

ILLINOIS REGISTER

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

- 1) Heading of the Part: Riverboat Gambling
- 2) Code Citation: 86 Ill. Adm. Code 3000
- 3)

<u>Section Numbers:</u>	<u>Emergency Actions:</u>
3000.100	Amendment
3000.200	Amendment
3000.201	New Section
3000.606	Amendment
3000.930	Amendment
- 4) Statutory Authority: Implementing and authorized by Section 5 (c) of the Illinois Gambling Act as amended by Public Act 101-0031, effective June 28, 2019.
- 5) Effective Date of Rule:
- 6) If this emergency rule is to expire before the end of the 150-day period, please specify the date on which it is to expire: The emergency amendments will expire at the end of the 150-day period or upon adoption of permanent rules, whichever comes first.
- 7) Date Filed with the Index Department:
- 8) A copy of the emergency amendment, including any material incorporated by reference, is on file in the Illinois Gaming Board's principal office and is available for public inspection.
- 9) Reason for Emergency: New Section 7.7 of the Illinois Gambling Act (IGA) [230 ILCS 10/7.7] provides authority for organization licensees licensed under the Horse Racing Act of 1975 to establish gaming facilities. New Section 7.7 (j) directs the IGB to adopt emergency rules to implement this section. Subsection (j) states that:

The Illinois Gaming Board must establish emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to assure compliance with this amendatory Act of the 101st General Assembly concerning the conduct of gaming by an organization licensee. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

All of the present rulemaking's amendments implement the provisions of Section 7.7 of the IGA and thus fall within the statutory emergency rulemaking authority cited above. While accomplishing this purpose, some of the provisions of the rulemaking also affect

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gaming on riverboats and casinos outside of organization gaming facilities that are not covered by Section 7.7. The impact of the rule language on gaming facilities not covered by Section 7.7 is identical to, and inseparable from, its impact on organization gaming facilities.

Additionally, insofar as this rulemaking amends any provision in the Illinois Gambling Act other than Section 7.7, it also meets the requirements for emergency rulemaking under Section 5-45 (a) of the Illinois Administrative Procedure Act. The underlying purpose of all of the gaming provisions in P.A. 101-0031 is to provide additional, needed revenues to the State of Illinois. Three State funds, in particular, will benefit. The first of these is the Capital Projects Fund that is designated as the recipient of all application fees and taxes under the Sports Wagering Act as well as the additional taxes generated under the Video Gaming Act. This fund will be used to finance “vertical construction” under the State’s capital plan on a “pay go” basis. New licensing fees under the Illinois Gambling Act will go into the Rebuild Illinois Fund that will be used to finance debt service on vertical construction. Additional revenues raised as a result of the expansion of casino and riverboat gaming operations (both in new and existing riverboats and casinos) will go into the State Gaming Fund. The bulk of State Gaming Fund monies are distributed to the State Gaming Fund, a general fund in the State treasury used chiefly to fund higher education. Through its general local distribution formula as well as several special local government distribution provisions, the State Gaming Fund also provides funding to various local governments. An unfortunate consequence of increased gaming activity is a higher incidence of gambling addiction problems. To combat this public health problem, P.A. 101-0031 provides increased funding to the Department of Human Services to treat problem gambling.

Because of the vital purposes served by increased gaming revenues, there will be a threat to the public interest, safety and welfare if P.A. 101-0031 is not implemented promptly in a comprehensive and deliberate manner. The State’s vertical capital is in a condition of widespread disrepair, and a failure to promptly rehabilitate endangers the safety of those who are in and around crumbling structures. New capital projects will also stimulate greatly needed economic revitalization in communities throughout Illinois. Additional appropriations to the Education Assistance Fund will provide an infusion of dollars to an Illinois public higher education system that has been underfunded. By producing skilled graduates and conducting diverse and vital research activities, the Illinois public higher education system immeasurably benefits the public interest and welfare. The increased local government distributions made possible through this legislation will enable recipient cities and counties to finance indispensable activities in public safety and fire

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protection, infrastructure repair and improvement, and local economic development efforts, among other essential local government services.

10) A Complete Description of the Subjects and Issues Involved:

Section 3000.100: The amendment to Section 3000.100 adds new definitions of “Organization Gaming Facility” and “Gaming Operation.” These general terms apply to the entire Act including Section 7.7. “Video Games of Chance” are defined as electronic gaming devices in riverboats and casinos, including casinos in organization gaming facilities. Additionally, new language in this section amends several existing definitions contained in in Section 3000.100 so that they apply to organization licenses and facilities.

Section 3000.200: The amendment to Section 3000.200 generally extends the provisions of the Riverboat Gambling Part of the Illinois Administrative Code to include organization gaming facilities.

Section 3000.201: New subsection 3000.201 (a) provides that all obligations and duties that are currently imposed on owners licensees and applicants for owners licenses under the Illinois Gambling Act also shall apply to organization licensees and applicants for organization licenses. New subsection 3000.201 (b) provides that all references to “Riverboat Gambling Operations” in the Part also apply to all “Gaming Operations,” a term that, as defined by new language in Section 3000.100, includes organization gaming licenses and the conducting of gaming and related activities therein. New subsection 3000.201 (c) states that all references to riverboats in this Part apply to casinos and organization gaming facilities, except as appropriate by context. It is to be noted that “casinos” is a term used in new Section 7.7 of the RGA.

Section 3000.606: The rulemaking amends this Section by rewriting its language while leaving intact the present formula for computation of positions in existence before September 1, 2019. It provides that positions for electronic gaming devices shall be counted as 90 percent of the electronic gaming devices available for play. The Administrator of the IGB shall determine the number of positions for games available for play that do not utilize an electronic gaming device. The Administrator shall make this determination at the time that internal controls for the game are approved. Games that do not utilize an electronic gaming device and that are approved before September 1, 2019 shall count as 5 positions, except for craps which shall count as 10. In determining the number of positions for a game that does not utilize an electronic gaming device, the Administrator shall consider the following: (i) the number of positions assigned to the same game in other approved internal controls of any owners licensee or organization

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gaming licensee; (ii) the nature and scope of the differences between the internal controls of the game and those other instances of the same or similar games operated by any owners licensee or organization gaming licensee; and (iii) the possible maximum number of concurrent players.

Section 930: The rulemaking amends this section by providing that an owners licensee that does not conduct gambling operations 24 hours a day may sell alcoholic beverages or furnish or permit the same to be consumed on the riverboat or casino from 9:30 A.M. until one hour before that licensee's close of gaming operations.

- 11) Are there any other rulemakings pending to this Part? Yes

<u>Section Numbers</u>	<u>Proposed Actions</u>	<u>Illinois Register Citation</u>
3000.287	New Section	43 Ill. Reg. 9315, September 6, 2019
3000.288	New Section	43 Ill. Reg. 9315, September 6, 2019

- 12) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate under 30 ILCS 805.

- 13) Information and questions regarding this rulemaking shall be directed to

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The full text of the emergency amendments begins on the next page.