
ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENT

0LY5468M

- 1) Heading of the Part: Video Gaming (General)
- 2) Code Citation: 11 Ill. Adm. Code 1800
- 3) Section Number: 1800.1421 Emergency Action:
New Section
- 4) Statutory Authority: Section 5-45 (b) of the Illinois Administrative Procedure Act (IAPA) [5 ILCS 100/5-45 (b)] confers rulemaking authority upon a covered agency if the agency finds that an emergency exists requiring adoption of a rule upon fewer days than is required for general rulemaking under Section 5-40 of the IAPA. Section 5-45 (a) of the IAPA [5 ILCS 100/5-45 (a)] defines an “emergency as “any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.”
- 5) **Effective Date of Rule: July 26, 2021**
- 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 amendment 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: The present emergency rulemaking is the second filed by the Illinois Gaming Board (IGB or Board) to address the implications of a national coin shortage on video gaming operations. The first emergency rule on the subject, published at 44 Ill. Reg. 13463 and effective July 28, 2020 for a period of 150 days, was enacted during a period of general coin shortages throughout the video gaming industry. The COVID-19 pandemic brought about a decreased use of currency with a corresponding increase in credit and debit transactions. As a result, there developed a national shortage of coinage in general circulation. Lacking sufficient coinage, video gaming redemption devices became unable to redeem patron tickets either fully or partially. This situation threatened to paralyze the operation of video gaming throughout the State of Illinois, depriving the people of the State of the welfare benefits contemplated by the General Assembly when it enacted the Video Gaming Act.

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The present rulemaking addresses a related but distinct emergency. It responds to a new situation in which coin shortages continue to exist for some terminal operators that continue to face difficulties in obtaining enough coins to confidently redeem all of the gaming tickets and vouchers held by patrons. Factors that can impose coin shortages on individual terminal operators include location of market areas, numbers of redemption terminals, frequency of coin filling and redemptions, number of available coin suppliers, and the size and geographic reach of a terminal operator's market that may or may not allow it to remedy a deficiency of coins in one area through a surplus in another area where coins are more plentiful.

Although not universal, the present situation imminently threatens to curtail the continued operation of video gaming among certain terminal operators, and within particular video gaming market areas. The coin shortages will bring financial and operational harms to affected terminal operators and video gaming locations, and thereby likely lower overall State revenues from video gaming. The situation could be particularly challenging for local governments located in areas with coin shortages, as such municipalities may face reduced video gaming revenues if patrons reduce play due to the effects of a coin shortage.

The Illinois Gaming Board intends to follow this emergency rulemaking with adoption of a permanent rulemaking that incorporates the emergency rule provisions.

- 10) A Complete Description of the Subjects and Issues Involved: As the coin shortage in video gaming is now dispersed rather than universal, it is appropriate to confer upon the IGB Administrator discretion to invoke the provisions of the present emergency rulemaking for individual terminal operators based upon specific factors impacting their operations and the regions of Illinois in which they operate. Subsection (a) of new Section 1800.1421 allows the Administrator to grant approval to a terminal operator, upon written request, to redeem gaming tickets and vouchers through the United States Postal Service (USPS). Factors to be considered by the Administrator in the decision whether to grant such approval are those enumerated in item 9 above, namely: existence of a coin shortage in market areas of the terminal operator; numbers of redemption terminals; frequency in coin filling and redemptions; number of available coin suppliers; and the size of the terminal operator's market that may or may not allow it to remedy a deficiency of coins in one area through a surplus in another area where coins are more plentiful.

Subsection (b) defines a "coin shortage" as the inability of a terminal operator to acquire sufficient U.S. currency to allow its redemption devices to redeem all gaming tickets and

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vouchers reasonably expected to be redeemed over a seven-day period because the terminal operator's usual coin suppliers cannot meet the terminal operator's demand.

Subsection (c) requires that, prior to a terminal operator redeeming gaming tickets and vouchers through the USPS, the terminal operator's redemption devices shall be programmed to either return unredeemable tickets and vouchers in the full amount, or redeem an amount less than the value of the tickets and vouchers, and print a ticket or voucher for the balance of the tickets or vouchers' value.

Subsection (d) provides that a patron may, but is not required, to bring the ticket or voucher printed at the redemption device to the licensed location for redemption. The licensed location may choose to redeem the value of the ticket or voucher. A licensed location redeeming tickets or vouchers shall retain all redeemed tickets or vouchers until provided to the terminal operator; record dates and times that tickets or vouchers were redeemed; and maintain and provide any other information requested by the terminal operator related to the voucher or ticket redemption.

Subsection (e) provides that a patron may submit the ticket or voucher to the terminal operator for redemption by mail. In this instance, the patron shall provide his or her name and address with the ticket or voucher to be redeemed. The terminal operator, subject to verification through its internal processes, shall issue payment for the ticket or voucher by mail within 15 days. The terminal operator shall reimburse the patron for the cost of mailing the ticket or voucher, with reimbursement to be included with the payment for the ticket or voucher.

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

<u>Section Numbers</u>	<u>Proposed Actions</u>	<u>Illinois Register Citations</u>
1800.321	New Section	45 Ill. Reg. 1328; January 29, 2021
1800.320	Amendment	45 Ill. Reg. 6531; May 21, 2021

- 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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IGB.RuleComments@igb.illinois.gov

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

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TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE D: VIDEO GAMING
CHAPTER I: ILLINOIS GAMING BOARD

PART 1800
VIDEO GAMING (GENERAL)
SUBPART N: PAYOUT DEVICES AND REQUIREMENTS

**Section 1800.1421 Redemption of Video Gaming Tickets During a Coin Shortage
EMERGENCY**

- a) In the event of a coin shortage, the Administrator may grant approval to a terminal operator, upon written request, to redeem gaming tickers and vouchers by mail through the United States Postal Service (USPS). Factors to be considered by the Administrator in the decision whether to grant such approval may include:
- 1) Existence of a coin shortage in market areas of the terminal operator;
 - 2) Numbers of redemption terminals;
 - 3) Frequency of coin filling and redemptions;
 - 4) Number of available coin suppliers; and
 - 5) The size and geographic reach of a terminal operator's market that may or may not allow it to remedy a deficiency of coins in one area through a surplus in another area where coins are more plentiful.
- b) For the purposes of this Section, a "coin shortage" means the inability of a terminal operator to acquire sufficient U.S. currency to allow its redemption devices to redeem all gaming tickets and vouchers reasonably expected to be redeemed over a seven-day period because the terminal operator's usual coin suppliers cannot meet the terminal operator's demand.
- c) Prior to a terminal operator redeeming gaming tickets or vouchers through the USPS, the terminal operator's redemption devices shall be programmed to either return unredeemable tickets or vouchers in the full amount, or redeem an amount

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less than the value of the tickets or vouchers and print a ticket or voucher for the balance of the tickets or vouchers' value.

- d) Prior to electing to redeem a ticket or voucher through the USPS, a patron may, but is not required to, bring the ticket or a voucher printed at the redemption device to the licensed location for redemption. The licensed location may choose to redeem the value of the ticket or voucher. A licensed location redeeming tickets or vouchers shall:
- 1) Retain all redeemed tickets and vouchers until provided to the terminal operator;
 - 2) Record the date and time the ticket or voucher was redeemed; and
 - 3) Maintain and provide any other information requested by the terminal operator related to the ticket or voucher redemption.
- e) A patron may submit the ticket or voucher to the terminal operator for redemption by mail. If a patron submits a ticket or voucher for redemption by mail, the following shall apply:
- 1) The patron shall provide his or her name and address with the ticket or voucher to be redeemed.
 - 2) The terminal operator, subject to verifying the ticket or voucher through its internal processes, shall issue payment within 15 days for the ticket or voucher by mail.
 - 3) The terminal operator shall reimburse the patron for the cost of mailing the ticket or voucher. The reimbursement shall be included with the payment for the ticket or voucher mailed to the patron.

(Added by emergency rulemaking, effective July 26, 2021, for a maximum of 150 days)