

SB3125



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3125

Introduced 2/15/2018, by Sen. William E. Brady

SYNOPSIS AS INTRODUCED:

230 ILCS 5/9
720 ILCS 5/28-1

from Ch. 8, par. 37-9
from Ch. 38, par. 28-1

Amends the Illinois Horse Racing Act of 1975. Requires the Illinois Racing Board to adopt rules authorizing sports wagering by organization licensees and inter-track wagering location licensees. Makes conforming changes in the Criminal Code of 2012. Effective immediately.

LRB100 18550 SMS 33768 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Horse Racing Act of 1975 is amended
5 by changing Section 9 as follows:

6 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

7 Sec. 9. The Board shall have all powers necessary and
8 proper to fully and effectively execute the provisions of this
9 Act, including, but not limited to, the following:

10 (a) The Board is vested with jurisdiction and supervision
11 over all race meetings in this State, over all licensees doing
12 business in this State, over all occupation licensees, and over
13 all persons on the facilities of any licensee. Such
14 jurisdiction shall include the power to issue licenses to the
15 Illinois Department of Agriculture authorizing the pari-mutuel
16 system of wagering on harness and Quarter Horse races held (1)
17 at the Illinois State Fair in Sangamon County, and (2) at the
18 DuQuoin State Fair in Perry County. The jurisdiction of the
19 Board shall also include the power to issue licenses to county
20 fairs which are eligible to receive funds pursuant to the
21 Agricultural Fair Act, as now or hereafter amended, or their
22 agents, authorizing the pari-mutuel system of wagering on horse
23 races conducted at the county fairs receiving such licenses.

1 Such licenses shall be governed by subsection (n) of this
2 Section.

3 Upon application, the Board shall issue a license to the
4 Illinois Department of Agriculture to conduct harness and
5 Quarter Horse races at the Illinois State Fair and at the
6 DuQuoin State Fairgrounds during the scheduled dates of each
7 fair. The Board shall not require and the Department of
8 Agriculture shall be exempt from the requirements of Sections
9 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
10 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
11 and 25. The Board and the Department of Agriculture may extend
12 any or all of these exemptions to any contractor or agent
13 engaged by the Department of Agriculture to conduct its race
14 meetings when the Board determines that this would best serve
15 the public interest and the interest of horse racing.

16 Notwithstanding any provision of law to the contrary, it
17 shall be lawful for any licensee to operate pari-mutuel
18 wagering or contract with the Department of Agriculture to
19 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
20 or for the Department to enter into contracts with a licensee,
21 employ its owners, employees or agents and employ such other
22 occupation licensees as the Department deems necessary in
23 connection with race meetings and wagerings.

24 (b) The Board is vested with the full power to promulgate
25 reasonable rules and regulations for the purpose of
26 administering the provisions of this Act and to prescribe

1 reasonable rules, regulations and conditions under which all
2 horse race meetings or wagering in the State shall be
3 conducted. Such reasonable rules and regulations are to provide
4 for the prevention of practices detrimental to the public
5 interest and to promote the best interests of horse racing and
6 to impose penalties for violations thereof.

7 (c) The Board, and any person or persons to whom it
8 delegates this power, is vested with the power to enter the
9 facilities and other places of business of any licensee to
10 determine whether there has been compliance with the provisions
11 of this Act and its rules and regulations.

12 (d) The Board, and any person or persons to whom it
13 delegates this power, is vested with the authority to
14 investigate alleged violations of the provisions of this Act,
15 its reasonable rules and regulations, orders and final
16 decisions; the Board shall take appropriate disciplinary
17 action against any licensee or occupation licensee for
18 violation thereof or institute appropriate legal action for the
19 enforcement thereof.

20 (e) The Board, and any person or persons to whom it
21 delegates this power, may eject or exclude from any race
22 meeting or the facilities of any licensee, or any part thereof,
23 any occupation licensee or any other individual whose conduct
24 or reputation is such that his presence on those facilities
25 may, in the opinion of the Board, call into question the
26 honesty and integrity of horse racing or wagering or interfere

1 with the orderly conduct of horse racing or wagering; provided,
2 however, that no person shall be excluded or ejected from the
3 facilities of any licensee solely on the grounds of race,
4 color, creed, national origin, ancestry, or sex. The power to
5 eject or exclude an occupation licensee or other individual may
6 be exercised for just cause by the licensee or the Board,
7 subject to subsequent hearing by the Board as to the propriety
8 of said exclusion.

9 (f) The Board is vested with the power to acquire,
10 establish, maintain and operate (or provide by contract to
11 maintain and operate) testing laboratories and related
12 facilities, for the purpose of conducting saliva, blood, urine
13 and other tests on the horses run or to be run in any horse race
14 meeting and to purchase all equipment and supplies deemed
15 necessary or desirable in connection with any such testing
16 laboratories and related facilities and all such tests.

17 (g) The Board may require that the records, including
18 financial or other statements of any licensee or any person
19 affiliated with the licensee who is involved directly or
20 indirectly in the activities of any licensee as regulated under
21 this Act to the extent that those financial or other statements
22 relate to such activities be kept in such manner as prescribed
23 by the Board, and that Board employees shall have access to
24 those records during reasonable business hours. Within 120 days
25 of the end of its fiscal year, each licensee shall transmit to
26 the Board an audit of the financial transactions and condition

1 of the licensee's total operations. All audits shall be
2 conducted by certified public accountants. Each certified
3 public accountant must be registered in the State of Illinois
4 under the Illinois Public Accounting Act. The compensation for
5 each certified public accountant shall be paid directly by the
6 licensee to the certified public accountant. A licensee shall
7 also submit any other financial or related information the
8 Board deems necessary to effectively administer this Act and
9 all rules, regulations, and final decisions promulgated under
10 this Act.

11 (h) The Board shall name and appoint in the manner provided
12 by the rules and regulations of the Board: an Executive
13 Director; a State director of mutuels; State veterinarians and
14 representatives to take saliva, blood, urine and other tests on
15 horses; licensing personnel; revenue inspectors; and State
16 seasonal employees (excluding admission ticket sellers and
17 mutuel clerks). All of those named and appointed as provided in
18 this subsection shall serve during the pleasure of the Board;
19 their compensation shall be determined by the Board and be paid
20 in the same manner as other employees of the Board under this
21 Act.

22 (i) The Board shall require that there shall be 3 stewards
23 at each horse race meeting, at least 2 of whom shall be named
24 and appointed by the Board. Stewards appointed or approved by
25 the Board, while performing duties required by this Act or by
26 the Board, shall be entitled to the same rights and immunities

1 as granted to Board members and Board employees in Section 10
2 of this Act.

3 (j) The Board may discharge any Board employee who fails or
4 refuses for any reason to comply with the rules and regulations
5 of the Board, or who, in the opinion of the Board, is guilty of
6 fraud, dishonesty or who is proven to be incompetent. The Board
7 shall have no right or power to determine who shall be
8 officers, directors or employees of any licensee, or their
9 salaries except the Board may, by rule, require that all or any
10 officials or employees in charge of or whose duties relate to
11 the actual running of races be approved by the Board.

12 (k) The Board is vested with the power to appoint delegates
13 to execute any of the powers granted to it under this Section
14 for the purpose of administering this Act and any rules or
15 regulations promulgated in accordance with this Act.

16 (l) The Board is vested with the power to impose civil
17 penalties of up to \$5,000 against an individual and up to
18 \$10,000 against a licensee for each violation of any provision
19 of this Act, any rules adopted by the Board, any order of the
20 Board or any other action which, in the Board's discretion, is
21 a detriment or impediment to horse racing or wagering. All such
22 civil penalties shall be deposited into the Horse Racing Fund.

23 (m) The Board is vested with the power to prescribe a form
24 to be used by licensees as an application for employment for
25 employees of each licensee.

26 (n) The Board shall have the power to issue a license to

1 any county fair, or its agent, authorizing the conduct of the
2 pari-mutuel system of wagering. The Board is vested with the
3 full power to promulgate reasonable rules, regulations and
4 conditions under which all horse race meetings licensed
5 pursuant to this subsection shall be held and conducted,
6 including rules, regulations and conditions for the conduct of
7 the pari-mutuel system of wagering. The rules, regulations and
8 conditions shall provide for the prevention of practices
9 detrimental to the public interest and for the best interests
10 of horse racing, and shall prescribe penalties for violations
11 thereof. Any authority granted the Board under this Act shall
12 extend to its jurisdiction and supervision over county fairs,
13 or their agents, licensed pursuant to this subsection. However,
14 the Board may waive any provision of this Act or its rules or
15 regulations which would otherwise apply to such county fairs or
16 their agents.

17 (o) Whenever the Board is authorized or required by law to
18 consider some aspect of criminal history record information for
19 the purpose of carrying out its statutory powers and
20 responsibilities, then, upon request and payment of fees in
21 conformance with the requirements of Section 2605-400 of the
22 Department of State Police Law (20 ILCS 2605/2605-400), the
23 Department of State Police is authorized to furnish, pursuant
24 to positive identification, such information contained in
25 State files as is necessary to fulfill the request.

26 (p) To insure the convenience, comfort, and wagering

1 accessibility of race track patrons, to provide for the
2 maximization of State revenue, and to generate increases in
3 purse allotments to the horsemen, the Board shall require any
4 licensee to staff the pari-mutuel department with adequate
5 personnel.

6 (q) The Board shall adopt rules authorizing sports wagering
7 by organization licensees and inter-track wagering location
8 licensees. For purposes of this subsection (q), "sports
9 wagering" means wagering conducted under this Act on athletic
10 and sporting events involving human competitors. "Sports
11 wagering" does not include pari-mutuel wagering on horse racing
12 or money spent to participate in paid fantasy sports.

13 (Source: P.A. 97-1060, eff. 8-24-12.)

14 Section 10. The Criminal Code of 2012 is amended by
15 changing Section 28-1 as follows:

16 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

17 Sec. 28-1. Gambling.

18 (a) A person commits gambling when he or she:

19 (1) knowingly plays a game of chance or skill for money
20 or other thing of value, unless excepted in subsection (b)
21 of this Section;

22 (2) knowingly makes a wager upon the result of any
23 game, contest, or any political nomination, appointment or
24 election;

1 (3) knowingly operates, keeps, owns, uses, purchases,
2 exhibits, rents, sells, bargains for the sale or lease of,
3 manufactures or distributes any gambling device;

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

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

1 wager;

2 (6) knowingly sells pools upon the result of any game
3 or contest of skill or chance, political nomination,
4 appointment or election;

5 (7) knowingly sets up or promotes any lottery or sells,
6 offers to sell or transfers any ticket or share for any
7 lottery;

8 (8) knowingly sets up or promotes any policy game or
9 sells, offers to sell or knowingly possesses or transfers
10 any policy ticket, slip, record, document or other similar
11 device;

12 (9) knowingly drafts, prints or publishes any lottery
13 ticket or share, or any policy ticket, slip, record,
14 document or similar device, except for such activity
15 related to lotteries, bingo games and raffles authorized by
16 and conducted in accordance with the laws of Illinois or
17 any other state or foreign government;

18 (10) knowingly advertises any lottery or policy game,
19 except for such activity related to lotteries, bingo games
20 and raffles authorized by and conducted in accordance with
21 the laws of Illinois or any other state;

22 (11) knowingly transmits information as to wagers,
23 betting odds, or changes in betting odds by telephone,
24 telegraph, radio, semaphore or similar means; or knowingly
25 installs or maintains equipment for the transmission or
26 receipt of such information; except that nothing in this

1 subdivision (11) prohibits transmission or receipt of such
2 information for use in news reporting of sporting events or
3 contests; or

4 (12) knowingly establishes, maintains, or operates an
5 Internet site that permits a person to play a game of
6 chance or skill for money or other thing of value by means
7 of the Internet or to make a wager upon the result of any
8 game, contest, political nomination, appointment, or
9 election by means of the Internet. This item (12) does not
10 apply to activities referenced in items (6) and (6.1) of
11 subsection (b) of this Section.

12 (b) Participants in any of the following activities shall
13 not be convicted of gambling:

14 (1) Agreements to compensate for loss caused by the
15 happening of chance including without limitation contracts
16 of indemnity or guaranty and life or health or accident
17 insurance.

18 (2) Offers of prizes, award or compensation to the
19 actual contestants in any bona fide contest for the
20 determination of skill, speed, strength or endurance or to
21 the owners of animals or vehicles entered in such contest.

22 (3) Pari-mutuel betting as authorized by the law of
23 this State.

24 (4) Manufacture of gambling devices, including the
25 acquisition of essential parts therefor and the assembly
26 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 Federal
3 law; or the manufacture, distribution, or possession of
4 video gaming terminals, as defined in the Video Gaming Act,
5 by manufacturers, distributors, and terminal operators
6 licensed to do so under the Video Gaming Act.

7 (5) The game commonly known as "bingo", when conducted
8 in accordance with the Bingo License and Tax Act.

9 (6) Lotteries when conducted by the State of Illinois
10 in accordance with the Illinois Lottery Law. This exemption
11 includes any activity conducted by the Department of
12 Revenue to sell lottery tickets pursuant to the provisions
13 of the Illinois Lottery Law and its rules.

14 (6.1) The purchase of lottery tickets through the
15 Internet for a lottery conducted by the State of Illinois
16 under the program established in Section 7.12 of the
17 Illinois Lottery Law.

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

23 (8) Raffles and poker runs when conducted in accordance
24 with the Raffles and Poker Runs Act.

25 (9) Charitable games when conducted in accordance with
26 the Charitable Games Act.

1 (10) Pull tabs and jar games when conducted under the
2 Illinois Pull Tabs and Jar Games Act.

3 (11) Gambling games conducted on riverboats when
4 authorized by the Riverboat Gambling Act.

5 (12) Video gaming terminal games at a licensed
6 establishment, licensed truck stop establishment, licensed
7 fraternal establishment, or licensed veterans
8 establishment when conducted in accordance with the Video
9 Gaming Act.

10 (13) Games of skill or chance where money or other
11 things of value can be won but no payment or purchase is
12 required to participate.

13 (14) Savings promotion raffles authorized under
14 Section 5g of the Illinois Banking Act, Section 7008 of the
15 Savings Bank Act, Section 42.7 of the Illinois Credit Union
16 Act, Section 5136B of the National Bank Act (12 U.S.C.
17 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
18 1463).

19 (15) Sports wagering conducted in accordance with
20 Section 9 of the Illinois Horse Racing Act of 1975.

21 (c) Sentence.

22 Gambling is a Class A misdemeanor. A second or subsequent
23 conviction under subsections (a) (3) through (a) (12), is a Class
24 4 felony.

25 (d) Circumstantial evidence.

26 In prosecutions under this Section circumstantial evidence

1 shall have the same validity and weight as in any criminal
2 prosecution.

3 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.