PRAIRIE STATE GAMING

Use agreement checklist: questions to ask any operator

What the rules require in every use agreement, what no operator can change, and the service questions worth asking first.

A plain-language summary, not legal advice. The statute, the Illinois Gaming Board's rules and your municipality control. For where Chicago's rollout stands today, see https://prairiestateslots.com/chicago-video-gaming

What every use agreement must meet

The Illinois Gaming Board sets minimum standards. Check each one in any agreement you are handed.

- ☐ The term is no longer than eight years. (11 Ill. Adm. Code 1800.320)
- ☐ It does not renew automatically without a cancellation step. (11 Ill. Adm. Code 1800.320)
- ☐ It may be assigned only from one licensed operator to another. (11 Ill. Adm. Code 1800.320)
- ☐ It states that no inducement was offered or accepted. (11 Ill. Adm. Code 1800.320)
- ☐ It releases the location if the operator loses its license. (11 Ill. Adm. Code 1800.320)

What no operator can change

- ☐ The split. After tax, terminal income is divided equally between the operator and the establishment, whatever an agreement says. (230 ILCS 40/25(c))
- ☐ The tax. The state takes 35% of net terminal income before anything is divided. (230 ILCS 40/60)
- ☐ Nothing of value to sign. An operator may not give a location anything of value as an inducement; doing so is a Class 4 felony for the operator. The Board's rule lists the narrow items an operator may provide, and the connection hardware among them is capped at $2,500 unless the Board approves more in writing. (230 ILCS 40/25(c); 11 Ill. Adm. Code 1800.350(b)(1))
- ☐ The terminal count. Up to six at a bar or restaurant. (230 ILCS 40/25(e))

Questions to ask any operator

The money is set by law, so these are the questions that separate one operator from another.

- ☐ Who is my day-to-day contact, and how do I reach them?
- ☐ How do I report a down machine, and when is support available?
- ☐ Who prepares and coordinates the licensing paperwork, state and local?
- ☐ Who plans the gaming area and the terminal layout with me?
- ☐ What reporting will I see on how my terminals are doing, and how often?

- [ ] What marketing and player-promotion support comes with the partnership?

If you already have an agreement

- [ ] Your current agreement governs your terminals until it ends on its own terms. If the location is licensed, the first agreement signed controls over any later one, and the Board decides disputes between overlapping agreements. (11 Ill. Adm. Code 1800.320)
- [ ] Find its end date, its renewal language and its cancellation step, and keep a copy where you can find it.

Before you sign anything

- [ ] Read the term, the renewal language and the exit conditions yourself.
- [ ] Consider having your attorney review the agreement. These checklists are a plain-language summary, not legal advice.

Sources

230 ILCS 40/25 — terminal operators, split, caps, use agreements — https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=023000400K25

230 ILCS 40/60 — tax on net terminal income — https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=023000400K60

11 Ill. Adm. Code 1800.320 — use agreement standards — https://www.ilga.gov/commission/jcar/admincode/011/011018000C03200R.html

11 Ill. Adm. Code 1800.350 — inducements — https://www.ilga.gov/commission/jcar/admincode/011/011018000C03500R.html

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