



OFFICE OF THE ATTORNEY GENERAL  
STATE OF ILLINOIS

**Jim Ryan**  
ATTORNEY GENERAL

January 31, 1996

FILE NO. 96-006

SPORTS AND GAMING:  
Display, Storage or Repair of Gambling  
Devices by Licensed Suppliers

Mr. Michael A. Belletire  
Administrator  
Illinois Gaming Board  
160 North LaSalle, Suite 300-South  
Chicago, Illinois 60601-3103

Dear Mr. Belletire:

I have your letter wherein you inquire whether manufacturers of gambling devices who hold valid suppliers licenses issued pursuant to section 8 of the Riverboat Gambling Act (230 ILCS 10/8 (West 1994)) may exhibit, display, operate for display, store or repair gambling devices at a facility located in the State of Illinois. For the reasons hereinafter stated, it is my opinion that: 1) on-shore repairs of gambling devices may be carried out only at a facility owned by the holder of a riverboat gambling owner's license; and 2) suppliers licensees may store and display or exhibit gambling devices only to the extent that the storage and display or exhibition is necessarily incidental

Mr. Michael A. Belletire - 2.

to the manufacture and sale of such devices to licensed riverboat owners or persons purchasing for out-of-state or international shipment.

Section 28-1 of the Criminal Code of 1961 (720 ILCS 5/28-1 (West 1994)) prohibits "gambling", which is defined to include operating, keeping, owning, using, purchasing, exhibiting, renting, selling, bargaining for the sale or lease of, manufacturing or distribution of any gambling device. Excepted from the prohibition are, inter alia, gambling on a riverboat when authorized by the Riverboat Gambling Act (230 ILCS 10/1 et seq. (West 1994)), and the manufacture of gambling devices for transportation in interstate or foreign commerce to a place outside this State when such transportation is permitted by Federal law.

Although section 28-1 does not expressly except from its prohibition the manufacture or sale of gambling devices to the licensed owners of riverboat casinos, in opinion No. 94-011, issued April 14, 1994, my predecessor concluded that the licensing provisions of the Riverboat Gambling Act created an implied exception thereto. Therefore, he concluded that Illinois manufacturers could be licensed as suppliers under the Riverboat Gambling Act and, when so licensed, could legally transport and sell gambling devices to licensed owners of riverboats within this State. I concur in that conclusion.

Mr. Michael A. Belletire - 3.

Based upon your letter, it now appears that an Illinois manufacturer of gambling devices which has been licensed as a supplier under the Riverboat Gambling Act wishes to operate a facility which would serve as a combined "show room" and storage area and/or repair shop for gambling devices. Operating such a facility is not included within any express exception to section 28-1 of the Criminal Code, unless it can fairly be included as a part of the process of manufacture for sale in interstate or foreign commerce, nor is it authorized by the Riverboat Gambling Act, except to the extent that exhibition and storage may be necessarily incidental to the sale or lease of a product.

Section 8 of the Riverboat Gambling Act provides, in pertinent part:

" \* \* \*

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed unless supplies and equipment conform to standards adopted by rules of the Board.

\* \* \*

(e) Any person that supplies any equipment, devices, or supplies to a licensed riverboat gambling operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games au-

thorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name to all its equipment, devices, and supplies for gambling operations. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A licensed owner may own its own equipment, devices and supplies. Each holder of an owners license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

\* \* \*

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat or removed from the riverboat to an on-shore facility owned by the holder of an owners license for repair."

Other subsections of section 8 relate to eligibility for licensing, fees and penalties.

Firstly, I note that neither manufacturers nor licensed suppliers are expressly authorized to own repair facilities. Subsection 8(g) of the Act specifically provides for repairs to be made either on the riverboat or at an on-shore facility owned by the holder of an owner's license. Generally, the expression of one thing or mode of action in a statute excludes any other, although not prohibited by negative words. (City Savings Ass'n v. International Guaranty & Ins. Co. (1959), 17 Ill. 2d 609,

Mr. Michael A. Belletire - 5.

612.) Therefore, the express provision, in a section regarding suppliers licenses, that repairs are to be made either on board a riverboat or in a facility owned by the holder of an owners license, effectively prohibits repairs from being made at a facility owned by a supplier.

Further, the term "manufacture", as used in section 28-1 of the Criminal Code of 1961, which allows the manufacture in Illinois of gambling devices for sales out of State, does not ordinarily include repair or reconditioning work. "Manufacture" generally means making something from raw materials, either by hand or by machine (Webster's Third New International Dictionary 1378 (1981)), a process which has been distinguished from repairing, replacing parts, or reconditioning. (Beasley Industries, Inc. v. Commonwealth (1988), 116 Pa. Commw. 505, 542 A.2d 210, 212; Martin Tire Co. v. United States (S.D. Fla. 1955), 130 F. Supp. 316, 319.) Therefore, a repair shop would not ordinarily be considered a part of a manufacturing operation. Consequently, it is my opinion that a licensed supplier does not have the authority to operate a repair shop for gambling devices in Illinois.

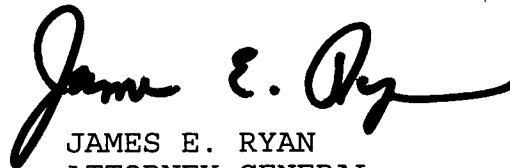
Secondly, with respect to "show rooms", there is nothing in the Riverboat Gambling Act which expressly permits the storage or exhibition of gambling devices by a supplier or any other entity other than a licensed owner. The extent to which the licensee wishes to store and exhibit gambling devices is not

Mr. Michael A. Belletire - 6.

apparent from your letter. It is my opinion, however, that there is necessarily included in a grant of authority to manufacture and sell or lease any product the authority to store the product between the time of completion and the time of shipment, including the storage of inventory at a reasonable level with respect to the relevant market.

Similarly, it is my opinion that the right to sell or lease a product necessarily implies that the product can be shown to prospective purchasers or lessees. With respect to gambling devices, since only licensed owners of riverboats and persons purchasing for interstate or foreign shipment may legally purchase or lease them, any arrangements for showing the devices must be limited to those individuals. Exhibition of the devices to others would be prohibited by section 28-1 of the Criminal Code.

Sincerely,

A handwritten signature in black ink, reading "James E. Ryan". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

JAMES E. RYAN  
ATTORNEY GENERAL