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ILLINOIS GAMING BOARD

NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Video Gaming (General)
- 2) Code Citation: 11 Ill. Adm. Code 1800
- 3) Section Number: 1800.340                      Adopted Action:  
New Section
- 4) Statutory Authority: Section 78 (a) (3) of the Video Gaming Act (VGA) [230 ILCS 40/78 (a) (3)] empowers the Board “to adopt rules for the purpose of administering the provisions of this Act and to prescribe rules, regulations, and conditions under which all video gaming in the State shall be conducted.”
- 5) Effective Date of Rule:
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain an incorporation by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the principal office and is available for public inspection.
- 9) Notice of proposal published in Illinois Register: 43 Ill. Reg. 13354; November 22, 2019.
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between proposal and final version: New subsections 1800.340 (a) (1) and (3) are amended to provide that the specific information provided to the Board by any person seeking to acquire less than a 100% interest in a terminal operator shall include the reason for acquisition of ownership interest and disclosure of other ownership interests.

In subsection 1800.340 (a) (4), language is deleted requiring a licensed terminal operator to bear the costs for all investigations relating to the person seeking to acquire an ownership interest.

New subsection 1800.340 (a) (6), and corresponding language in subsection 1800.340 (c), pertain to the Board’s evaluation of undue economic concentration in connection with the transfer of interest in a terminal operator. This subsection provides that, in considering whether such a transfer will result in undue economic concentration in the direct or indirect ownership, control or operation of video terminals in Illinois, the Board

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shall consider the criteria set forth in Section 1800.440 (c). Additionally, new subsection 1800.340 (a) (6) empowers the Board to place any restrictions or qualifications on the terms of a transfer of an ownership interest in a terminal operator that it deems necessary to prevent or eliminate undue economic concentration.

Subsection (a) (7) [formerly subsection (a) (6)] is amended to provide that denials of transfers of ownership may be contested under the procedures of Subpart G (Disciplinary Actions Against Licensees) rather than Subpart F (Denials of Applications for Licensure).

New subsection 1800.340 (a) (9) provides that the Board shall make a determination on a request for leave to transfer an ownership interest of a terminal operator within 90 days after the date upon which the requesting party has provided full and complete disclosure to the Board of all material terms of the proposed transfer. If the terminal operator involved in the proposed transfer has received a disciplinary complaint from the Board, the period for Board determination shall extend further to the date of the second Board meeting following conclusion of the disciplinary proceedings. The required disclosures include but are not limited to all information required under subsections (a) (1), (2) and (3) of Section 1800.520 (Applications).

New subsection 1800.340 (b) provides that any information furnished to the Board under this section is strictly confidential and shall not be used for any purposes other than the analysis, evaluation and investigation carried out in connection with the request for transfer of terminal ownership interest.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this rulemaking replace any emergency rulemaking currently in effect? Yes
- 14) Are there any rulemakings pending on this part? Yes

<u>Section Numbers</u>	<u>Proposed Actions</u>	<u>Illinois Register Citations</u>
1800.2110	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2120	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2130	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2140	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2150	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2160	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.2170	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.EXHIBIT A	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.EXHIBIT B	New Section	43 Ill. Reg. 13488, December 2, 2019
1800.110	Amendment	44 Ill. Reg. 4265, March 20, 2020

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1800.350	New Section	44 Ill. Reg. 4265, March 20, 2020
1800.140	New Section	44 Ill. Reg. 10061, June 12, 2020
1800.615	Amendment	44 Ill. Reg. 10061, June 12, 2020
1800.690	Amendment	44 Ill. Reg. 10061, June 12, 2020
1800.715	Amendment	44 Ill. Reg. 10061, June 12, 2020
1800.720	Amendment	44 Ill. Reg. 10061, June 12, 2020
1800.790	Amendment	44 Ill. Reg. 10061, June 12, 2020

- 15) Summary and purpose of rulemaking: Under existing Video Gaming Act rules, and in contrast to the rules governing riverboat and casino gambling, there is no current requirement for Illinois Gaming Board (“IGB” or “Board”) approval of the transfer of ownership interests of a terminal operator. Instead, a licensed terminal operator merely has a continuing duty to report sales of ownership interests to the IGB within 21 days after they occur [11 Ill. Adm. Code 1800.220 (Continuing Duty to Report Information)]. Thus, for a period of three weeks following such a sale, the IGB—the State regulator tasked with protecting the safety and integrity of Illinois gaming—is not entitled to any information whatsoever about, and has no ability to intervene in, a sale involving one of its licensees.

The present amendment rectifies the situation by generally providing that an ownership interest in a terminal operator may only be transferred with leave of the Board, thereby bringing needed transparency, disclosure, oversight, and accountability to the process in three essential ways. First, the rule’s pre-transfer disclosure requirement precludes a terminal operator licensee or owner facing probable disciplinary Board action (including license revocation, suspension or nonrenewal) from evading liability from wrongdoing by effectuating a quick ownership or assets transfer without Board knowledge or approval. Without the present amendment, such a person, who has acted unethically and in violation of statutory and administrative requirements, can still earn a potentially large profit derived from the license or ownership. Further, the current lack of a prior disclosure requirement regarding transfers of terminal operator ownership and assets means that a person holding an interest in a terminal operator has the opportunity to unload the interest even before the Board is cognizant that a disciplinary situation exists. The current absence of real time Board oversight over terminal operator ownership and asset sales deprives the public of confidence that video gaming business in Illinois operates in an ethical and transparent manner. The present amendment, by imposing a prior disclosure requirement upon terminal operator licensees and owners, will enhance public confidence in the integrity of video gaming, provides assurance that those who violate video gaming law will not profit from unethical or illegal conduct.

Second, the amendment promotes competition in the video gaming industry. Unregulated transfers of terminal operator ownership and assets tend to diminish

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economic competition, in conflict with the directive in Section 25 (i) of the Video Gaming Act [230 ILCS 40/25 (i)] that “[t]he Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration.” To further the implementation of this statutory directive, the Board has adopted 11 Ill. Adm. Code 1800.440 (Undue Economic Concentration) establishing criteria for evaluating whether a situation of undue economic concentration exists, and giving the Board “authority to place any restrictions or qualifications on the terms of a terminal operator license that it deems necessary to prevent or eliminate undue economic concentration, including, but not limited to, setting a limit on the maximum amount of use agreements a terminal operator may have” [11 Ill. Adm. Code 1800.440 (d)]. The amendment will provide the Board with advance knowledge of terminal operator ownership and asset transfers, thereby enabling the Board to effectively limit these transfers so as to prevent undue economic concentration.

Third, the Board’s current lack of timely information regarding ownership transfers and asset sales raises related concerns pertaining to the financial stability of many terminal operators. The disclosure requirements of the present amendment will make it possible for the Board to act to prevent sales of use agreements to those terminal operators whose financial circumstances are precarious to the extent that they will be unable to handle the additional financial requirements that the sales will bring upon them. Without financial stability within the key terminal operator sector of the video gaming industry, video gaming in Illinois will prove incapable of completely fulfilling its statutory purpose of “assisting economic development and promoting Illinois tourism” [230 ILCS 10/2 (a)].

In all of the above ways, the amendment provides needed transparency and consistency with respect to terminal operator transactions, and ensures that ethical standards are maintained. The very foundation of gaming regulation is knowledge of who holds ownership of gaming interests. Without it, the pyramid of effective regulation tumbles. The present rule will provide both the Board and general public with this knowledge and the accountability and confidence that flow from it.

The rulemaking contains the following specific provisions:

Subsection (a) provides that an ownership interest in a licensed terminal operator may only be transferred with leave of the Board. It also requires leave of the Board for the transfer of any ownership interest in a business entity (other than a publicly traded company) that has an interest in a licensed terminal operator. The documentation to be provided to the Board under this subsection in connection with the acquisition of an ownership interest depends on whether it is a terminal operator or another type of business entity that is seeking to acquire a terminal operator interest.

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Under subsection (a) (1), a business entity other than a terminal operator that is seeking to acquire an interest in a terminal operator of less than 100% must complete either a Business Entity or Personal Disclosure form as appropriate, as well as any other information specifically requested by the Board. The additional information may include, but is not limited to, the reason for the acquisition of ownership interest and disclosure of other ownership interests.

Subsection (a) (2) requires a business entity seeking 100% ownership of a terminal operator to submit a terminal operator application.

Subsection (a) (3) provides that a licensed terminal operator seeking to acquire ownership in another licensed terminal operator shall provide any information requested by the Board, which shall include, but not be limited to, the information specified in subsections (a) (1) and (a) (2).

Subsection (a) (4) requires the Board to investigate persons seeking an ownership interest in a terminal operator.

Subsection (a) (5) provides that the Board shall give leave for a transfer of interest in a terminal operator only after it is satisfied that the transaction does not impair public confidence and trust in gaming, does not pose a threat to the security and integrity of video gaming, and does not discredit or tend to discredit the video gaming industry or the State of Illinois. The Board shall consider, without limitation, the licensing criteria in the Video Gaming Act (Act) and Section 1800.420 (Qualifications for Licensure).

Subsection (a) (6) provides that in determining whether a transfer of an ownership interest will result in undue economic concentration, the Board shall also consider the criteria found in subsection (c) of Section 1800.440 (Undue Economic Concentration). It provides the Board with authority to place any restrictions or modifications in the terms of a transfer of ownership interests in a terminal operator to prevent or eliminate undue economic concentration.

Subsection (a) (7) provides that a denial of transfer of ownership in a terminal operator may be contested under Subpart G (Disciplinary Actions Against Licensees).

Subsection (a) (8) provides that upon conclusion of disciplinary proceedings, the Board shall make a determination within the next two Board meetings on any request to transfer or sell ownership by a terminal operator.

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Subsection (a) (9) provides that the Board shall make a determination on a request for leave to transfer an ownership interest of a terminal operator within 90 days after the date upon which the requesting party has provided full and complete disclosure to the Board of all material terms of the proposed transfer, including but not limited to all information required under subsections (a) (1), (2) and (3) of Section 1800.520 (Applications), provided that, if the terminal operator involved in the proposed transfer has received a disciplinary complaint from the Board, the period for Board determination shall extend further to the date of the second Board meeting following conclusion of the disciplinary proceedings.

Subsection (b) provides that any information provided to the Board under Section 1800.340 is strictly confidential and shall not be used for any purposes other than the analysis, evaluation and investigation carried out in connection with a request under that section.

Subsection (c) provides that, except for equipment, no video gaming asset, including the right to place video gaming terminals at a licensed establishment, may be assigned or transferred to another terminal operator without prior approval from the Administrator.

Subsection (d) authorizes the Administrator to deny a request to transfer a video gaming asset to another terminal operator if the Administrator finds that the transfer is not in the best interests of gaming in the State. In making this determination, the Administrator shall consider all relevant factors, including but not limited to:

Undue economic concentration based upon the criteria found in Section 1800.440 (c);

Integrity of the State's video gaming industry; and

Status of the licensee with the Board.

Subsection (e) requires the Administrator to notify the parties in writing whenever he or she denies a request to transfer or assign a video gaming asset.

Finally, subsection (f) provides that following a denial by the Administrator of a request to transfer or assign a video gaming asset, the terminal operator may only transfer or assign the asset with leave from the Board.

- 16) Information and Questions regarding this adopted rulemaking may be addressed to:

Agostino Lorenzini

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General Counsel  
Illinois Gaming Board  
160 North LaSalle Street  
Chicago, Illinois 60601

[IGB.RuleComments@igb.illinois.gov](mailto:IGB.RuleComments@igb.illinois.gov)

The full text of the Adopted 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 A: GENERAL PROVISIONS

Section	
1800.110	Definitions
1800.115	Gender
1800.120	Inspection
1800.130	Board Meetings

SUBPART B: DUTIES OF LICENSEES

Section	
1800.210	General Duties of All Video Gaming Licensees
1800.220	Continuing Duty to Report Information
1800.230	Duties of Licensed Manufacturers
1800.240	Duties of Licensed Distributors
1800.250	Duties of Terminal Operators
1800.260	Duties of Licensed Technicians and Licensed Terminal Handlers
1800.270	Duties of Licensed Video Gaming Locations

SUBPART C: STANDARDS OF CONDUCT FOR LICENSEES

Section	
1800.310	Grounds for Disciplinary Actions
1800.320	Minimum Standards for Use Agreements
1800.330	Economic Disassociation
<a href="#">1800.340</a>	<a href="#">Change in Ownership of Terminal Operators and Assets Held by Terminal Operators</a>

SUBPART D: LICENSING QUALIFICATIONS

Section	
1800.410	Coverage of Subpart
1800.420	Qualifications for Licensure

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- 1800.430 Persons with Significant Influence or Control
- 1800.440 Undue Economic Concentration

SUBPART E: LICENSING PROCEDURES

Section

- 1800.510 Coverage of Subpart
- 1800.520 Applications
- 1800.530 Submission of Application
- 1800.540 Application Fees
- 1800.550 Consideration of Applications by the Board
- 1800.555 Withdrawal of Applications and Surrender of Licenses
- 1800.560 Issuance of License
- 1800.570 Renewal of License
- 1800.580 Renewal Fees and Dates
- 1800.590 Death and Change of Ownership of Video Gaming Licensee

SUBPART F: DENIALS OF APPLICATIONS FOR LICENSURE

Section

- 1800.610 Coverage of Subpart
- 1800.615 Requests for Hearing
- 1800.620 Appearances
- 1800.625 Appointment of Administrative Law Judge
- 1800.630 Discovery
- 1800.635 Subpoenas
- 1800.640 Motions for Summary Judgment
- 1800.650 Proceedings
- 1800.660 Evidence
- 1800.670 Prohibition on Ex Parte Communication
- 1800.680 Sanctions and Penalties
- 1800.690 Transmittal of Record and Recommendation to the Board
- 1800.695 Status of Applicant for Licensure Upon Filing Request for Hearing

SUBPART G: DISCIPLINARY ACTIONS AGAINST LICENSEES

Section

- 1800.710 Coverage of Subpart
- 1800.715 Notice of Proposed Disciplinary Action Against Licensees
- 1800.720 Hearings in Disciplinary Actions

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1800.725	Appearances
1800.730	Appointment of Administrative Law Judge
1800.735	Discovery
1800.740	Subpoenas
1800.745	Motions for Summary Judgment
1800.750	Proceedings
1800.760	Evidence
1800.770	Prohibition on Ex Parte Communication
1800.780	Sanctions and Penalties
1800.790	Transmittal of Record and Recommendation to the Board
1800.795	Persons Subject to Proposed Orders of Economic Disassociation

SUBPART H: LOCATION OF VIDEO GAMING TERMINALS IN  
LICENSED VIDEO GAMING LOCATIONS

Section	
1800.810	Location and Placement of Video Gaming Terminals
1800.815	Licensed Video Gaming Locations Within Malls
1800.820	Measurement of Distances from Locations
1800.830	Waivers of Location Restrictions

SUBPART I: SECURITY INTERESTS

Section	
1800.910	Approvals Required, Applicability, Scope of Approval
1800.920	Notice of Enforcement of a Security Interest
1800.930	Prior Registration

SUBPART J: TRANSPORTATION, REGISTRATION,  
AND DISTRIBUTION OF VIDEO GAMING TERMINALS

Section	
1800.1010	Restriction on Sale, Distribution, Transfer, Supply and Operation of Video Gaming Terminals
1800.1020	Transportation of Video Gaming Terminals into the State
1800.1030	Receipt of Video Gaming Terminals in the State
1800.1040	Transportation of Video Gaming Terminals Between Locations in the State
1800.1050	Approval to Transport Video Gaming Terminals Outside of the State
1800.1060	Placement of Video Gaming Terminals
1800.1065	Registration of Video Gaming Terminals

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1800.1070 Disposal of Video Gaming Terminals  
SUBPART K: STATE-LOCAL RELATIONS

Section  
1800.1110 State-Local Relations

SUBPART L: FINGERPRINTING OF APPLICANTS

Section  
1800.1210 Definitions  
1800.1220 Entities Authorized to Perform Fingerprinting  
1800.1230 Qualification as a Livescan Vendor  
1800.1240 Fingerprinting Requirements  
1800.1250 Fees for Fingerprinting  
1800.1260 Grounds for Revocation, Suspension and Denial of Contract

SUBPART M: PUBLIC ACCESS TO INFORMATION

Section  
1800.1310 Public Requests for Information

SUBPART N: PAYOUT DEVICES AND REQUIREMENTS

Section  
1800.1410 Ticket Payout Devices  
1800.1420 Redemption of Tickets Following Removal or Unavailability of Ticket Payout Devices

SUBPART O: NON-PAYMENT OF TAXES

Section  
1800.1510 Non-Payment of Taxes

SUBPART P: CENTRAL COMMUNICATIONS SYSTEM

Section  
1800.1610 Use of Gaming Device or Individual Game Performance Data

SUBPART Q: RESPONSIBLE GAMING

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Section

- 1800.1710 Conversations About Responsible Gaming
- 1800.1720 Responsible Gaming Education Programs
- 1800.1730 Problem Gambling Registry
- 1800.1740 Utilization of Technology to Prevent Problem Gambling

SUBPART R: IMPLEMENTATION OF TECHNOLOGY

Section

- 1800.1810 Implementation of Technology

SUBPART S: INDEPENDENT TESTING LABORATORIES

Section

- 1800.1910 Independent Outside Testing Laboratories
- 1800.1920 Minimum Duties of an Independent Outside Testing Laboratory
- 1800.1930 Testing of Video Gaming Equipment
- 1800.1940 Approval of Video Gaming Equipment

SUBPART T: IN-LOCATION PROGRESSIVE GAMES

Section

- 1800.2010 In-location Progressive Games
- 1800.2020 Optional Nature of In-location Progressive Games
- 1800.2030 Procedures Within Licensed Video Gaming Locations
- 1800.2040 Payments of Progressive Jackpot Amount
- 1800.2050 Deductions from Progressive Jackpots
- 1800.2060 Progressive Jackpot Coordinator

AUTHORITY: Implementing and authorized by the Video Gaming Act [230 ILCS 40].

SOURCE: Adopted by emergency rulemaking at 33 Ill. Reg. 14793, effective October 19, 2009, for a maximum of 150 days; adopted at 34 Ill. Reg. 2893, effective February 22, 2010; emergency amendment at 34 Ill. Reg. 8589, effective June 15, 2010, for a maximum of 150 days; emergency expired November 11, 2010; amended at 35 Ill. Reg. 1369, effective January 5, 2011; emergency amendment at 35 Ill. Reg. 13949, effective July 29, 2011, for a maximum of 150 days; emergency expired December 25, 2011; amended at 36 Ill. Reg. 840, effective January 6, 2012; amended by emergency rulemaking at 36 Ill. Reg. 4150, effective February 29, 2012, for a maximum of 150 days; amended at 36 Ill. Reg. 5455, effective March 21, 2012; amended at 36 Ill. Reg. 10029, effective June 28, 2012; emergency amendment at 36 Ill. Reg. 11492, effective

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July 6, 2012, for a maximum of 150 days; emergency expired December 2, 2012; emergency amendment at 36 Ill. Reg. 12895, effective July 24, 2012, for a maximum of 150 days; amended at 36 Ill. Reg. 13178, effective July 30, 2012; amended at 36 Ill. Reg. 15112, effective October 1, 2012; amended at 36 Ill. Reg. 17033, effective November 21, 2012; expedited correction at 39 Ill. Reg. 8183, effective November 21, 2012; amended at 36 Ill. Reg. 18550, effective December 14, 2012; amended at 37 Ill. Reg. 810, effective January 11, 2013; amended at 37 Ill. Reg. 4892, effective April 1, 2013; amended at 37 Ill. Reg. 7750, effective May 23, 2013; amended at 37 Ill. Reg. 18843, effective November 8, 2013; emergency amendment at 37 Ill. Reg. 19882, effective November 26, 2013, for a maximum of 150 days; emergency amendment suspended by the Joint Committee on Administrative Rules at 38 Ill. Reg. 3384, effective January 14, 2014; suspension withdrawn at 38 Ill. Reg. 5897; emergency repeal of emergency amendment at 38 Ill. Reg. 7337, effective March 12, 2014, for the remainder of the 150 days; amended at 38 Ill. Reg. 849, effective December 27, 2013; amended at 38 Ill. Reg. 14275, effective June 30, 2014; amended at 38 Ill. Reg. 19919, effective October 2, 2014; amended at 39 Ill. Reg. 5401, effective March 27, 2015; amended at 39 Ill. Reg. 5593, effective April 1, 2015; amended at 40 Ill. Reg. 2952, effective January 27, 2016; amended at 40 Ill. Reg. 8760, effective June 14, 2016; amended at 40 Ill. Reg. 12762, effective August 19, 2016; amended at 40 Ill. Reg. 15131, effective October 18, 2016; emergency amendment at 41 Ill. Reg. 2696, effective February 7, 2017, for a maximum of 150 days; amended at 41 Ill. Reg. 2939, effective February 24, 2017; amended at 41 Ill. Reg. 4499, effective April 14, 2017; amended at 41 Ill. Reg. 10300, effective July 13, 2017; amended at 42 Ill. Reg. 3126, effective February 2, 2018; amended at 42 Ill. Reg. 3735, effective February 6, 2018; emergency amendment at 43 Ill. Reg. 9261, effective August 13, 2019, for a maximum of 150 days; emergency amendment, except for the definition of "in-location bonus jackpot game" or "in-location progressive game" and the definition of "progressive jackpot" in Section 1800.110 and except for Section 1800.250(x), suspended at 43 Ill. Reg. 11061, effective September 18, 2019; emergency amendment at 43 Ill. Reg. 9788, effective August 19, 2019, for a maximum of 150 days; emergency amendment at 43 Ill. Reg. 11688, effective September 26, 2019, for a maximum of 150 days; emergency amendment at 43 Ill. Reg. 13464, effective November 8, 2019, for a maximum of 150 days; emergency amendment suspended by the Joint Committee on Administrative Rules at 43 Ill. Reg. 13479, effective November 12, 2019; suspension withdrawn at 44 Ill. Reg. 3583; emergency amendment to emergency rule at 44 Ill. Reg. 3568, effective February 21, 2020, for the remainder of the 150 days; amended at 43 Ill. Reg. 14099, effective November 21, 2019; amended at 44 Ill. Reg. 489, effective December 27, 2019; amended at 44 Ill. Reg. 1961, effective December 31, 2019; amended at 44 Ill. Reg. 3205, effective February 7, 2020; emergency amendment at 44 Ill. Reg. 10193, effective May 27, 2020, for a maximum of 150 days; amended at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART C: STANDARDS OF CONDUCT FOR LICENSEES

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**Section 1800.340 Change in Ownership of Terminal Operators and Assets Held by Terminal Operators**

- a) Notwithstanding any other Subpart, any ownership interest in a licensed terminal operator may only be transferred with leave of the Board. Any ownership interest in a business entity, other than a publicly traded corporation that has an interest in a licensed terminal operator may only be transferred with leave of the Board.
- 1) Any person, other than a licensed terminal operator, seeking to acquire less than a 100% ownership interest in a licensed terminal operator must complete either a Business Entity or Personal Disclosure Form, whichever is applicable, and provide any other information specifically requested by the Board, including, but not limited to:
    - A) the reason for acquisition of ownership interest; and
    - B) disclosure of other ownership interests.
  - 2) Any person, other than a licensed terminal operator, seeking to acquire a 100% ownership interest in a licensed terminal operator must complete a terminal operator application.
  - 3) Any licensed terminal operator seeking to acquire an ownership interest in another licensed terminal operator must provide any information requested by the Board, including, but not limited to, the information specified in subsections (a)(1)(A) and (a)(1)(B).
  - 4) The Board shall investigate persons seeking to acquire an ownership interest in a licensed terminal operator.
  - 5) The Board shall grant leave to transfer an ownership interest in a terminal operator only after the Board is satisfied that the transaction does not adversely affect public confidence and trust in gaming, does not pose a threat to the public interests of the State or to the security and integrity of video gaming, and does not discredit or tend to discredit the Illinois gaming industry or the State of Illinois. The Board shall consider, without limitation, the licensing criteria found in the Act and in Section 1800.420 in deciding whether to grant leave to transfer an ownership interest.

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- 6) The Board shall also consider whether granting leave to transfer an ownership interest in a terminal operator will result in undue economic concentration in the direct or indirect ownership, control or operation of video terminals in Illinois, as set forth in the Act and Section 1800.440. In determining whether transfer of an ownership interest in a terminal operator will result in undue economic concentration, the Board shall consider the criteria found in Section 1800.440(c). The Board shall have the authority to place any restrictions or qualifications on the terms of a transfer of an ownership interest in a terminal operator that it deems necessary to prevent or eliminate undue economic concentration.
  - 7) If the Board denies a request to transfer an ownership interest of a licensed terminal operator, the Board shall issue a Notice of Denial and the denied person shall have the ability to contest the denial in accordance with Subpart G. The denied person may request a hearing under Subpart F.
  - 8) Upon conclusion of disciplinary proceedings, the Board shall make a determination within the next two Board meetings on any request to transfer or sell ownership by a terminal operator.
  - 9) The Board shall make a determination on a request for leave to transfer an ownership interest of a terminal operator within 90 days after the date upon which the requesting party has provided full and complete disclosure to the Board of all material terms of the proposed transfer, including but not limited to all information required under subsections (a)(1), (2) and (3) and Section 1800.520; provided that, if the terminal operator involved in the proposed transfer has received a disciplinary complaint from the Board, the period for Board determination shall extend further to the date of the second Board meeting following conclusion of the disciplinary proceedings.
- b) Any information provided to the Board under this Section is strictly confidential and shall not be used for any purposes other than the analysis, evaluation and investigation carried out in connection with a request under this Section.
  - c) Except for equipment, no video gaming asset, including the right to place video gaming terminals at a licensed establishment, held by a licensed terminal operator may be transferred or assigned to another licensed terminal operator without prior approval from the Administrator.

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- d) The Administrator may deny the request of any terminal operator to transfer or assign a video gaming asset to another licensed terminal operator if the Administrator finds that the request is not in the best interest of gaming in the State. The Administrator shall determine whether a request to transfer or assign a video gaming asset is in the best interest of gaming in the State after considering all relevant factors, including but not limited to:
- 1) Undue economic concentration based upon the criteria found in Section 1800.440(c);
  - 2) The integrity of the State's video gaming industry; and
  - 3) The status of the licensees with the Board.
- e) If the Administrator denies a request to transfer or assign a video gaming asset under this Section, the Administrator shall notify the parties in writing.
- f) If the Administrator denies a request to transfer or assign a video gaming asset under this Section, the terminal operator may only transfer or assign the video gaming asset with leave from the Board.

(Source: Added at 44 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)