may appoint
17 investigators to fill those positions pursuant to
18 subdivision (20.6).

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

22 (d) The Board may seek and shall receive the cooperation of
23 the Department of State Police in conducting background
24 investigations of applicants and in fulfilling its
25 responsibilities under this Section. Costs incurred by the
26 Department of State Police as a result of such cooperation

1 shall be paid by the Board in conformance with the requirements
2 of Section 2605-400 of the Department of State Police Law (20
3 ILCS 2605/2605-400).

4 (e) The Board must authorize to each investigator and to
5 any other employee of the Board exercising the powers of a
6 peace officer a distinct badge that, on its face, (i) clearly
7 states that the badge is authorized by the Board and (ii)
8 contains a unique identifying number. No other badge shall be
9 authorized by the Board.

10 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

11 Section 10. The Video Gaming Act is amended by changing
12 Section 15 as follows:

13 (230 ILCS 40/15)

14 Sec. 15. Minimum requirements for licensing and
15 registration. Every video gaming terminal offered for play
16 shall first be tested and approved pursuant to the rules of the
17 Board, and each video gaming terminal offered in this State for
18 play shall conform to an approved model. For the examination of
19 video gaming machines and associated equipment as required by
20 this Section, the Board shall ~~may~~ utilize the services of all
21 ~~one or more~~ independent outside testing laboratories that have
22 been accredited by a national accreditation body signifying
23 they are qualified to ~~and that, in the judgment of the Board,~~
24 ~~are qualified to~~ perform such examinations. The Board shall not

1 unreasonably withhold its recognition of an accredited
2 independent outside testing laboratory as long as the
3 laboratory is found suitable by the Board and holds a license
4 to perform such examinations in good standing or is recognized
5 to perform such examinations in New Jersey, Nevada, or Ohio.

6 Every video gaming terminal offered in this State for play must
7 meet minimum standards ~~set by an independent outside testing~~
8 ~~laboratory~~ approved by the Board. Each approved model shall, at
9 a minimum, meet the following criteria:

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

13 (2) It must theoretically pay out a mathematically
14 demonstrable percentage during the expected lifetime of
15 the machine of all amounts played, which must not be less
16 than 80%. The Board shall establish a maximum payout
17 percentage for approved models by rule. Video gaming
18 terminals that may be affected by skill must meet this
19 standard when using a method of play that will provide the
20 greatest return to the player over a period of continuous
21 play.

22 (3) It must use a random selection process to determine
23 the outcome of each play of a game. The random selection
24 process must meet 99% confidence limits using a standard
25 chi-squared test for (randomness) goodness of fit.

26 (4) It must display an accurate representation of the

1 game outcome.

2 (5) It must not automatically alter pay tables or any
3 function of the video gaming terminal based on internal
4 computation of hold percentage or have any means of
5 manipulation that affects the random selection process or
6 probabilities of winning a game.

7 (6) It must not be adversely affected by static
8 discharge or other electromagnetic interference.

9 (7) It must be capable of detecting and displaying the
10 following conditions during idle states or on demand: power
11 reset; door open; and door just closed.

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

17 (9) The theoretical payback percentage of a video
18 gaming terminal must not be capable of being changed
19 without making a hardware or software change in the video
20 gaming terminal, either on site or via the central
21 communications system.

22 (10) Video gaming terminals must be designed so that
23 replacement of parts or modules required for normal
24 maintenance does not necessitate replacement of the
25 electromechanical meters.

26 (11) It must have nonresettable meters housed in a

1 locked area of the terminal that keep a permanent record of
2 all cash inserted into the machine, all winnings made by
3 the terminal printer, credits played in for video gaming
4 terminals, and credits won by video gaming players. The
5 video gaming terminal must provide the means for on-demand
6 display of stored information as determined by the Board.

7 (12) Electronically stored meter information required
8 by this Section must be preserved for a minimum of 180 days
9 after a power loss to the service.

10 (13) It must have one or more mechanisms that accept
11 cash in the form of bills. The mechanisms shall be designed
12 to prevent obtaining credits without paying by stringing,
13 slamming, drilling, or other means. If such attempts at
14 physical tampering are made, the video gaming terminal
15 shall suspend itself from operating until reset.

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

23 (15) It shall be linked by a central communications
24 system to provide auditing program information as approved
25 by the Board. The central communications system shall use a
26 standard industry protocol, as defined by the Gaming

1 Standards Association, and shall have the functionality to
2 enable the Board or its designee to activate or deactivate
3 individual gaming devices from the central communications
4 system. In no event may the communications system approved
5 by the Board limit participation to only one manufacturer
6 of video gaming terminals by either the cost in
7 implementing the necessary program modifications to
8 communicate or the inability to communicate with the
9 central communications system.

10 (16) The Board, in its discretion, may require video
11 gaming terminals to display Amber Alert messages if the
12 Board makes a finding that it would be economically and
13 technically feasible and pose no risk to the integrity and
14 security of the central communications system and video
15 gaming terminals.

16 The Board may adopt rules to establish additional criteria
17 to preserve the integrity and security of video gaming in this
18 State. The central communications system vendor may be licensed
19 as a video gaming terminal manufacturer or a video gaming
20 terminal distributor, or both, but in no event shall the
21 central communications system vendor be licensed as a video
22 gaming terminal operator.

23 The Board shall not permit the development of information
24 or the use by any licensee of gaming device or individual game
25 performance data. Nothing in this Act shall inhibit or prohibit
26 the Board from the use of gaming device or individual game

1 performance data in its regulatory duties. The Board shall
2 adopt rules to ensure that all licensees are treated and all
3 licensees act in a non-discriminatory manner and develop
4 processes and penalties to enforce those rules.

5 (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,
6 eff. 8-27-13; 98-756, eff. 7-16-14.)