



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2498

by Rep. Chad Hays

SYNOPSIS AS INTRODUCED:

See Index

Creates the Chicago Casino Development Authority Act. Provides for the creation of the Chicago Casino Development Authority, whose duties include promotion and maintenance of a casino. Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to authorize electronic gaming at race tracks (and makes conforming changes in various Acts). Further amends the Illinois Horse Racing Act of 1975. Makes various changes concerning Board members. Contains provisions concerning testing of horses at county fairs and standardbred horses. Provides that the Illinois Racing Board shall submit a report to the General Assembly on or before December 31, 2018 that examines the feasibility of conducting electronic gaming at the Illinois State Fairgrounds. Further amends the Riverboat Gambling Act. Changes the short title to the Illinois Gambling Act and changes corresponding references to the Act. Adds additional owners licenses, one of which authorizes the conduct of casino gambling in the City of Chicago. Makes changes in provisions concerning the admission tax and privilege tax. Amends the Illinois Horse Racing Act of 1975, the Riverboat Gambling Act, and the Video Gaming Act to prohibit political contributions from certain licensees. Makes other changes. Contains a severability provision. Effective immediately.

LRB100 03891 AMC 13896 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 ARTICLE 1.

5 Section 1-1. Short title. This Article may be cited as the
6 Chicago Casino Development Authority Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-2. Legislative intent.

9 (a) This Act is intended to benefit the people of the City
10 of Chicago and the State of Illinois by assisting economic
11 development and promoting tourism and by increasing the amount
12 of revenues available to the City and the State to assist and
13 support education.

14 (b) While authorization of casino gambling in Chicago will
15 enhance investment, development, and tourism in Illinois, it is
16 recognized that it will do so successfully only if public
17 confidence and trust in the credibility and integrity of the
18 gambling operations and the regulatory process is maintained.
19 Therefore, the provisions of this Act are designed to allow the
20 Illinois Gaming Board to strictly regulate the facilities,
21 persons, associations, and practices related to gambling
22 operations pursuant to the police powers of the State,

1 including comprehensive law enforcement supervision.
2 Consistent with the Gaming Board's authority, the Gaming Board
3 alone shall regulate any Chicago casino, just as it now
4 regulates every other casino in Illinois.

5 Section 1-5. Definitions. As used in this Act:

6 "Authority" means the Chicago Casino Development Authority
7 created by this Act.

8 "Casino" means one temporary land-based or water-based
9 facility and one permanent land-based or water-based facility
10 and airport gaming locations pursuant to Section 1-67 of this
11 Act at which lawful gambling is authorized and licensed as
12 provided in the Illinois Gambling Act.

13 "Casino Board" means the board appointed pursuant to this
14 Act to govern and control the Authority.

15 "Casino management contract" means a legally binding
16 agreement between the Authority and a casino operator licensee
17 to operate or manage a casino.

18 "Casino operator licensee" means any person or entity
19 selected by the Authority and approved and licensed by the
20 Gaming Board to manage and operate a casino within the City of
21 Chicago pursuant to a casino management contract.

22 "City" means the City of Chicago.

23 "Entity" means a corporation, joint venture, partnership,
24 limited liability company, trust, or unincorporated
25 association.

1 "Executive director" means the person appointed by the
2 Casino Board to oversee the daily operations of the Authority.

3 "Gaming Board" means the Illinois Gaming Board created by
4 the Illinois Gambling Act.

5 "Mayor" means the Mayor of the City.

6 Section 1-12. Creation of the Authority. There is hereby
7 created a political subdivision, unit of local government with
8 only the powers authorized by law, body politic, and municipal
9 corporation, by the name and style of the Chicago Casino
10 Development Authority.

11 Section 1-13. Duties of the Authority. It shall be the duty
12 of the Authority, as an owners licensee under the Illinois
13 Gambling Act, to promote and maintain a casino in the City. The
14 Authority shall own, acquire, construct, lease, equip, and
15 maintain grounds, buildings, and facilities for that purpose.
16 However, the Authority shall contract with a casino operator
17 licensee to manage and operate the casino and in no event shall
18 the Authority or City manage or operate the casino. The
19 Authority may contract pursuant to the procedures set forth in
20 Section 1-115 with other third parties in order to fulfill its
21 purpose. The Authority is responsible for the payment of any
22 fees required of a casino operator under subsection (a) of
23 Section 7.9 of the Illinois Gambling Act if the casino operator
24 licensee is late in paying any such fees. The Authority is

1 granted all rights and powers necessary to perform such duties.
2 Subject to the provisions of this Act, the Authority and casino
3 operator licensee are subject to the Illinois Gambling Act and
4 all of the rules of the Gaming Board, which shall be applied to
5 the Authority and the casino operator licensee in a manner
6 consistent with that of other owners licensees under the
7 Illinois Gambling Act. Nothing in this Act shall confer
8 regulatory authority on the Chicago Casino Development
9 Authority. The Illinois Gaming Board shall have exclusive
10 regulatory authority over all gambling operations governed by
11 this Act.

12 Section 1-15. Casino Board.

13 (a) The governing and administrative powers of the
14 Authority shall be vested in a body known as the Chicago Casino
15 Development Board. The Casino Board shall consist of 5 members
16 appointed by the Mayor. One of these members shall be
17 designated by the Mayor to serve as chairperson. All of the
18 members appointed by the Mayor shall be residents of the City.

19 Each Casino Board appointee shall be subject to a
20 preliminary background investigation completed by the Gaming
21 Board within 30 days after the appointee's submission of his or
22 her application to the Gaming Board. If the Gaming Board
23 determines that there is a substantial likelihood that it will
24 not find the appointee to be suitable to serve on the Casino
25 Board (applying the same standards for suitability to the

1 appointee as the Gaming Board would apply to an owners licensee
2 key person under the Gaming Board's adopted rules), then the
3 Gaming Board shall provide a written notice of such
4 determination to the appointee and the Corporation Counsel of
5 the City. The Mayor may then appoint a new candidate. If no
6 such notice is delivered with respect to a particular
7 appointee, then commencing on the 31st day following the date
8 of the appointee's submission of his or her application to the
9 Gaming Board, the appointee shall be deemed an acting member of
10 the Casino Board and shall participate as a Casino Board
11 member.

12 Each appointee shall be subject to a full background
13 investigation and final approval by the Gaming Board prior to
14 the opening of the casino. The Gaming Board shall complete its
15 full background investigation of the Casino Board appointee
16 within 3 months after the date of the appointee's submission of
17 his or her application to the Gaming Board. If the Gaming Board
18 does not complete its background investigation within the
19 3-month period, then the Gaming Board shall give a written
20 explanation to the appointee, as well as the Mayor, the
21 Governor, the President of the Senate, and the Speaker of the
22 House of Representatives, as to why it has not reached a final
23 determination and set forth a reasonable time when such
24 determination shall be made.

25 (b) Casino Board members shall receive \$300 for each day
26 the Authority meets and shall be entitled to reimbursement of

1 reasonable expenses incurred in the performance of their
2 official duties. A Casino Board member who serves in the office
3 of secretary-treasurer may also receive compensation for
4 services provided as that officer.

5 Section 1-20. Terms of appointments; resignation and
6 removal.

7 (a) The Mayor shall appoint 2 members of the Casino Board
8 for an initial term expiring July 1 of the year following final
9 approval by the Gaming Board, 2 members for an initial term
10 expiring July 1 three years following final approval by the
11 Gaming Board, and one member for an initial term expiring July
12 1 five years following final approval by the Gaming Board.

13 (b) All successors shall be appointed by the Mayor to hold
14 office for a term of 5 years from the first day of July of the
15 year in which they are appointed, except in the case of an
16 appointment to fill a vacancy. Each member, including the
17 chairperson, shall hold office until the expiration of his or
18 her term and until his or her successor is appointed and
19 qualified. Nothing shall preclude a member from serving
20 consecutive terms. Any member may resign from office, to take
21 effect when a successor has been appointed and qualified. A
22 vacancy in office shall occur in the case of a member's death
23 or indictment, conviction, or plea of guilty to a felony. A
24 vacancy shall be filled for the unexpired term by the Mayor
25 subject to the approval of the Gaming Board as provided in this

1 Section.

2 (c) Members of the Casino Board shall serve at the pleasure
3 of the Mayor. The Mayor or the Gaming Board may remove any
4 member of the Casino Board upon a finding of incompetence,
5 neglect of duty, or misfeasance or malfeasance in office or for
6 a violation of this Act. The Gaming Board may remove any member
7 of the Casino Board for any violation of the Illinois Gambling
8 Act or the rules and regulations of the Gaming Board.

9 (d) No member of the Casino Board shall engage in any
10 political activity. For the purpose of this Section, "political
11 activity" means any activity in support of or in connection
12 with any campaign for federal, State, or local elective office
13 or any political organization, but does not include activities
14 (i) relating to the support or opposition of any executive,
15 legislative, or administrative action, as those terms are
16 defined in Section 2 of the Lobbyist Registration Act, (ii)
17 relating to collective bargaining, or (iii) that are otherwise
18 in furtherance of the person's official duties or governmental
19 and public service functions.

20 Section 1-25. Organization of Casino Board; meetings.
21 After appointment by the Mayor, the Casino Board shall organize
22 for the transaction of business, provided that the Casino Board
23 shall not take any formal action until after the Gaming Board
24 has completed its preliminary background investigation of at
25 least a quorum of the Casino Board as provided in subsection

1 (a) of Section 1-15. The Casino Board shall prescribe the time
2 and place for meetings, the manner in which special meetings
3 may be called, and the notice that must be given to members.
4 All actions and meetings of the Casino Board shall be subject
5 to the provisions of the Open Meetings Act. Three members of
6 the Casino Board shall constitute a quorum. All substantive
7 action of the Casino Board shall be by resolution with an
8 affirmative vote of a majority of the members.

9 Section 1-30. Executive director; officers.

10 (a) The Casino Board shall appoint an executive director,
11 who shall be the chief executive officer of the Authority.

12 The executive director shall be subject to a preliminary
13 background investigation to be completed by the Gaming Board
14 within 30 days after the executive director's submission of his
15 or her application to the Gaming Board. If the Gaming Board
16 determines that there is a substantial likelihood that it will
17 not find the executive director to be suitable to serve in that
18 position (applying the same standards for suitability as the
19 Gaming Board would apply to an owners licensee key person under
20 the Gaming Board's adopted rules), then the Gaming Board shall
21 provide a written notice of such determination to the appointee
22 and the Corporation Counsel of the City. The Casino Board may
23 then appoint a new executive director. If no such notice is
24 delivered, then commencing on the 31st day following the date
25 of the executive director's submission of his or her

1 application to the Gaming Board, the executive director shall
2 commence all duties as the acting executive director of the
3 Authority.

4 The executive director shall be subject to a full
5 background investigation and final approval by the Gaming Board
6 prior to the opening of the casino. The Gaming Board shall
7 complete its full background investigation of the executive
8 director within 3 months after the date of the executive
9 director's submission of his or her application to the Gaming
10 Board. If the Gaming Board does not complete its background
11 investigation within the 3-month period, then the Gaming Board
12 shall give a written explanation to the appointee, as well as
13 the Mayor, the Governor, the President of the Senate, and the
14 Speaker of the House of Representatives, as to why it has not
15 reached a final determination and set forth a reasonable time
16 when such determination shall be made.

17 (b) The Casino Board shall fix the compensation of the
18 executive director. Subject to the general control of the
19 Casino Board, the executive director shall be responsible for
20 the management of the business, properties, and employees of
21 the Authority. The executive director shall direct the
22 enforcement of all resolutions, rules, and regulations of the
23 Casino Board, and shall perform such other duties as may be
24 prescribed from time to time by the Casino Board. All employees
25 and independent contractors, consultants, engineers,
26 architects, accountants, attorneys, financial experts,

1 construction experts and personnel, superintendents, managers,
2 and other personnel appointed or employed pursuant to this Act
3 shall report to the executive director. In addition to any
4 other duties set forth in this Act, the executive director
5 shall do or shall delegate to an employee or agent of the
6 Authority to do all of the following:

7 (1) Direct and supervise the administrative affairs
8 and activities of the Authority in accordance with its
9 rules, regulations, and policies.

10 (2) Attend meetings of the Casino Board.

11 (3) Keep minutes of all proceedings of the Casino
12 Board.

13 (4) Approve all accounts for salaries, per diem
14 payments, and allowable expenses of the Casino Board and
15 its employees and consultants.

16 (5) Report and make recommendations to the Casino Board
17 concerning the terms and conditions of any casino
18 management contract.

19 (6) Perform any other duty that the Casino Board
20 requires for carrying out the provisions of this Act.

21 (7) Devote his or her full time to the duties of the
22 office and not hold any other office or employment.

23 (c) The Casino Board may select a secretary-treasurer and
24 other officers to hold office at the pleasure of the Casino
25 Board. The Casino Board shall fix the duties of such officers.

1 Section 1-31. General rights and powers of the Authority.

2 (a) In addition to the duties and powers set forth in this
3 Act, the Authority shall have the following rights and powers:

4 (1) Adopt and alter an official seal.

5 (2) Establish and change its fiscal year.

6 (3) Sue and be sued, plead and be impleaded, all in its
7 own name, and agree to binding arbitration of any dispute
8 to which it is a party.

9 (4) Adopt, amend, and repeal bylaws, rules, and
10 regulations consistent with the furtherance of the powers
11 and duties provided for.

12 (5) Maintain its principal office within the City and
13 such other offices as the Casino Board may designate.

14 (6) Select locations in the City for a temporary and a
15 permanent casino.

16 (7) Subject to the bidding procedures of Section 1-115
17 of this Act, retain or employ, either as regular employees
18 or independent contractors, consultants, engineers,
19 architects, accountants, attorneys, financial experts,
20 construction experts and personnel, superintendents,
21 managers and other professional personnel, and such other
22 personnel as may be necessary in the judgment of the Casino
23 Board, and fix their compensation; however, employees of
24 the Authority shall be hired pursuant to and in accordance
25 with the rules and policies the Authority may adopt.

26 (8) Pursuant to Section 1-115 of this Act, own,

1 acquire, construct, equip, lease, operate, manage, and
2 maintain grounds, buildings, and facilities to carry out
3 its corporate purposes and duties.

4 (9) Pursuant to Section 1-115, and subject to the
5 oversight, review, and approval of the Gaming Board, enter
6 into, revoke, and modify contracts in accordance with the
7 rules of the Gaming Board as consistently applied to all
8 owners licensees under the Illinois Gambling Act, provided
9 that the Authority may enter into contracts for the design,
10 construction, and outfitting of a temporary casino prior to
11 the Gaming Board's final approval of the Authority's
12 executive director and the members of the Casino Board and
13 prior to the Gaming Board's issuance of the Authority's
14 owners license. Provided further that the entities
15 selected by the Authority for the design, construction, and
16 outfitting of the temporary casino shall be subject to a
17 preliminary background investigation to be completed by
18 the Gaming Board within 30 days after the Gaming Board is
19 provided the identities of the entities. If the Gaming
20 Board determines that there is a substantial likelihood
21 that the entities are not suitable or acceptable to perform
22 their respective functions, then the Gaming Board shall
23 immediately provide notice of that determination to the
24 Authority. If no such notice is delivered, then, commencing
25 on the 31st day following the date on which the information
26 identifying such entities is provided to the Gaming Board,

1 such entities shall be permitted to commence the services
2 contemplated for the design, construction, and outfitting
3 of the temporary casino. In no event, however, shall the
4 Authority open a casino until after the Gaming Board has
5 finally approved the Authority's executive director and
6 the members of the Casino Board and the Gaming Board has
7 issued the Authority's owners license and the casino
8 operator's casino operator license.

9 (10) Enter into a casino management contract subject to
10 the provisions of Section 1-45 of this Act.

11 (11) Negotiate and enter into intergovernmental
12 agreements with the State and its agencies, the City, and
13 other units of local government, in furtherance of the
14 powers and duties of the Casino Board.

15 (12) Receive and disburse funds for its own corporate
16 purposes or as otherwise specified in this Act.

17 (13) Borrow money from any source, public or private,
18 for any corporate purpose, including, without limitation,
19 working capital for its operations, reserve funds, or
20 payment of interest, and to mortgage, pledge, or otherwise
21 encumber the property or funds of the Authority and to
22 contract with or engage the services of any person in
23 connection with any financing, including financial
24 institutions, issuers of letters of credit, or insurers and
25 enter into reimbursement agreements with this person or
26 entity which may be secured as if money were borrowed from

1 the person or entity.

2 (14) Issue bonds as provided for under this Act.

3 (15) Receive and accept from any source, private or
4 public, contributions, gifts, or grants of money or
5 property to the Authority.

6 (16) Provide for the insurance of any property,
7 operations, officers, members, agents, or employees of the
8 Authority against any risk or hazard, to self-insure or
9 participate in joint self-insurance pools or entities to
10 insure against such risk or hazard, and to provide for the
11 indemnification of its officers, members, employees,
12 contractors, or agents against any and all risks.

13 (17) Exercise all the corporate powers granted
14 Illinois corporations under the Business Corporation Act
15 of 1983, except to the extent that powers are inconsistent
16 with those of a body politic and municipal corporation.

17 (18) Do all things necessary or convenient to carry out
18 the powers granted by this Act.

19 (b) The Casino Board shall comply with all applicable legal
20 requirements imposed on other owners licensees to conduct all
21 background investigations required under the Illinois Gambling
22 Act and the rules of the Gaming Board. This requirement shall
23 also extend to senior legal, financial, and administrative
24 staff of the Authority.

25 Section 1-32. Ethical conduct.

1 (a) Casino Board members and employees of the Authority
2 must carry out their duties and responsibilities in such a
3 manner as to promote and preserve public trust and confidence
4 in the integrity and conduct of gaming.

5 (b) Except as may be required in the conduct of official
6 duties, Casino Board members and employees of the Authority
7 shall not engage in gambling on any riverboat, in any casino,
8 or in an electronic gaming facility licensed by the Illinois
9 Gaming Board or engage in legalized gambling in any
10 establishment identified by Gaming Board action that, in the
11 judgment of the Gaming Board, could represent a potential for a
12 conflict of interest.

13 (c) A Casino Board member or employee of the Authority
14 shall not use or attempt to use his or her official position to
15 secure or attempt to secure any privilege, advantage, favor, or
16 influence for himself or herself or others.

17 (d) Casino Board members and employees of the Authority
18 shall not hold or pursue employment, office, position,
19 business, or occupation that may conflict with his or her
20 official duties. Employees may engage in other gainful
21 employment so long as that employment does not interfere or
22 conflict with their duties. Such employment must be disclosed
23 to the executive director and approved by the Casino Board.

24 (e) Casino Board members, employees of the Authority, and
25 elected officials and employees of the City may not engage in
26 employment, communications, or any activity identified by the

1 Casino Board or Gaming Board that, in the judgment of either
2 entity, could represent the potential for or the appearance of
3 a conflict of interest.

4 (f) Casino Board members, employees of the Authority, and
5 elected officials and employees of the City may not have a
6 financial interest, directly or indirectly, in his or her own
7 name or in the name of any other person, partnership,
8 association, trust, corporation, or other entity in any
9 contract or subcontract for the performance of any work for the
10 Authority. This prohibition shall extend to the holding or
11 acquisition of an interest in any entity identified by the
12 Casino Board or the Gaming Board that, in the judgment of
13 either entity, could represent the potential for or the
14 appearance of a financial interest. The holding or acquisition
15 of an interest in such entities through an indirect means, such
16 as through a mutual fund, shall not be prohibited, except that
17 the Gaming Board may identify specific investments or funds
18 that, in its judgment, are so influenced by gaming holdings as
19 to represent the potential for or the appearance of a conflict
20 of interest.

21 (g) Casino Board members, employees of the Authority, and
22 elected officials and employees of the City may not accept any
23 gift, gratuity, service, compensation, travel, lodging, or
24 thing of value, with the exception of unsolicited items of an
25 incidental nature, from any person, corporation, or entity
26 doing business with the Authority.

1 (h) No Casino Board member, employee of the Authority, or
2 elected official or employee of the City may, during employment
3 or within a period of 2 years immediately after termination of
4 employment, knowingly accept employment or receive
5 compensation or fees for services from a person or entity, or
6 its parent or affiliate, that has engaged in business with the
7 Authority that resulted in contracts with an aggregate value of
8 at least \$25,000 or if that Casino Board member or employee has
9 made a decision that directly applied to the person or entity,
10 or its parent or affiliate.

11 (i) A spouse, child, or parent of a Casino Board member,
12 employee of the Authority, or elected official or employee of
13 the City may not have a financial interest, directly or
14 indirectly, in his or her own name or in the name of any other
15 person, partnership, association, trust, corporation, or other
16 entity in any contract or subcontract for the performance of
17 any work for the Authority. This prohibition shall extend to
18 the holding or acquisition of an interest in any entity
19 identified by the Casino Board or Gaming Board that, in the
20 judgment of either entity, could represent the potential for or
21 the appearance of a conflict of interest. The holding or
22 acquisition of an interest in such entities through an indirect
23 means, such as through a mutual fund, shall not be prohibited,
24 except that the Gaming Board may identify specific investments
25 or funds that, in its judgment, are so influenced by gaming
26 holdings as to represent the potential for or the appearance of

1 a conflict of interest.

2 (j) A spouse, child, or parent of a Casino Board member,
3 employee of the Authority, or elected official or employee of
4 the City may not accept any gift, gratuity, service,
5 compensation, travel, lodging, or thing of value, with the
6 exception of unsolicited items of an incidental nature, from
7 any person, corporation, or entity doing business with the
8 Authority.

9 (k) A spouse, child, or parent of a Casino Board member,
10 employee of the Authority, or elected official or employee of
11 the City may not, while the person is a Board member or
12 employee of the spouse or within a period of 2 years
13 immediately after termination of employment, knowingly accept
14 employment or receive compensation or fees for services from a
15 person or entity, or its parent or affiliate, that has engaged
16 in business with the Authority that resulted in contracts with
17 an aggregate value of at least \$25,000 or if that Casino Board
18 member, employee, or elected official or employee of the City
19 has made a decision that directly applied to the person or
20 entity, or its parent or affiliate.

21 (l) No Casino Board member, employee of the Authority, or
22 elected official or employee of the City may attempt, in any
23 way, to influence any person or entity doing business with the
24 Authority or any officer, agent, or employee thereof to hire or
25 contract with any person or entity for any compensated work.

26 (m) No Casino Board member, employee of the Authority, or

1 elected official or employee of the City shall use or attempt
2 to use his or her official position to secure, or attempt to
3 secure, any privilege, advantage, favor, or influence for
4 himself or herself or others. No Casino Board member, employee
5 of the Authority, or elected official or employee of the City
6 shall, within one year immediately preceding appointment by the
7 Mayor or employment, have been employed or received
8 compensation or fees for services from a person or entity, or
9 its parent or affiliate, that has engaged in business with the
10 Casino Board, a licensee under this Act, or a licensee under
11 the Illinois Gambling Act.

12 (n) Any communication between an elected official of the
13 City and any applicant for or party to a casino management
14 contract with the Authority, or an officer, director, or
15 employee thereof, concerning any matter relating in any way to
16 gaming or the Authority shall be disclosed to the Casino Board
17 and the Gaming Board. Such disclosure shall be in writing by
18 the official within 30 days after the communication and shall
19 be filed with the Casino Board and the Gaming Board. Disclosure
20 must consist of the date of the communication, the identity and
21 job title of the person with whom the communication was made, a
22 brief summary of the communication, the action requested or
23 recommended, all responses made, the identity and job title of
24 the person making the response, and any other pertinent
25 information. In addition, if the communication is written or
26 digital, then the entire communication shall be disclosed.

1 Public disclosure of the written summary provided to the
2 Casino Board and the Gaming Board shall be subject to the
3 exemptions provided under Section 7 of the Freedom of
4 Information Act.

5 This subsection (n) shall not apply to communications
6 regarding traffic, law enforcement, security, environmental
7 issues, City services, transportation, or other routine
8 matters concerning the ordinary operations of the casino.

9 (o) For purposes of this Section:

10 "Ordinary operations" means operations relating to the
11 casino facility other than the conduct of gambling activities.

12 "Routine matters" includes the application for, issuance,
13 renewal, and other processes associated with City permits and
14 licenses.

15 "Employee of the City" means only those employees of the
16 City who provide services to the Authority or otherwise
17 influence the decisions of the Authority or the Casino Board.

18 (p) Any Casino Board member or employee of the Authority
19 who violates any provision of this Section is guilty of a Class
20 4 felony.

21 Section 1-45. Casino management contracts.

22 (a) In accordance with all applicable procurement laws and
23 rules, the Casino Board shall develop and administer a
24 competitive sealed bidding process for the selection of a
25 potential casino operator licensee to develop or operate a

1 casino within the City. The Casino Board shall issue one or
2 more requests for proposals. The Casino Board may establish
3 minimum financial and investment requirements to determine the
4 eligibility of persons to respond to the Casino Board's
5 requests for proposals, and may establish and consider such
6 other criteria as it deems appropriate. The Casino Board may
7 impose a reasonable fee upon persons who respond to requests
8 for proposals, in order to reimburse the Casino Board for its
9 costs in preparing and issuing the requests and reviewing the
10 proposals. At least 30 days prior to the commencement of the
11 competitive bidding process, the Gaming Board shall be given an
12 opportunity to review the competitive bidding process
13 established by the Casino Board. During the competitive bidding
14 process, the Casino Board shall keep the Gaming Board apprised
15 of the process and the responses received in connection with
16 the Casino Board's requests for proposals.

17 (b) Within 5 business days after the time limit for
18 submitting bids and proposals has passed, the Casino Board
19 shall make all bids and proposals public, provided, however,
20 the Casino Board shall not be required to disclose any
21 information which would be exempt from disclosure under Section
22 7 of the Freedom of Information Act. Thereafter, the Casino
23 Board shall evaluate the responses to its requests for
24 proposals and the ability of all persons or entities responding
25 to its requests for proposals to meet the requirements of this
26 Act and any relevant provisions of the Illinois Gambling Act

1 and to undertake and perform the obligations set forth in its
2 requests for proposals.

3 (c) After reviewing proposals and selecting a successful
4 bidder, the Casino Board shall enter into a casino management
5 contract with the successful bidder authorizing the operation
6 of a casino. The casino operator shall be subject to a
7 background investigation and approval by the Gaming Board. The
8 Gaming Board shall complete its background investigation and
9 approval of the casino operator within 6 months after the date
10 that the proposed casino operator submits its application to
11 the Gaming Board. If the Gaming Board does not complete its
12 background investigation and approval within the 6-month
13 period, then the Gaming Board shall give a written explanation
14 to the proposed casino operator and the chief legal officer of
15 the Authority as to why it has not reached a final
16 determination and when it reasonably expects to make a final
17 determination. Validity of the casino management contract is
18 contingent upon the issuance of a casino operator license to
19 the successful bidder. If the Gaming Board grants a casino
20 operator license, the Casino Board shall transmit a copy of the
21 executed casino management contract to the Gaming Board.

22 (d) After (1) the Authority has been issued an owners
23 license, (2) the Gaming Board has issued a casino operator
24 license, and (3) the Gaming Board has approved the members of
25 the Casino Board, the Authority may conduct gaming operations
26 at a temporary facility, subject to the adopted rules of the

1 Gaming Board, for no longer than 24 months after gaming
2 operations begin. The Gaming Board may, after holding a public
3 hearing, grant an extension so long as a permanent facility is
4 not operational and the Authority is working in good faith to
5 complete the permanent facility. The Gaming Board may grant
6 additional extensions following further public hearings. Each
7 extension may be for a period of no longer than 6 months.

8 (e) Fifty percent of any initial consideration received by
9 the Authority that was paid as an inducement pursuant to a bid
10 for a casino management contract or an executed casino
11 management contract must be transmitted to the State and
12 deposited into the Gaming Facilities Fee Revenue Fund. The
13 initial consideration shall not include (1) any amounts paid to
14 the Authority as reimbursement for its costs in preparing or
15 issuing the requests for proposals and reviewing the proposals
16 or (2) any amounts loaned to the Authority or paid by an entity
17 on behalf of the Authority for the design, construction,
18 outfitting, or equipping of the casino, pre-opening expenses,
19 bank roll or similar expenses required to open and operate the
20 casino, or any license or per position fees imposed pursuant to
21 the Illinois Gambling Act or any other financial obligation of
22 the Authority.

23 Section 1-47. Freedom of Information Act. The Authority
24 shall be a public body as defined in the Freedom of Information
25 Act and shall be subject to the provisions of the Freedom of

1 Information Act.

2 Section 1-50. Transfer of funds. The revenues received by
3 the Authority (other than amounts required to be paid pursuant
4 to the Illinois Gambling Act and amounts required to pay the
5 operating expenses of the Authority, to pay amounts due the
6 casino operator licensee pursuant to a casino management
7 contract, to repay any borrowing of the Authority made pursuant
8 to Section 1-31, to pay debt service on any bonds issued under
9 Section 1-75, and to pay any expenses in connection with the
10 issuance of such bonds pursuant to Section 1-75 or derivative
11 products pursuant to Section 1-85) shall be transferred to the
12 City by the Authority. Moneys transferred to the City pursuant
13 to this Section shall be expended or obligated by the City for
14 the construction, maintenance, and modernization of schools.

15 Section 1-60. Auditor General.

16 (a) Prior to the issuance of bonds under this Act, the
17 Authority shall submit to the Auditor General a certification
18 that:

19 (1) it is legally authorized to issue bonds;

20 (2) scheduled annual payments of principal and
21 interest on the bonds to be issued meet the requirements of
22 Section 1-75 of this Act;

23 (3) no bond shall mature later than 30 years; and

24 (4) after payment of costs of issuance and necessary

1 deposits to funds and accounts established with respect to
2 debt service on the bonds, the net bond proceeds (exclusive
3 of any proceeds to be used to refund outstanding bonds)
4 will be used only for the purposes set forth in this Act.

5 The Authority also shall submit to the Auditor General its
6 projections on revenues to be generated and pledged to
7 repayment of the bonds as scheduled and such other information
8 as the Auditor General may reasonably request.

9 The Auditor General shall examine the certifications and
10 information submitted and submit a report to the Authority and
11 the Gaming Board indicating whether the required
12 certifications, projections, and other information have been
13 submitted by the Authority and whether the assumptions
14 underlying the projections are not unreasonable in the
15 aggregate. The Auditor General shall submit the report no later
16 than 60 days after receiving the information required to be
17 submitted by the Authority.

18 The Auditor General shall submit a bill to the Authority
19 for costs associated with the examinations and report required
20 under this Section. The Authority shall reimburse in a timely
21 manner.

22 (b) The Authority shall enter into an intergovernmental
23 agreement with the Auditor General authorizing the Auditor
24 General to, every 2 years, (i) review the financial audit of
25 the Authority performed by the Authority's certified public
26 accountants, (ii) perform a management audit of the Authority,

1 and (iii) perform a management audit of the casino operator
2 licensee. The Auditor General shall provide the Authority and
3 the General Assembly with the audits and shall post on his or
4 her Internet website such portions of the audit or other
5 financial information as generally would be made publicly
6 available for other owners licensees under the Illinois
7 Gambling Act. The Auditor General shall submit a bill to the
8 Authority for costs associated with the review and the audit
9 required under this Section, which costs shall not exceed
10 \$100,000, and the Authority shall reimburse the Auditor General
11 for such costs in a timely manner.

12 Section 1-62. Advisory committee. An Advisory Committee is
13 established to monitor, review, and report on (1) the
14 Authority's utilization of minority-owned business enterprises
15 and female-owned business enterprises, (2) employment of
16 females, and (3) employment of minorities with regard to the
17 development and construction of the casino as authorized under
18 Section 7 of the Illinois Gambling Act. The Authority shall
19 work with the Advisory Committee in accumulating necessary
20 information for the Committee to submit reports, as necessary,
21 to the General Assembly and to the City.

22 The Committee shall consist of 9 members as provided in
23 this Section. Five members shall be selected by the Governor
24 and 4 members shall be selected by the Mayor. The Governor and
25 Mayor shall each appoint at least one current member of the

1 General Assembly. The Advisory Committee shall meet
2 periodically and shall report the information to the Mayor of
3 the City and to the General Assembly by December 31st of every
4 year.

5 The Advisory Committee shall be dissolved on the date that
6 casino gambling operations are first conducted at a permanent
7 facility under the license authorized under Section 7 of the
8 Illinois Gambling Act. For the purposes of this Section, the
9 terms "female" and "minority person" have the meanings provided
10 in Section 2 of the Business Enterprise for Minorities,
11 Females, and Persons with Disabilities Act.

12 Section 1-65. Acquisition of property; eminent domain
13 proceedings. For the lawful purposes of this Act, the City may
14 acquire, by eminent domain or by condemnation proceedings in
15 the manner provided by the Eminent Domain Act, real or personal
16 property or interests in real or personal property located in
17 the City, and the City may convey to the Authority property so
18 acquired. The acquisition of property under this Section is
19 declared to be for a public use.

20 Section 1-67. Limitations on gaming at Chicago airports.
21 The Authority may conduct gaming operations in an airport under
22 the administration or control of the Chicago Department of
23 Aviation. Gaming operations may be conducted pursuant to this
24 Section so long as (i) gaming operations are conducted in a

1 secured area that is beyond the Transportation Security
2 Administration security checkpoints and only available to
3 airline passengers at least 21 years of age who are members of
4 a private club, and not to the general public, (ii) gaming
5 operations are limited to slot machines, as defined in Section
6 4 of the Illinois Gambling Act, and (iii) the combined number
7 of gaming positions operating in the City at the airports and
8 at the temporary and permanent casino facility does not exceed
9 the maximum number of gaming positions authorized pursuant to
10 subsection (h) of Section 7 of the Illinois Gambling Act.
11 Gaming operations at an airport are subject to all applicable
12 laws and rules that apply to any other gaming facility under
13 this Act or the Illinois Gambling Act.

14 Section 1-70. Local regulation. In addition to this Act,
15 the Illinois Gambling Act, and all of the rules of the Gaming
16 Board, the casino facilities and operations therein shall be
17 subject to all ordinances and regulations of the City. The
18 construction, development, and operation of the casino shall
19 comply with all ordinances, regulations, rules, and controls of
20 the City, including, but not limited to, those relating to
21 zoning and planned development, building, fire prevention, and
22 land use. However, the regulation of gaming operations is
23 subject to the exclusive jurisdiction of the Gaming Board. The
24 Gaming Board shall be responsible for the investigation for and
25 issuance of all licenses required by this Act and the Illinois

1 Gambling Act.

2 Section 1-75. Borrowing.

3 (a) The Authority may borrow money and issue bonds as
4 provided in this Section. Bonds of the Authority may be issued
5 to provide funds for land acquisition, site assembly and
6 preparation, and the design and construction of the casino, as
7 defined in the Illinois Gambling Act, all ancillary and related
8 facilities comprising the casino complex, and all on-site and
9 off-site infrastructure improvements required in connection
10 with the development of the casino; to refund (at the time or
11 in advance of any maturity or redemption) or redeem any bonds
12 of the Authority; to provide or increase a debt service reserve
13 fund or other reserves with respect to any or all of its bonds;
14 or to pay the legal, financial, administrative, bond insurance,
15 credit enhancement, and other legal expenses of the
16 authorization, issuance, or delivery of bonds. In this Act, the
17 term "bonds" also includes notes of any kind, interim
18 certificates, refunding bonds, or any other evidence of
19 obligation for borrowed money issued under this Section. Bonds
20 may be issued in one or more series and may be payable and
21 secured either on a parity with or separately from other bonds.

22 (b) The bonds of the Authority shall be payable from one or
23 more of the following sources: (i) the property or revenues of
24 the Authority; (ii) revenues derived from the casino; (iii)
25 revenues derived from any casino operator licensee; (iv) fees,

1 bid proceeds, charges, lease payments, payments required
2 pursuant to any casino management contract or other revenues
3 payable to the Authority, or any receipts of the Authority; (v)
4 payments by financial institutions, insurance companies, or
5 others pursuant to letters or lines of credit, policies of
6 insurance, or purchase agreements; (vi) investment earnings
7 from funds or accounts maintained pursuant to a bond resolution
8 or trust indenture; (vii) proceeds of refunding bonds; (viii)
9 any other revenues derived from or payments by the City; and
10 (ix) any payments by any casino operator licensee or others
11 pursuant to any guaranty agreement.

12 (c) Bonds shall be authorized by a resolution of the
13 Authority and may be secured by a trust indenture by and
14 between the Authority and a corporate trustee or trustees,
15 which may be any trust company or bank having the powers of a
16 trust company within or without the State. Bonds shall meet the
17 following requirements:

18 (1) Bonds may bear interest payable at any time or
19 times and at any rate or rates, notwithstanding any other
20 provision of law to the contrary, and may be subject to
21 such other terms and conditions as may be provided by the
22 resolution or indenture authorizing the issuance of such
23 bonds.

24 (2) Bonds issued pursuant to this Section may be
25 payable on such dates and times as may be provided for by
26 the resolution or indenture authorizing the issuance of

1 such bonds; provided, however, that such bonds shall mature
2 no later than 30 years from the date of issuance.

3 (3) Bonds issued pursuant to this Section may be sold
4 pursuant to notice of sale and public bid or by negotiated
5 sale.

6 (4) Bonds shall be payable at a time or times, in the
7 denominations and form, including book entry form, either
8 coupon, registered, or both, and carry the registration and
9 privileges as to exchange, transfer or conversion, and
10 replacement of mutilated, lost, or destroyed bonds as the
11 resolution or trust indenture may provide.

12 (5) Bonds shall be payable in lawful money of the
13 United States at a designated place.

14 (6) Bonds shall be subject to the terms of purchase,
15 payment, redemption, refunding, or refinancing that the
16 resolution or trust indenture provides.

17 (7) Bonds shall be executed by the manual or facsimile
18 signatures of the officers of the Authority designated by
19 the Board, which signatures shall be valid at delivery even
20 for one who has ceased to hold office.

21 (8) Bonds shall be sold at public or private sale in
22 the manner and upon the terms determined by the Authority.

23 (9) Bonds shall be issued in accordance with the
24 provisions of the Local Government Debt Reform Act.

25 (d) The Authority shall adopt a procurement program with
26 respect to contracts relating to underwriters, bond counsel,

1 financial advisors, and accountants. The program shall include
2 goals for the payment of not less than 30% of the total dollar
3 value of the fees from these contracts to minority-owned
4 businesses and female-owned businesses as defined in the
5 Business Enterprise for Minorities, Females, and Persons with
6 Disabilities Act. The Authority shall conduct outreach to
7 minority-owned businesses and female-owned businesses.
8 Outreach shall include, but is not limited to, advertisements
9 in periodicals and newspapers, mailings, and other appropriate
10 media. The Authority shall submit to the General Assembly a
11 comprehensive report that shall include, at a minimum, the
12 details of the procurement plan, outreach efforts, and the
13 results of the efforts to achieve goals for the payment of
14 fees.

15 (e) Subject to the Illinois Gambling Act and rules of the
16 Gaming Board regarding pledging of interests in holders of
17 owners licenses, any resolution or trust indenture may contain
18 provisions that may be a part of the contract with the holders
19 of the bonds as to the following:

20 (1) Pledging, assigning, or directing the use,
21 investment, or disposition of revenues of the Authority or
22 proceeds or benefits of any contract, including without
23 limitation any rights in any casino management contract.

24 (2) The setting aside of loan funding deposits, debt
25 service reserves, replacement or operating reserves, cost
26 of issuance accounts and sinking funds, and the regulation,

1 investment, and disposition thereof.

2 (3) Limitations on the purposes to which or the
3 investments in which the proceeds of sale of any issue of
4 bonds or the Authority's revenues and receipts may be
5 applied or made.

6 (4) Limitations on the issue of additional bonds, the
7 terms upon which additional bonds may be issued and
8 secured, the terms upon which additional bonds may rank on
9 a parity with, or be subordinate or superior to, other
10 bonds.

11 (5) The refunding, advance refunding, or refinancing
12 of outstanding bonds.

13 (6) The procedure, if any, by which the terms of any
14 contract with bondholders may be altered or amended and the
15 amount of bonds and holders of which must consent thereto
16 and the manner in which consent shall be given.

17 (7) Defining the acts or omissions that shall
18 constitute a default in the duties of the Authority to
19 holders of bonds and providing the rights or remedies of
20 such holders in the event of a default, which may include
21 provisions restricting individual rights of action by
22 bondholders.

23 (8) Providing for guarantees, pledges of property,
24 letters of credit, or other security, or insurance for the
25 benefit of bondholders.

26 (f) No member of the Casino Board, nor any person executing

1 the bonds, shall be liable personally on the bonds or subject
2 to any personal liability by reason of the issuance of the
3 bonds.

4 (g) The Authority may issue and secure bonds in accordance
5 with the provisions of the Local Government Credit Enhancement
6 Act.

7 (h) A pledge by the Authority of revenues and receipts as
8 security for an issue of bonds or for the performance of its
9 obligations under any casino management contract shall be valid
10 and binding from the time when the pledge is made. The revenues
11 and receipts pledged shall immediately be subject to the lien
12 of the pledge without any physical delivery or further act, and
13 the lien of any pledge shall be valid and binding against any
14 person having any claim of any kind in tort, contract, or
15 otherwise against the Authority, irrespective of whether the
16 person has notice. No resolution, trust indenture, management
17 agreement or financing statement, continuation statement, or
18 other instrument adopted or entered into by the Authority need
19 be filed or recorded in any public record other than the
20 records of the Authority in order to perfect the lien against
21 third persons, regardless of any contrary provision of law.

22 (i) Bonds that are being paid or retired by issuance, sale,
23 or delivery of bonds, and bonds for which sufficient funds have
24 been deposited with the paying agent or trustee to provide for
25 payment of principal and interest thereon, and any redemption
26 premium, as provided in the authorizing resolution, shall not

1 be considered outstanding for the purposes of this subsection.

2 (j) The bonds of the Authority shall not be indebtedness of
3 the State. The bonds of the Authority are not general
4 obligations of the State and are not secured by a pledge of the
5 full faith and credit of the State and the holders of bonds of
6 the Authority may not require the application of State revenues
7 or funds to the payment of bonds of the Authority. The
8 foregoing non-recourse language must be printed in bold-face
9 type on the face of the bonds and in the preliminary and final
10 official statements on the bonds.

11 (k) The State of Illinois pledges and agrees with the
12 owners of the bonds that it will not limit or alter the rights
13 and powers vested in the Authority by this Act so as to impair
14 the terms of any contract made by the Authority with the owners
15 or in any way impair the rights and remedies of the owners
16 until the bonds, together with interest on them, and all costs
17 and expenses in connection with any action or proceedings by or
18 on behalf of the owners, are fully met and discharged. The
19 Authority is authorized to include this pledge and agreement in
20 any contract with the owners of bonds issued under this
21 Section.

22 (l) No person holding an elective office in the City, in
23 Cook County, or in this State, holding a seat in the General
24 Assembly, or serving as a board member, trustee, officer, or
25 employee of the Authority, including the spouse of that person,
26 may receive a legal, banking, consulting, or other fee related

1 to the issuance of bonds. This prohibition shall also apply to
2 a company or firm that employs a person holding an elective
3 office in the City, in Cook County, or in this State, holding a
4 seat in the General Assembly, or serving as a board member,
5 trustee, officer, or employee of the Authority, including the
6 spouse of that person, if the person or his or her spouse has
7 greater than 7.5% ownership of the company or firm.

8 Section 1-85. Derivative products. With respect to all or
9 part of any issue of its bonds, the Authority may enter into
10 agreements or contracts with any necessary or appropriate
11 person, which will have the benefit of providing to the
12 Authority an interest rate basis, cash flow basis, or other
13 basis different from that provided in the bonds for the payment
14 of interest. Such agreements or contracts may include, without
15 limitation, agreements or contracts commonly known as
16 "interest rate swap agreements", "forward payment conversion
17 agreements", "futures", "options", "puts", or "calls" and
18 agreements or contracts providing for payments based on levels
19 of or changes in interest rates, agreements or contracts to
20 exchange cash flows or a series of payments, or to hedge
21 payment, rate spread, or similar exposure. Any such agreement
22 or contract shall be solely an obligation or indebtedness of
23 the Authority and shall not be an obligation or indebtedness of
24 the State, nor shall any party thereto have any recourse
25 against the State in connection with the agreement or contract.

1 Section 1-90. Legality for investment. The State of
2 Illinois, all governmental entities, all public officers,
3 banks, bankers, trust companies, savings banks and
4 institutions, building and loan associations, savings and loan
5 associations, investment companies, and other persons carrying
6 on a banking business, insurance companies, insurance
7 associations, and other persons carrying on an insurance
8 business, and all executors, administrators, guardians,
9 trustees, and other fiduciaries may legally invest any sinking
10 funds, moneys, or other funds belonging to them or within their
11 control in any bonds issued under this Act. However, nothing in
12 this Section shall be construed as relieving any person or
13 entity from any duty of exercising reasonable care in selecting
14 securities for purchase or investment.

15 Section 1-105. Budgets and reporting.

16 (a) The Casino Board shall annually adopt a budget for each
17 fiscal year. The budget may be modified from time to time in
18 the same manner and upon the same vote as it may be adopted.
19 The budget shall include the Authority's available funds and
20 estimated revenues and shall provide for payment of its
21 obligations and estimated expenditures for the fiscal year,
22 including, without limitation, expenditures for
23 administration, operation, maintenance and repairs, debt
24 service, and deposits into reserve and other funds and capital

1 projects.

2 (b) The Casino Board shall annually cause the finances of
3 the Authority to be audited by a firm of certified public
4 accountants selected by the Casino Board in accordance with the
5 rules of the Gaming Board and post on the Authority's Internet
6 website such financial information as is required to be posted
7 by all other owners licensees under the Illinois Gambling Act.

8 (c) The Casino Board shall, for each fiscal year, prepare
9 an annual report setting forth information concerning its
10 activities in the fiscal year and the status of the development
11 of the casino. The annual report shall include financial
12 information of the Authority consistent with that which is
13 required for all other owners licensees under the Illinois
14 Gambling Act, the budget for the succeeding fiscal year, and
15 the current capital plan as of the date of the report. Copies
16 of the annual report shall be made available to persons who
17 request them and shall be submitted not later than 120 days
18 after the end of the Authority's fiscal year or, if the audit
19 of the Authority's financial statements is not completed within
20 120 days after the end of the Authority's fiscal year, as soon
21 as practical after completion of the audit, to the Governor,
22 the Mayor, the General Assembly, and the Commission on
23 Government Forecasting and Accountability.

24 Section 1-110. Deposit and withdrawal of funds.

25 (a) All funds deposited by the Authority in any bank or

1 savings and loan association shall be placed in the name of the
2 Authority and shall be withdrawn or paid out only by check or
3 draft upon the bank or savings and loan association, signed by
4 2 officers or employees designated by the Casino Board.
5 Notwithstanding any other provision of this Section, the Casino
6 Board may designate any of its members or any officer or
7 employee of the Authority to authorize the wire transfer of
8 funds deposited by the secretary-treasurer of funds in a bank
9 or savings and loan association for the payment of payroll and
10 employee benefits-related expenses.

11 No bank or savings and loan association shall receive
12 public funds as permitted by this Section unless it has
13 complied with the requirements established pursuant to Section
14 6 of the Public Funds Investment Act.

15 (b) If any officer or employee whose signature appears upon
16 any check or draft issued pursuant to this Act ceases (after
17 attaching his signature) to hold his or her office before the
18 delivery of such a check or draft to the payee, his or her
19 signature shall nevertheless be valid and sufficient for all
20 purposes with the same effect as if he or she had remained in
21 office until delivery thereof.

22 Section 1-112. Contracts with the Authority or casino
23 operator licensee; disclosure requirements.

24 (a) A bidder, respondent, offeror, or contractor for
25 contracts with the Authority or casino operator licensee shall

1 disclose the identity of all officers and directors and every
2 owner, beneficiary, or person with beneficial interest of more
3 than 1% or shareholder entitled to receive more than 1% of the
4 total distributable income of any corporation having any
5 interest in the contract or in the bidder, respondent, offeror,
6 or contractor. The disclosure shall be in writing and attested
7 to by an owner, trustee, corporate official, or agent. If stock
8 in a corporation is publicly traded and there is no readily
9 known individual having greater than a 1% interest, then a
10 statement to that effect attested to by an officer or agent of
11 the corporation shall fulfill the disclosure statement
12 requirement of this Section. A bidder, respondent, offeror, or
13 contractor shall notify the Authority of any changes in
14 officers, directors, ownership, or individuals having a
15 beneficial interest of more than 1%. Notwithstanding the
16 provisions of this subsection (a), the Gaming Board may adopt
17 rules in connection with contractors for contracts with the
18 Authority or the casino operator licensee.

19 (b) A bidder, respondent, offeror, or contractor for
20 contracts with an annual value of \$25,000 or more or for a
21 period to exceed one year shall disclose all political
22 contributions of the bidder, respondent, offeror, or
23 contractor and any affiliated person or entity. Disclosure
24 shall include at least the names and addresses of the
25 contributors and the dollar amounts of any contributions to any
26 political committee made within the previous 2 years. The

1 disclosure must be submitted to the Gaming Board with a copy of
2 the contract. All such disclosures shall be posted on the
3 websites of the Authority and the Gaming Board.

4 (c) As used in this Section:

5 "Contribution" means contribution as defined in Section
6 9-1.4 of the Election Code.

7 "Affiliated person" means (i) any person with any ownership
8 interest or distributive share of the bidding, responding, or
9 contracting entity in excess of 1%, (ii) executive employees of
10 the bidding, responding, or contracting entity, and (iii) the
11 spouse, minor children, and parents of any such persons.

12 "Affiliated entity" means (i) any parent or subsidiary of
13 the bidding or contracting entity, (ii) any member of the same
14 unitary business group, or (iii) any political committee for
15 which the bidding, responding, or contracting entity is the
16 sponsoring entity.

17 (d) The Gaming Board may direct the Authority or a casino
18 operator licensee to void a contract if a violation of this
19 Section occurs. The Authority may direct a casino operator
20 licensee to void a contract if a violation of this Section
21 occurs.

22 (e) All contracts pertaining to the actual operation of the
23 casino and related gaming activities shall be entered into by
24 the casino operator licensee and not the Authority and shall be
25 subject to the regulation, oversight, and approval of the
26 Gaming Board, applying the same regulation, oversight, and

1 approval requirements as would be applied to any other owners
2 licensee under the Illinois Gambling Act.

3 Section 1-115. Purchasing.

4 (a) The Casino Board shall designate an officer of the
5 Authority to serve as the Chief Procurement Officer for the
6 Authority. The Chief Procurement Officer shall have all powers
7 and duties set forth in Section 15 of Division 10 of Article 8
8 of the Illinois Municipal Code. Except as otherwise provided in
9 this Section, the Chief Procurement Officer of the Authority
10 shall conduct procurements on behalf of the Authority subject
11 to Title 2, Chapter 92 of the Municipal Code of Chicago, which
12 by its terms incorporates Division 10 of Article 8 of the
13 Illinois Municipal Code.

14 (b) All contracts for amounts greater than \$25,000 must be
15 approved by the Casino Board and executed by the chairperson of
16 the Casino Board and executive director of the Authority.
17 Contracts for amounts of \$25,000 or less may be approved and
18 executed by the Chief Procurement Officer for the Authority and
19 executive director of the Authority, with approval by the chief
20 legal counsel for the Authority as to form and legality.

21 (c) All construction contracts and contracts for supplies,
22 materials, equipment, and services for amounts greater than
23 \$25,000 shall be let by a competitive selection process to the
24 lowest responsible proposer, after advertising for proposals,
25 except for the following:

1 (1) when repair parts, accessories, equipment, or
2 services are required for equipment or services previously
3 furnished or contracted for;

4 (2) when services such as water, light, heat, power,
5 telephone (other than long-distance service), or telegraph
6 are required;

7 (3) casino management contracts, which shall be
8 awarded as set forth in Section 1-45 of this Act;

9 (4) contracts where there is only one economically
10 feasible source;

11 (5) when a purchase is needed on an immediate,
12 emergency basis because there exists a threat to public
13 health or public safety, or when immediate expenditure is
14 necessary for repairs to Authority property in order to
15 protect against further loss of or damage to Authority
16 property, to prevent or minimize serious disruption in
17 Authority services or to ensure the integrity of Authority
18 records;

19 (6) contracts for professional services other than for
20 management of the casino, except such contracts described
21 in subsection (d) of this Section; and

22 (7) contracts for the use, purchase, delivery,
23 movement, or installation of (i) data processing
24 equipment, software, and services and (ii)
25 telecommunications equipment, software, and services.

26 (d) Contracts for professional services for a term of more

1 than one year or contracts that may require payment in excess
2 of \$25,000 in one year shall be let by a competitive bidding
3 process to the most highly qualified firm that agrees to
4 compensation and other terms of engagement that are both
5 reasonable and acceptable to the Casino Board.

6 (e) All contracts involving less than \$25,000 shall be let
7 by competitive selection process whenever possible, and in any
8 event in a manner calculated to ensure the best interests of
9 the public.

10 (f) In determining the responsibility of any proposer, the
11 Authority may take into account the proposer's (or an
12 individual having a beneficial interest, directly or
13 indirectly, of more than 1% in such proposing entity) past
14 record of dealings with the Authority, the proposer's
15 experience, adequacy of equipment, and ability to complete
16 performance within the time set, and other factors besides
17 financial responsibility. No such contract shall be awarded to
18 any proposer other than the lowest proposer (in case of
19 purchase or expenditure) unless authorized or approved by a
20 vote of at least 3 members of the Casino Board and such action
21 is accompanied by a written statement setting forth the reasons
22 for not awarding the contract to the highest or lowest
23 proposer, as the case may be. The statement shall be kept on
24 file in the principal office of the Authority and open to
25 public inspection.

26 (g) The Authority shall have the right to reject all

1 proposals and to re-advertise for proposals. If after any such
2 re-advertisement, no responsible and satisfactory proposals,
3 within the terms of the re-advertisement, is received, the
4 Authority may award such contract without competitive
5 selection. The contract must not be less advantageous to the
6 Authority than any valid proposal received pursuant to
7 advertisement.

8 (h) Advertisements for proposals and re-proposals shall be
9 published at least once in a daily newspaper of general
10 circulation published in the City at least 10 calendar days
11 before the time for receiving proposals and in an online
12 bulletin published on the Authority's website. Such
13 advertisements shall state the time and place for receiving and
14 opening of proposals and, by reference to plans and
15 specifications on file at the time of the first publication or
16 in the advertisement itself, shall describe the character of
17 the proposed contract in sufficient detail to fully advise
18 prospective proposers of their obligations and to ensure free
19 and open competitive selection.

20 (i) All proposals in response to advertisements shall be
21 sealed and shall be publicly opened by the Authority. All
22 proposers shall be entitled to be present in person or by
23 representatives. Cash or a certified or satisfactory cashier's
24 check, as a deposit of good faith, in a reasonable amount to be
25 fixed by the Authority before advertising for proposals, shall
26 be required with the proposal. A bond for faithful performance

1 of the contract with surety or sureties satisfactory to the
2 Authority and adequate insurance may be required in reasonable
3 amounts to be fixed by the Authority before advertising for
4 proposals.

5 (j) The contract shall be awarded as promptly as possible
6 after the opening of proposals. The proposal of the successful
7 proposer, as well as the bids of the unsuccessful proposers,
8 shall be placed on file and be open to public inspection
9 subject to the exemptions from disclosure provided under
10 Section 7 of the Freedom of Information Act. All proposals
11 shall be void if any disclosure of the terms of any proposals
12 in response to an advertisement is made or permitted to be made
13 by the Authority before the time fixed for opening proposals.

14 (k) Notice of each and every contract that is offered,
15 including renegotiated contracts and change orders, shall be
16 published in an online bulletin. The online bulletin must
17 include at least the date first offered, the date submission of
18 offers is due, the location that offers are to be submitted to,
19 a brief purchase description, the method of source selection,
20 information of how to obtain a comprehensive purchase
21 description and any disclosure and contract forms, and
22 encouragement to prospective vendors to hire qualified
23 veterans, as defined by Section 45-67 of the Illinois
24 Procurement Code, and Illinois residents discharged from any
25 Illinois adult correctional center subject to Gaming Board
26 licensing and eligibility rules. Notice of each and every

1 contract that is let or awarded, including renegotiated
2 contracts and change orders, shall be published in the online
3 bulletin and must include at least all of the information
4 specified in this subsection (k), as well as the name of the
5 successful responsible proposer or offeror, the contract
6 price, and the number of unsuccessful responsive proposers and
7 any other disclosure specified in this Section. This notice
8 must be posted in the online electronic bulletin prior to
9 execution of the contract.

10 Section 1-130. Affirmative action and equal opportunity
11 obligations of Authority.

12 (a) The Authority is subject to the requirements of Article
13 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720
14 inclusive) of the Chicago Municipal Code, as now or hereafter
15 amended, renumbered, or succeeded, concerning a Minority-Owned
16 and Women-Owned Business Enterprise Procurement Program for
17 construction contracts, and Section 2-92-420 et seq. of the
18 Chicago Municipal Code, as now or hereafter amended,
19 renumbered, or succeeded, concerning a Minority-Owned and
20 Women-Owned Business Enterprise Procurement Program.

21 (b) The Authority is authorized to enter into agreements
22 with contractors' associations, labor unions, and the
23 contractors working on the development of the casino to
24 establish an apprenticeship preparedness training program to
25 provide for an increase in the number of minority and female

1 journeymen and apprentices in the building trades and to enter
2 into agreements with community college districts or other
3 public or private institutions to provide readiness training.
4 The Authority is further authorized to enter into contracts
5 with public and private educational institutions and persons in
6 the gaming, entertainment, hospitality, and tourism industries
7 to provide training for employment in those industries.

8 Section 1-135. Transfer of interest. Neither the Authority
9 nor the City may sell, lease, rent, transfer, exchange, or
10 otherwise convey any interest that they have in the casino
11 without prior approval of the General Assembly.

12 Section 1-140. Home rule. The regulation and licensing of
13 casinos and casino gaming, casino gaming facilities, and casino
14 operator licensees under this Act are exclusive powers and
15 functions of the State. A home rule unit may not regulate or
16 license casinos, casino gaming, casino gaming facilities, or
17 casino operator licensees under this Act, except as provided
18 under this Act. This Section is a denial and limitation of home
19 rule powers and functions under subsection (h) of Section 6 of
20 Article VII of the Illinois Constitution.

21 Section 1-145. Prohibition of political contributions from
22 casino operator licensees and applicants.

23 (a) The General Assembly has a compelling interest in

1 protecting the integrity of both the electoral process and the
2 legislative process by preventing corruption and the
3 appearance of corruption which may arise through permitting
4 certain political campaign contributions by certain persons
5 involved in the gaming industry and regulated by the State.
6 Unlike most other regulated industries, gaming is especially
7 susceptible to corruption and potential criminal influence. In
8 Illinois, only licensed gaming activities are legal and all
9 other gaming activities are strictly prohibited. Given these
10 circumstances, it is imperative to eliminate any potential
11 corrupt influence in the gaming industry and the electoral
12 process.

13 Banning political campaign contributions by certain
14 persons subject to this Section to State officeholders and
15 candidates for such offices and to county and municipal
16 officeholders and candidates for such offices in counties and
17 municipalities that receive financial benefits from gaming
18 activities is necessary to prevent corruption and the
19 appearance of corruption that may arise when political campaign
20 contributions and gaming that is regulated by the State and
21 that confers benefits on counties and municipalities are
22 intermingled.

23 The General Assembly has prohibited political campaign
24 contributions to certain State and local officeholders and
25 candidates for such offices by certain persons with State of
26 Illinois and Metropolitan Pier and Exposition Authority

1 contracts and pending bids or proposals for contracts of over
2 \$50,000 and certain individuals and entities affiliated with
3 such persons. Certain gaming licensees will receive receipts
4 far in excess of the base level of contract amounts subject to
5 such other campaign contribution prohibitions.

6 (b) As used in this Section:

7 "Affiliated entity" means (i) any corporate parent and
8 operating subsidiary of the business entity applying for or
9 holding a license, (ii) each operating subsidiary of the
10 corporate parent of the business entity applying for or holding
11 a license, (iii) any organization recognized by the United
12 States Internal Revenue Service as a tax-exempt organization
13 described in Section 501(c) of the Internal Revenue Code of
14 1986 (or any successor provision of federal tax law)
15 established by one or more business entities seeking or holding
16 a license, any affiliated entity of such business entity, or
17 any affiliated person of such business entity, and (iv) any
18 political committee for which the business entity applying for
19 or holding a license, or any 501(c) organization described in
20 item (iii) related to that business entity, is the sponsoring
21 entity as defined in Section 9-3 of the Election Code. For
22 purposes of item (iv), the funding of all business entities
23 applying for or holding a license shall be aggregated in
24 determining whether such political committee is an affiliated
25 entity.

26 "Affiliated person" means (i) any person with any ownership

1 interest or distributive share in excess of 7.5% of any
2 business entity applying for or holding a license, (ii)
3 executive employees of any such business entity, (iii) any
4 person designated as a key person under the Illinois Gambling
5 Act, and (iv) the spouse of the persons described in items (i)
6 through (iii).

7 "Business entity" means any entity doing business for
8 profit, whether organized as a corporation, partnership, sole
9 proprietorship, limited liability company, or partnership or
10 otherwise.

11 "Contribution" means a contribution as defined in Section
12 9-1.4 of the Election Code.

13 "Declared candidate" means a person who has filed a
14 statement of candidacy and petition for nomination or election
15 in the principal office of the State Board of Elections, or in
16 the office of the appropriate election authority for any county
17 or municipality in which a casino is located or proposed or
18 which receives any gaming revenue.

19 "Executive employee" means (i) any person who is an officer
20 or director or who fulfills duties equivalent to those of an
21 officer or director of a business entity applying for or
22 holding a license and (ii) any employee of such business entity
23 who is required to register under the Lobbyist Registration
24 Act.

25 "License" means the casino operator license issued
26 pursuant to this Act.

1 "Officeholder" means the Governor, Lieutenant Governor,
2 Attorney General, Secretary of State, Comptroller, Treasurer,
3 member of the General Assembly, or any officeholder in any
4 county or municipality in which a riverboat, casino, or
5 electronic gaming device is located or proposed or that
6 receives any gaming revenue.

7 (c) Any person or business entity applying for or holding a
8 license, any affiliated entities or persons of such business
9 entity, and any entities or persons soliciting a contribution
10 or causing a contribution to be made on behalf of such person
11 or business entity, are prohibited from making any contribution
12 to any officeholder or declared candidate or any political
13 committee affiliated with any officeholder or declared
14 candidate, as defined in Section 9-1.8 of the Election Code.
15 This prohibition shall commence upon filing of an application
16 for a license and shall continue for a period of 2 years after
17 termination, suspension or revocation of the license.

18 The Gaming Board shall have authority to suspend, revoke,
19 or restrict the license and to impose civil penalties of up to
20 \$100,000 for each violation of this subsection (c). A notice of
21 each such violation and the penalty imposed shall be published
22 on the Gaming Board's Internet website and in the Illinois
23 Register. Payments received by the State pursuant to this
24 subsection (c) shall be deposited into the General Revenue
25 Fund.

26 Any officeholder or declared candidate or any political

1 committee affiliated with any officeholder or declared
2 candidate that has received a contribution in violation of this
3 subsection (c) shall pay an amount equal to the value of the
4 contribution to the State no more than 30 days after notice of
5 the violation concerning the contribution appears in the
6 Illinois Register. Payments received by the State pursuant to
7 this subsection (c) shall be deposited into the General Revenue
8 Fund.

9 (d) The Gaming Board shall post on its Internet website a
10 list of all persons, business entities, and affiliated entities
11 prohibited from making contributions to any officeholder or
12 declared candidate political committee pursuant to subsection
13 (c), which list shall be updated and published, at a minimum,
14 every 6 months.

15 Any person, business entity, or affiliated entity
16 prohibited from making contributions to any officeholder or
17 declared candidate political committee pursuant to subsection
18 (c) shall notify the Gaming Board within 7 days after
19 discovering any necessary change or addition to the information
20 relating to that person, business entity, or affiliated entity
21 contained in the list.

22 An individual who acts in good faith and in reliance on any
23 information contained in the list shall not be subject to any
24 penalties or liability imposed for a violation of this Section.

25 (e) If any provision of this Section is held invalid or its
26 application to any person or circumstance is held invalid, the

1 developed horse racing and gaming operations in other
2 states.

3 (6) That allowing the State's horse racing venues,
4 currently licensed gaming destinations, to maximize their
5 capacities with gaming machines, would generate up to \$120
6 million to \$200 million for the State in the form of extra
7 licensing fees, plus an additional \$100 million to \$300
8 million in recurring annual tax revenue for the State to
9 help ensure that school, road, and other building projects
10 promised under the capital plan occur on schedule.

11 (7) That Illinois agriculture and other businesses
12 that support and supply the horse racing industry, already
13 a sector that employs over 37,000 Illinoisans, also stand
14 to substantially benefit and would be much more likely to
15 create additional jobs should Illinois horse racing once
16 again become competitive with other states.

17 (8) That by keeping these projects on track, the State
18 can be sure that significant job and economic growth will
19 in fact result from the previously enacted legislation.

20 (9) That gaming machines at Illinois horse racing
21 tracks would create an estimated 1,200 to 1,500 permanent
22 jobs, and an estimated capital investment of up to \$200
23 million to \$400 million at these race tracks would prompt
24 additional trade organization jobs necessary to construct
25 new facilities or remodel race tracks to operate electronic
26 gaming.

1 Section 90-3. The State Officials and Employees Ethics Act
2 is amended by changing Sections 5-45 and 20-10 as follows:

3 (5 ILCS 430/5-45)

4 Sec. 5-45. Procurement; revolving door prohibition.

5 (a) No former officer, member, or State employee, or spouse
6 or immediate family member living with such person, shall,
7 within a period of one year immediately after termination of
8 State employment, knowingly accept employment or receive
9 compensation or fees for services from a person or entity if
10 the officer, member, or State employee, during the year
11 immediately preceding termination of State employment,
12 participated personally and substantially in the award of State
13 contracts, or the issuance of State contract change orders,
14 with a cumulative value of \$25,000 or more to the person or
15 entity, or its parent or subsidiary.

16 (b) No former officer of the executive branch or State
17 employee of the executive branch with regulatory or licensing
18 authority, or spouse or immediate family member living with
19 such person, shall, within a period of one year immediately
20 after termination of State employment, knowingly accept
21 employment or receive compensation or fees for services from a
22 person or entity if the officer or State employee, during the
23 year immediately preceding termination of State employment,
24 participated personally and substantially in making a

1 regulatory or licensing decision that directly applied to the
2 person or entity, or its parent or subsidiary.

3 (c) Within 6 months after the effective date of this
4 amendatory Act of the 96th General Assembly, each executive
5 branch constitutional officer and legislative leader, the
6 Auditor General, and the Joint Committee on Legislative Support
7 Services shall adopt a policy delineating which State positions
8 under his or her jurisdiction and control, by the nature of
9 their duties, may have the authority to participate personally
10 and substantially in the award of State contracts or in
11 regulatory or licensing decisions. The Governor shall adopt
12 such a policy for all State employees of the executive branch
13 not under the jurisdiction and control of any other executive
14 branch constitutional officer.

15 The policies required under subsection (c) of this Section
16 shall be filed with the appropriate ethics commission
17 established under this Act or, for the Auditor General, with
18 the Office of the Auditor General.

19 (d) Each Inspector General shall have the authority to
20 determine that additional State positions under his or her
21 jurisdiction, not otherwise subject to the policies required by
22 subsection (c) of this Section, are nonetheless subject to the
23 notification requirement of subsection (f) below due to their
24 involvement in the award of State contracts or in regulatory or
25 licensing decisions.

26 (e) The Joint Committee on Legislative Support Services,

1 the Auditor General, and each of the executive branch
2 constitutional officers and legislative leaders subject to
3 subsection (c) of this Section shall provide written
4 notification to all employees in positions subject to the
5 policies required by subsection (c) or a determination made
6 under subsection (d): (1) upon hiring, promotion, or transfer
7 into the relevant position; and (2) at the time the employee's
8 duties are changed in such a way as to qualify that employee.
9 An employee receiving notification must certify in writing that
10 the person was advised of the prohibition and the requirement
11 to notify the appropriate Inspector General in subsection (f).

12 (f) Any State employee in a position subject to the
13 policies required by subsection (c) or to a determination under
14 subsection (d), but who does not fall within the prohibition of
15 subsection (h) below, who is offered non-State employment
16 during State employment or within a period of one year
17 immediately after termination of State employment shall, prior
18 to accepting such non-State employment, notify the appropriate
19 Inspector General. Within 10 calendar days after receiving
20 notification from an employee in a position subject to the
21 policies required by subsection (c), such Inspector General
22 shall make a determination as to whether the State employee is
23 restricted from accepting such employment by subsection (a) or
24 (b). In making a determination, in addition to any other
25 relevant information, an Inspector General shall assess the
26 effect of the prospective employment or relationship upon

1 decisions referred to in subsections (a) and (b), based on the
2 totality of the participation by the former officer, member, or
3 State employee in those decisions. A determination by an
4 Inspector General must be in writing, signed and dated by the
5 Inspector General, and delivered to the subject of the
6 determination within 10 calendar days or the person is deemed
7 eligible for the employment opportunity. For purposes of this
8 subsection, "appropriate Inspector General" means (i) for
9 members and employees of the legislative branch, the
10 Legislative Inspector General; (ii) for the Auditor General and
11 employees of the Office of the Auditor General, the Inspector
12 General provided for in Section 30-5 of this Act; and (iii) for
13 executive branch officers and employees, the Inspector General
14 having jurisdiction over the officer or employee. Notice of any
15 determination of an Inspector General and of any such appeal
16 shall be given to the ultimate jurisdictional authority, the
17 Attorney General, and the Executive Ethics Commission.

18 (g) An Inspector General's determination regarding
19 restrictions under subsection (a) or (b) may be appealed to the
20 appropriate Ethics Commission by the person subject to the
21 decision or the Attorney General no later than the 10th
22 calendar day after the date of the determination.

23 On appeal, the Ethics Commission or Auditor General shall
24 seek, accept, and consider written public comments regarding a
25 determination. In deciding whether to uphold an Inspector
26 General's determination, the appropriate Ethics Commission or

1 Auditor General shall assess, in addition to any other relevant
2 information, the effect of the prospective employment or
3 relationship upon the decisions referred to in subsections (a)
4 and (b), based on the totality of the participation by the
5 former officer, member, or State employee in those decisions.
6 The Ethics Commission shall decide whether to uphold an
7 Inspector General's determination within 10 calendar days or
8 the person is deemed eligible for the employment opportunity.

9 (h) The following officers, members, or State employees
10 shall not, within a period of one year immediately after
11 termination of office or State employment, knowingly accept
12 employment or receive compensation or fees for services from a
13 person or entity if the person or entity or its parent or
14 subsidiary, during the year immediately preceding termination
15 of State employment, was a party to a State contract or
16 contracts with a cumulative value of \$25,000 or more involving
17 the officer, member, or State employee's State agency, or was
18 the subject of a regulatory or licensing decision involving the
19 officer, member, or State employee's State agency, regardless
20 of whether he or she participated personally and substantially
21 in the award of the State contract or contracts or the making
22 of the regulatory or licensing decision in question:

23 (1) members or officers;

24 (2) members of a commission or board created by the
25 Illinois Constitution;

26 (3) persons whose appointment to office is subject to

1 the advice and consent of the Senate;

2 (4) the head of a department, commission, board,
3 division, bureau, authority, or other administrative unit
4 within the government of this State;

5 (5) chief procurement officers, State purchasing
6 officers, and their designees whose duties are directly
7 related to State procurement; ~~and~~

8 (6) chiefs of staff, deputy chiefs of staff, associate
9 chiefs of staff, assistant chiefs of staff, and deputy
10 governors; ~~and~~

11 (7) employees of the Illinois Racing Board; and

12 (8) employees of the Illinois Gaming Board.

13 (i) For the purposes of this Section, with respect to
14 officers or employees of a regional transit board, as defined
15 in this Act, the phrase "person or entity" does not include:

16 (i) the United States government, (ii) the State, (iii)
17 municipalities, as defined under Article VII, Section 1 of the
18 Illinois Constitution, (iv) units of local government, as
19 defined under Article VII, Section 1 of the Illinois
20 Constitution, or (v) school districts.

21 (Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

22 (5 ILCS 430/20-10)

23 Sec. 20-10. Offices of Executive Inspectors General.

24 (a) ~~Six~~ Five independent Offices of the Executive Inspector
25 General are created, one each for the Governor, the Attorney

1 General, the Secretary of State, the Comptroller, and the
2 Treasurer and one for gaming activities. Each Office shall be
3 under the direction and supervision of an Executive Inspector
4 General and shall be a fully independent office with separate
5 appropriations.

6 (b) The Governor, Attorney General, Secretary of State,
7 Comptroller, and Treasurer shall each appoint an Executive
8 Inspector General, and the Governor shall appoint an Executive
9 Inspector General for gaming activities. Each appointment must
10 be made without regard to political affiliation and solely on
11 the basis of integrity and demonstrated ability. Appointments
12 shall be made by and with the advice and consent of the Senate
13 by three-fifths of the elected members concurring by record
14 vote. Any nomination not acted upon by the Senate within 60
15 session days of the receipt thereof shall be deemed to have
16 received the advice and consent of the Senate. If, during a
17 recess of the Senate, there is a vacancy in an office of
18 Executive Inspector General, the appointing authority shall
19 make a temporary appointment until the next meeting of the
20 Senate when the appointing authority shall make a nomination to
21 fill that office. No person rejected for an office of Executive
22 Inspector General shall, except by the Senate's request, be
23 nominated again for that office at the same session of the
24 Senate or be appointed to that office during a recess of that
25 Senate.

26 Nothing in this Article precludes the appointment by the

1 Governor, Attorney General, Secretary of State, Comptroller,
2 or Treasurer of any other inspector general required or
3 permitted by law. The Governor, Attorney General, Secretary of
4 State, Comptroller, and Treasurer each may appoint an existing
5 inspector general as the Executive Inspector General required
6 by this Article, provided that such an inspector general is not
7 prohibited by law, rule, jurisdiction, qualification, or
8 interest from serving as the Executive Inspector General
9 required by this Article. An appointing authority may not
10 appoint a relative as an Executive Inspector General.

11 Each Executive Inspector General shall have the following
12 qualifications:

13 (1) has not been convicted of any felony under the laws
14 of this State, another State, or the United States;

15 (2) has earned a baccalaureate degree from an
16 institution of higher education; and

17 (3) has 5 or more years of cumulative service (A) with
18 a federal, State, or local law enforcement agency, at least
19 2 years of which have been in a progressive investigatory
20 capacity; (B) as a federal, State, or local prosecutor; (C)
21 as a senior manager or executive of a federal, State, or
22 local agency; (D) as a member, an officer, or a State or
23 federal judge; or (E) representing any combination of (A)
24 through (D).

25 The term of each initial Executive Inspector General shall
26 commence upon qualification and shall run through June 30,

1 2008. The initial appointments shall be made within 60 days
2 after the effective date of this Act.

3 After the initial term, each Executive Inspector General
4 shall serve for 5-year terms commencing on July 1 of the year
5 of appointment and running through June 30 of the fifth
6 following year. An Executive Inspector General may be
7 reappointed to one or more subsequent terms.

8 A vacancy occurring other than at the end of a term shall
9 be filled by the appointing authority only for the balance of
10 the term of the Executive Inspector General whose office is
11 vacant.

12 Terms shall run regardless of whether the position is
13 filled.

14 (c) The Executive Inspector General appointed by the
15 Attorney General shall have jurisdiction over the Attorney
16 General and all officers and employees of, and vendors and
17 others doing business with, State agencies within the
18 jurisdiction of the Attorney General. The Executive Inspector
19 General appointed by the Secretary of State shall have
20 jurisdiction over the Secretary of State and all officers and
21 employees of, and vendors and others doing business with, State
22 agencies within the jurisdiction of the Secretary of State. The
23 Executive Inspector General appointed by the Comptroller shall
24 have jurisdiction over the Comptroller and all officers and
25 employees of, and vendors and others doing business with, State
26 agencies within the jurisdiction of the Comptroller. The

1 Executive Inspector General appointed by the Treasurer shall
2 have jurisdiction over the Treasurer and all officers and
3 employees of, and vendors and others doing business with, State
4 agencies within the jurisdiction of the Treasurer. The
5 Executive Inspector General appointed by the Governor shall
6 have jurisdiction over (i) the Governor, (ii) the Lieutenant
7 Governor, (iii) all officers and employees of, and vendors and
8 others doing business with, executive branch State agencies
9 under the jurisdiction of the Executive Ethics Commission and
10 not within the jurisdiction of the Attorney General, the
11 Secretary of State, the Comptroller, ~~or~~ the Treasurer, or the
12 Executive Inspector General for gaming activities, and (iv) all
13 board members and employees of the Regional Transit Boards and
14 all vendors and others doing business with the Regional Transit
15 Boards. The Executive Inspector General for gaming activities
16 appointed by the Governor has jurisdiction over the Illinois
17 Gaming Board, all officers and employees of the Illinois Gaming
18 Board, and all activities of the Illinois Gaming Board.

19 The jurisdiction of each Executive Inspector General is to
20 investigate allegations of fraud, waste, abuse, mismanagement,
21 misconduct, nonfeasance, misfeasance, malfeasance, or
22 violations of this Act or violations of other related laws and
23 rules.

24 (d) The compensation for each Executive Inspector General
25 shall be determined by the Executive Ethics Commission and
26 shall be made from appropriations made to the Comptroller for

1 this purpose. Subject to Section 20-45 of this Act, each
2 Executive Inspector General has full authority to organize his
3 or her Office of the Executive Inspector General, including the
4 employment and determination of the compensation of staff, such
5 as deputies, assistants, and other employees, as
6 appropriations permit. A separate appropriation shall be made
7 for each Office of Executive Inspector General.

8 (e) No Executive Inspector General or employee of the
9 Office of the Executive Inspector General may, during his or
10 her term of appointment or employment:

11 (1) become a candidate for any elective office;

12 (2) hold any other elected or appointed public office
13 except for appointments on governmental advisory boards or
14 study commissions or as otherwise expressly authorized by
15 law;

16 (3) be actively involved in the affairs of any
17 political party or political organization; or

18 (4) advocate for the appointment of another person to
19 an appointed or elected office or position or actively
20 participate in any campaign for any elective office.

21 In this subsection an appointed public office means a
22 position authorized by law that is filled by an appointing
23 authority as provided by law and does not include employment by
24 hiring in the ordinary course of business.

25 (e-1) No Executive Inspector General or employee of the
26 Office of the Executive Inspector General may, for one year

1 after the termination of his or her appointment or employment:

2 (1) become a candidate for any elective office;

3 (2) hold any elected public office; or

4 (3) hold any appointed State, county, or local judicial
5 office.

6 (e-2) The requirements of item (3) of subsection (e-1) may
7 be waived by the Executive Ethics Commission.

8 (f) An Executive Inspector General may be removed only for
9 cause and may be removed only by the appointing ~~constitutional~~
10 officer. At the time of the removal, the appointing
11 ~~constitutional~~ officer must report to the Executive Ethics
12 Commission the justification for the removal.

13 (Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

14 Section 90-5. The Alcoholism and Other Drug Abuse and
15 Dependency Act is amended by changing Section 5-20 as follows:

16 (20 ILCS 301/5-20)

17 Sec. 5-20. Compulsive gambling program.

18 (a) Subject to appropriation, the Department shall
19 establish a program for public education, research, and
20 training regarding problem and compulsive gambling and the
21 treatment and prevention of problem and compulsive gambling.
22 Subject to specific appropriation for these stated purposes,
23 the program must include all of the following:

24 (1) Establishment and maintenance of a toll-free "800"

1 telephone number to provide crisis counseling and referral
2 services to families experiencing difficulty as a result of
3 problem or compulsive gambling.

4 (2) Promotion of public awareness regarding the
5 recognition and prevention of problem and compulsive
6 gambling.

7 (3) Facilitation, through in-service training and
8 other means, of the availability of effective assistance
9 programs for problem and compulsive gamblers.

10 (4) Conducting studies to identify adults and
11 juveniles in this State who are, or who are at risk of
12 becoming, problem or compulsive gamblers.

13 (b) Subject to appropriation, the Department shall either
14 establish and maintain the program or contract with a private
15 or public entity for the establishment and maintenance of the
16 program. Subject to appropriation, either the Department or the
17 private or public entity shall implement the toll-free
18 telephone number, promote public awareness, and conduct
19 in-service training concerning problem and compulsive
20 gambling.

21 (c) Subject to appropriation, the Department shall produce
22 and supply the signs specified in Section 10.7 of the Illinois
23 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
24 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
25 of the Charitable Games Act, and Section 13.1 of the Illinois
26 ~~Riverboat~~ Gambling Act.

1 (Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

2 Section 90-6. The Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of Illinois is
4 amended by adding Sections 605-530 and 605-535 as follows:

5 (20 ILCS 605/605-530 new)

6 Sec. 605-530. The Depressed Communities Economic
7 Development Board.

8 (a) The Depressed Communities Economic Development Board
9 is created as an advisory board within the Department of
10 Commerce and Economic Opportunity. The Board shall consist of
11 the following members:

12 (1) 3 members appointed by the Governor, one of whom
13 shall be appointed to serve an initial term of one year and
14 2 of whom shall be appointed to serve an initial term of 2
15 years;

16 (2) 2 members appointed by the Speaker of the House of
17 Representatives, one of whom shall be appointed to serve an
18 initial term of one year and one of whom shall be appointed
19 to serve an initial term of 2 years;

20 (3) 2 members appointed by the President of the Senate,
21 one of whom shall be appointed to serve an initial term of
22 one year and one of whom shall be appointed to serve an
23 initial term of 2 years;

24 (4) 2 members appointed by the Minority Leader of the

1 House of Representatives, one of whom shall be appointed to
2 serve an initial term of one year and one of whom shall be
3 appointed to serve an initial term of 2 years; and

4 (5) 2 members appointed by the Minority Leader of the
5 Senate, one of whom shall be appointed to serve an initial
6 term of one year and one of whom shall be appointed to
7 serve an initial term of 2 years.

8 The members of the Board shall elect a member to serve as
9 chair of the Board. The members of the Board shall reflect the
10 composition of the Illinois population with regard to ethnic
11 and racial composition.

12 After the initial terms, each member shall be appointed to
13 serve a term of 2 years and until his or her successor has been
14 appointed and assumes office. If a vacancy occurs in the Board
15 membership, then the vacancy shall be filled in the same manner
16 as the initial appointment. No member of the Board shall, at
17 the time of his or her appointment or within 2 years before the
18 appointment, hold elected office or be appointed to a State
19 board, commission, or agency. All Board members are subject to
20 the State Officials and Employees Ethics Act.

21 (b) Board members shall serve without compensation, but may
22 be reimbursed for their reasonable travel expenses from funds
23 available for that purpose. The Department of Commerce and
24 Economic Opportunity shall provide staff and administrative
25 support services to the Board.

26 (c) The Board must make recommendations, which must be

1 approved by a majority of the Board, to the Department of
2 Commerce and Economic Opportunity concerning the award of
3 grants from amounts appropriated to the Department from the
4 Depressed Communities Economic Development Fund, a special
5 fund created in the State treasury. The Department must make
6 grants to public or private entities submitting proposals to
7 the Board to revitalize an Illinois depressed community. Grants
8 may be used by these entities only for those purposes
9 conditioned with the grant. For the purposes of this subsection
10 (c), plans for revitalizing an Illinois depressed community
11 include plans intended to curb high levels of poverty,
12 unemployment, job and population loss, and general distress. An
13 Illinois depressed community is an area where the poverty rate,
14 as determined by using the most recent data released by the
15 United States Census Bureau, is at least 3% greater than the
16 State poverty rate as determined by using the most recent data
17 released by the United States Census Bureau.

18 (20 ILCS 605/605-535 new)

19 Sec. 605-535. The Commission on the Future of Economic
20 Development of the Latino Community.

21 (a) There is hereby created the Commission on the Future of
22 Economic Development of the Latino Community within the
23 Department. The purpose of the Commission shall be to maintain
24 and develop the economy of Latinos and to provide opportunities
25 for this community, which will enhance and expand the quality

1 of their lives.

2 The Commission shall concentrate its major efforts on
3 strategic planning, policy research and analysis, advocacy,
4 evaluation, and promoting coordination and collaboration.

5 During each regular legislative session, the Commission
6 must consult with appropriate legislative committees about the
7 State's economic development needs and opportunities in the
8 Latino community.

9 By October 1st of each even-numbered year, the Commission
10 must submit to the Governor and the General Assembly a biennial
11 comprehensive statewide economic development strategy for the
12 Latino community with a report on progress from the previous
13 comprehensive strategy.

14 The comprehensive statewide economic development strategy
15 may include, but is not limited to:

16 (1) an assessment of the Latino community's economic
17 vitality;

18 (2) recommended goals, objectives, and priorities for
19 the next biennium and the future;

20 (3) a common set of outcomes and benchmarks for the
21 economic development system as a whole for the Latino
22 community;

23 (4) recommendations for removing barriers for Latinos
24 in employment;

25 (5) an inventory of existing relevant programs
26 compiled by the Commission from materials submitted by

1 agencies;

2 (6) recommendations for expanding, discontinuing, or
3 redirecting existing programs or adding new programs to
4 better serve the Latino community; and

5 (7) recommendations of best practices and public and
6 private sector roles in implementing the comprehensive
7 statewide economic development strategy.

8 In developing the biennial statewide economic development
9 strategy, goals, objectives, priorities, and recommendations,
10 the Commission shall consult, collaborate, and coordinate with
11 relevant State agencies, private sector business, nonprofit
12 organizations involved in economic development, trade
13 associations, associate development organizations, and
14 relevant local organizations in order to avoid duplication of
15 effort.

16 State agencies shall cooperate with the Commission and
17 provide information as the Commission may reasonably request.

18 The Commission shall review and make budget
19 recommendations to the Governor's Office of Management and
20 Budget and the General Assembly in areas relating to the
21 economic development in the State's Latino community.

22 The Commission shall evaluate its own performance on a
23 regular basis.

24 The Commission may accept gifts, grants, donations,
25 sponsorships, or contributions from any federal, State, or
26 local governmental agency or program, or any private source,

1 and expend the same for any purpose consistent with this
2 Section.

3 (b) The Commission shall consist of 12 voting members,
4 appointed by the Governor, 4 of whom shall be appointed to
5 serve an initial term of one year, 4 of whom shall be appointed
6 to serve an initial term of 2 years, and 4 of whom shall be
7 appointed to serve an initial term of 3 years. After the
8 initial term, each member shall be appointed to a term of 3
9 years. Members of the Commission shall serve at the pleasure of
10 the Governor for not more than 2 consecutive 3-year terms. In
11 appointing members, the Governor shall appoint individuals
12 from the following private industry sectors:

13 (1) production agriculture;

14 (2) at least 2 individuals from manufacturing, one of
15 whom shall represent a company with no more than 75
16 employees;

17 (3) transportation, construction, and logistics;

18 (4) travel and tourism;

19 (5) financial services and insurance;

20 (6) information technology and communications; and

21 (7) biotechnology.

22 The members of the Commission shall choose a member to
23 serve as chair of the Commission. The members of the Commission
24 shall be representative, to the extent possible, of the various
25 geographic areas of the State. The Director shall serve as an
26 ad hoc nonvoting member of the Commission. Vacancies shall be

1 filled in the same manner as the original appointments. The
2 members of the Commission shall serve without compensation.

3 (c) The Commission shall meet at least 4 times per year,
4 with at least one meeting each calendar quarter, at the call of
5 the director or 4 voting members of the Commission. The staff
6 and support for the Commission shall be provided by the
7 Department.

8 (d) The Commission and Department are encouraged to involve
9 other essential groups in the work of the Commission,
10 including, but not limited to:

11 (1) public universities;

12 (2) community colleges;

13 (3) other educational institutions; and

14 (4) the Department of Labor.

15 (e) The Commission shall make recommendations, which must
16 be approved by a majority of the members of the Commission, to
17 the Department concerning the award of grants from amounts
18 appropriated to the Department from the Latino Community
19 Economic Development Fund, a special fund in the State
20 treasury. The Department shall make grants to public or private
21 entities submitting proposals to the Commission to assist in
22 the economic development of the Latino community. Grants may be
23 used by these entities only for those purposes conditioned with
24 the grant. The Commission shall coordinate with the Department
25 to develop grant criteria.

26 (f) For the purposes of this Section:

1 "Department" means the Department of Commerce and Economic
2 Development.

3 "Director" means the Director of Commerce and Economic
4 Development.

5 "Educational institutions" means nonprofit public and
6 private colleges, community colleges, State colleges, and
7 universities in this State.

8 Section 90-8. The Illinois Lottery Law is amended by
9 changing Section 9.1 as follows:

10 (20 ILCS 1605/9.1)

11 Sec. 9.1. Private manager and management agreement.

12 (a) As used in this Section:

13 "Offeror" means a person or group of persons that responds
14 to a request for qualifications under this Section.

15 "Request for qualifications" means all materials and
16 documents prepared by the Department to solicit the following
17 from offerors:

18 (1) Statements of qualifications.

19 (2) Proposals to enter into a management agreement,
20 including the identity of any prospective vendor or vendors
21 that the offeror intends to initially engage to assist the
22 offeror in performing its obligations under the management
23 agreement.

24 "Final offer" means the last proposal submitted by an

1 offeror in response to the request for qualifications,
2 including the identity of any prospective vendor or vendors
3 that the offeror intends to initially engage to assist the
4 offeror in performing its obligations under the management
5 agreement.

6 "Final offeror" means the offeror ultimately selected by
7 the Governor to be the private manager for the Lottery under
8 subsection (h) of this Section.

9 (b) By September 15, 2010, the Governor shall select a
10 private manager for the total management of the Lottery with
11 integrated functions, such as lottery game design, supply of
12 goods and services, and advertising and as specified in this
13 Section.

14 (c) Pursuant to the terms of this subsection, the
15 Department shall endeavor to expeditiously terminate the
16 existing contracts in support of the Lottery in effect on the
17 effective date of this amendatory Act of the 96th General
18 Assembly in connection with the selection of the private
19 manager. As part of its obligation to terminate these contracts
20 and select the private manager, the Department shall establish
21 a mutually agreeable timetable to transfer the functions of
22 existing contractors to the private manager so that existing
23 Lottery operations are not materially diminished or impaired
24 during the transition. To that end, the Department shall do the
25 following:

26 (1) where such contracts contain a provision

1 authorizing termination upon notice, the Department shall
2 provide notice of termination to occur upon the mutually
3 agreed timetable for transfer of functions;

4 (2) upon the expiration of any initial term or renewal
5 term of the current Lottery contracts, the Department shall
6 not renew such contract for a term extending beyond the
7 mutually agreed timetable for transfer of functions; or

8 (3) in the event any current contract provides for
9 termination of that contract upon the implementation of a
10 contract with the private manager, the Department shall
11 perform all necessary actions to terminate the contract on
12 the date that coincides with the mutually agreed timetable
13 for transfer of functions.

14 If the contracts to support the current operation of the
15 Lottery in effect on the effective date of this amendatory Act
16 of the 96th General Assembly are not subject to termination as
17 provided for in this subsection (c), then the Department may
18 include a provision in the contract with the private manager
19 specifying a mutually agreeable methodology for incorporation.

20 (c-5) The Department shall include provisions in the
21 management agreement whereby the private manager shall, for a
22 fee, and pursuant to a contract negotiated with the Department
23 (the "Employee Use Contract"), utilize the services of current
24 Department employees to assist in the administration and
25 operation of the Lottery. The Department shall be the employer
26 of all such bargaining unit employees assigned to perform such

1 work for the private manager, and such employees shall be State
2 employees, as defined by the Personnel Code. Department
3 employees shall operate under the same employment policies,
4 rules, regulations, and procedures, as other employees of the
5 Department. In addition, neither historical representation
6 rights under the Illinois Public Labor Relations Act, nor
7 existing collective bargaining agreements, shall be disturbed
8 by the management agreement with the private manager for the
9 management of the Lottery.

10 (d) The management agreement with the private manager shall
11 include all of the following:

12 (1) A term not to exceed 10 years, including any
13 renewals.

14 (2) A provision specifying that the Department:

15 (A) shall exercise actual control over all
16 significant business decisions;

17 (A-5) has the authority to direct or countermand
18 operating decisions by the private manager at any time;

19 (B) has ready access at any time to information
20 regarding Lottery operations;

21 (C) has the right to demand and receive information
22 from the private manager concerning any aspect of the
23 Lottery operations at any time; and

24 (D) retains ownership of all trade names,
25 trademarks, and intellectual property associated with
26 the Lottery.

1 (3) A provision imposing an affirmative duty on the
2 private manager to provide the Department with material
3 information and with any information the private manager
4 reasonably believes the Department would want to know to
5 enable the Department to conduct the Lottery.

6 (4) A provision requiring the private manager to
7 provide the Department with advance notice of any operating
8 decision that bears significantly on the public interest,
9 including, but not limited to, decisions on the kinds of
10 games to be offered to the public and decisions affecting
11 the relative risk and reward of the games being offered, so
12 the Department has a reasonable opportunity to evaluate and
13 countermand that decision.

14 (5) A provision providing for compensation of the
15 private manager that may consist of, among other things, a
16 fee for services and a performance based bonus as
17 consideration for managing the Lottery, including terms
18 that may provide the private manager with an increase in
19 compensation if Lottery revenues grow by a specified
20 percentage in a given year.

21 (6) (Blank).

22 (7) A provision requiring the deposit of all Lottery
23 proceeds to be deposited into the State Lottery Fund except
24 as otherwise provided in Section 20 of this Act.

25 (8) A provision requiring the private manager to locate
26 its principal office within the State.

1 (8-5) A provision encouraging that at least 20% of the
2 cost of contracts entered into for goods and services by
3 the private manager in connection with its management of
4 the Lottery, other than contracts with sales agents or
5 technical advisors, be awarded to businesses that are a
6 minority owned business, a female owned business, or a
7 business owned by a person with disability, as those terms
8 are defined in the Business Enterprise for Minorities,
9 Females, and Persons with Disabilities Act.

10 (9) A requirement that so long as the private manager
11 complies with all the conditions of the agreement under the
12 oversight of the Department, the private manager shall have
13 the following duties and obligations with respect to the
14 management of the Lottery:

15 (A) The right to use equipment and other assets
16 used in the operation of the Lottery.

17 (B) The rights and obligations under contracts
18 with retailers and vendors.

19 (C) The implementation of a comprehensive security
20 program by the private manager.

21 (D) The implementation of a comprehensive system
22 of internal audits.

23 (E) The implementation of a program by the private
24 manager to curb compulsive gambling by persons playing
25 the Lottery.

26 (F) A system for determining (i) the type of

1 Lottery games, (ii) the method of selecting winning
2 tickets, (iii) the manner of payment of prizes to
3 holders of winning tickets, (iv) the frequency of
4 drawings of winning tickets, (v) the method to be used
5 in selling tickets, (vi) a system for verifying the
6 validity of tickets claimed to be winning tickets,
7 (vii) the basis upon which retailer commissions are
8 established by the manager, and (viii) minimum
9 payouts.

10 (10) A requirement that advertising and promotion must
11 be consistent with Section 7.8a of this Act.

12 (11) A requirement that the private manager market the
13 Lottery to those residents who are new, infrequent, or
14 lapsed players of the Lottery, especially those who are
15 most likely to make regular purchases on the Internet as
16 permitted by law.

17 (12) A code of ethics for the private manager's
18 officers and employees.

19 (13) A requirement that the Department monitor and
20 oversee the private manager's practices and take action
21 that the Department considers appropriate to ensure that
22 the private manager is in compliance with the terms of the
23 management agreement, while allowing the manager, unless
24 specifically prohibited by law or the management
25 agreement, to negotiate and sign its own contracts with
26 vendors.

1 (14) A provision requiring the private manager to
2 periodically file, at least on an annual basis, appropriate
3 financial statements in a form and manner acceptable to the
4 Department.

5 (15) Cash reserves requirements.

6 (16) Procedural requirements for obtaining the prior
7 approval of the Department when a management agreement or
8 an interest in a management agreement is sold, assigned,
9 transferred, or pledged as collateral to secure financing.

10 (17) Grounds for the termination of the management
11 agreement by the Department or the private manager.

12 (18) Procedures for amendment of the agreement.

13 (19) A provision requiring the private manager to
14 engage in an open and competitive bidding process for any
15 procurement having a cost in excess of \$50,000 that is not
16 a part of the private manager's final offer. The process
17 shall favor the selection of a vendor deemed to have
18 submitted a proposal that provides the Lottery with the
19 best overall value. The process shall not be subject to the
20 provisions of the Illinois Procurement Code, unless
21 specifically required by the management agreement.

22 (20) The transition of rights and obligations,
23 including any associated equipment or other assets used in
24 the operation of the Lottery, from the manager to any
25 successor manager of the lottery, including the
26 Department, following the termination of or foreclosure

1 upon the management agreement.

2 (21) Right of use of copyrights, trademarks, and
3 service marks held by the Department in the name of the
4 State. The agreement must provide that any use of them by
5 the manager shall only be for the purpose of fulfilling its
6 obligations under the management agreement during the term
7 of the agreement.

8 (22) The disclosure of any information requested by the
9 Department to enable it to comply with the reporting
10 requirements and information requests provided for under
11 subsection (p) of this Section.

12 (e) Notwithstanding any other law to the contrary, the
13 Department shall select a private manager through a competitive
14 request for qualifications process consistent with Section
15 20-35 of the Illinois Procurement Code, which shall take into
16 account:

17 (1) the offeror's ability to market the Lottery to
18 those residents who are new, infrequent, or lapsed players
19 of the Lottery, especially those who are most likely to
20 make regular purchases on the Internet;

21 (2) the offeror's ability to address the State's
22 concern with the social effects of gambling on those who
23 can least afford to do so;

24 (3) the offeror's ability to provide the most
25 successful management of the Lottery for the benefit of the
26 people of the State based on current and past business

1 practices or plans of the offeror; and

2 (4) the offeror's poor or inadequate past performance
3 in servicing, equipping, operating or managing a lottery on
4 behalf of Illinois, another State or foreign government and
5 attracting persons who are not currently regular players of
6 a lottery.

7 (f) The Department may retain the services of an advisor or
8 advisors with significant experience in financial services or
9 the management, operation, and procurement of goods, services,
10 and equipment for a government-run lottery to assist in the
11 preparation of the terms of the request for qualifications and
12 selection of the private manager. Any prospective advisor
13 seeking to provide services under this subsection (f) shall
14 disclose any material business or financial relationship
15 during the past 3 years with any potential offeror, or with a
16 contractor or subcontractor presently providing goods,
17 services, or equipment to the Department to support the
18 Lottery. The Department shall evaluate the material business or
19 financial relationship of each prospective advisor. The
20 Department shall not select any prospective advisor with a
21 substantial business or financial relationship that the
22 Department deems to impair the objectivity of the services to
23 be provided by the prospective advisor. During the course of
24 the advisor's engagement by the Department, and for a period of
25 one year thereafter, the advisor shall not enter into any
26 business or financial relationship with any offeror or any

1 vendor identified to assist an offeror in performing its
2 obligations under the management agreement. Any advisor
3 retained by the Department shall be disqualified from being an
4 offeror. The Department shall not include terms in the request
5 for qualifications that provide a material advantage whether
6 directly or indirectly to any potential offeror, or any
7 contractor or subcontractor presently providing goods,
8 services, or equipment to the Department to support the
9 Lottery, including terms contained in previous responses to
10 requests for proposals or qualifications submitted to
11 Illinois, another State or foreign government when those terms
12 are uniquely associated with a particular potential offeror,
13 contractor, or subcontractor. The request for proposals
14 offered by the Department on December 22, 2008 as
15 "LOT08GAMESYS" and reference number "22016176" is declared
16 void.

17 (g) The Department shall select at least 2 offerors as
18 finalists to potentially serve as the private manager no later
19 than August 9, 2010. Upon making preliminary selections, the
20 Department shall schedule a public hearing on the finalists'
21 proposals and provide public notice of the hearing at least 7
22 calendar days before the hearing. The notice must include all
23 of the following:

- 24 (1) The date, time, and place of the hearing.
25 (2) The subject matter of the hearing.
26 (3) A brief description of the management agreement to

1 be awarded.

2 (4) The identity of the offerors that have been
3 selected as finalists to serve as the private manager.

4 (5) The address and telephone number of the Department.

5 (h) At the public hearing, the Department shall (i) provide
6 sufficient time for each finalist to present and explain its
7 proposal to the Department and the Governor or the Governor's
8 designee, including an opportunity to respond to questions
9 posed by the Department, Governor, or designee and (ii) allow
10 the public and non-selected offerors to comment on the
11 presentations. The Governor or a designee shall attend the
12 public hearing. After the public hearing, the Department shall
13 have 14 calendar days to recommend to the Governor whether a
14 management agreement should be entered into with a particular
15 finalist. After reviewing the Department's recommendation, the
16 Governor may accept or reject the Department's recommendation,
17 and shall select a final offeror as the private manager by
18 publication of a notice in the Illinois Procurement Bulletin on
19 or before September 15, 2010. The Governor shall include in the
20 notice a detailed explanation and the reasons why the final
21 offeror is superior to other offerors and will provide
22 management services in a manner that best achieves the
23 objectives of this Section. The Governor shall also sign the
24 management agreement with the private manager.

25 (i) Any action to contest the private manager selected by
26 the Governor under this Section must be brought within 7

1 calendar days after the publication of the notice of the
2 designation of the private manager as provided in subsection
3 (h) of this Section.

4 (j) The Lottery shall remain, for so long as a private
5 manager manages the Lottery in accordance with provisions of
6 this Act, a Lottery conducted by the State, and the State shall
7 not be authorized to sell or transfer the Lottery to a third
8 party.

9 (k) Any tangible personal property used exclusively in
10 connection with the lottery that is owned by the Department and
11 leased to the private manager shall be owned by the Department
12 in the name of the State and shall be considered to be public
13 property devoted to an essential public and governmental
14 function.

15 (l) The Department may exercise any of its powers under
16 this Section or any other law as necessary or desirable for the
17 execution of the Department's powers under this Section.

18 (m) Neither this Section nor any management agreement
19 entered into under this Section prohibits the General Assembly
20 from authorizing forms of gambling that are not in direct
21 competition with the Lottery. The forms of gambling authorized
22 by this amendatory Act of the 100th General Assembly constitute
23 authorized forms of gambling that are not in direct competition
24 with the Lottery.

25 (n) The private manager shall be subject to a complete
26 investigation in the third, seventh, and tenth years of the

1 agreement (if the agreement is for a 10-year term) by the
2 Department in cooperation with the Auditor General to determine
3 whether the private manager has complied with this Section and
4 the management agreement. The private manager shall bear the
5 cost of an investigation or reinvestigation of the private
6 manager under this subsection.

7 (o) The powers conferred by this Section are in addition
8 and supplemental to the powers conferred by any other law. If
9 any other law or rule is inconsistent with this Section,
10 including, but not limited to, provisions of the Illinois
11 Procurement Code, then this Section controls as to any
12 management agreement entered into under this Section. This
13 Section and any rules adopted under this Section contain full
14 and complete authority for a management agreement between the
15 Department and a private manager. No law, procedure,
16 proceeding, publication, notice, consent, approval, order, or
17 act by the Department or any other officer, Department, agency,
18 or instrumentality of the State or any political subdivision is
19 required for the Department to enter into a management
20 agreement under this Section. This Section contains full and
21 complete authority for the Department to approve any contracts
22 entered into by a private manager with a vendor providing
23 goods, services, or both goods and services to the private
24 manager under the terms of the management agreement, including
25 subcontractors of such vendors.

26 Upon receipt of a written request from the Chief

1 Procurement Officer, the Department shall provide to the Chief
2 Procurement Officer a complete and un-redacted copy of the
3 management agreement or any contract that is subject to the
4 Department's approval authority under this subsection (o). The
5 Department shall provide a copy of the agreement or contract to
6 the Chief Procurement Officer in the time specified by the
7 Chief Procurement Officer in his or her written request, but no
8 later than 5 business days after the request is received by the
9 Department. The Chief Procurement Officer must retain any
10 portions of the management agreement or of any contract
11 designated by the Department as confidential, proprietary, or
12 trade secret information in complete confidence pursuant to
13 subsection (g) of Section 7 of the Freedom of Information Act.
14 The Department shall also provide the Chief Procurement Officer
15 with reasonable advance written notice of any contract that is
16 pending Department approval.

17 Notwithstanding any other provision of this Section to the
18 contrary, the Chief Procurement Officer shall adopt
19 administrative rules, including emergency rules, to establish
20 a procurement process to select a successor private manager if
21 a private management agreement has been terminated. The
22 selection process shall at a minimum take into account the
23 criteria set forth in items (1) through (4) of subsection (e)
24 of this Section and may include provisions consistent with
25 subsections (f), (g), (h), and (i) of this Section. The Chief
26 Procurement Officer shall also implement and administer the

1 adopted selection process upon the termination of a private
2 management agreement. The Department, after the Chief
3 Procurement Officer certifies that the procurement process has
4 been followed in accordance with the rules adopted under this
5 subsection (o), shall select a final offeror as the private
6 manager and sign the management agreement with the private
7 manager.

8 Except as provided in Sections 21.2, 21.5, 21.6, 21.7,
9 21.8, and 21.9, the Department shall distribute all proceeds of
10 lottery tickets and shares sold in the following priority and
11 manner:

12 (1) The payment of prizes and retailer bonuses.

13 (2) The payment of costs incurred in the operation and
14 administration of the Lottery, including the payment of
15 sums due to the private manager under the management
16 agreement with the Department.

17 (3) On the last day of each month or as soon thereafter
18 as possible, the State Comptroller shall direct and the
19 State Treasurer shall transfer from the State Lottery Fund
20 to the Common School Fund an amount that is equal to the
21 proceeds transferred in the corresponding month of fiscal
22 year 2009, as adjusted for inflation, to the Common School
23 Fund.

24 (4) On or before the last day of each fiscal year,
25 deposit any remaining proceeds, subject to payments under
26 items (1), (2), and (3) into the Capital Projects Fund each

1 fiscal year.

2 (p) The Department shall be subject to the following
3 reporting and information request requirements:

4 (1) the Department shall submit written quarterly
5 reports to the Governor and the General Assembly on the
6 activities and actions of the private manager selected
7 under this Section;

8 (2) upon request of the Chief Procurement Officer, the
9 Department shall promptly produce information related to
10 the procurement activities of the Department and the
11 private manager requested by the Chief Procurement
12 Officer; the Chief Procurement Officer must retain
13 confidential, proprietary, or trade secret information
14 designated by the Department in complete confidence
15 pursuant to subsection (g) of Section 7 of the Freedom of
16 Information Act; and

17 (3) at least 30 days prior to the beginning of the
18 Department's fiscal year, the Department shall prepare an
19 annual written report on the activities of the private
20 manager selected under this Section and deliver that report
21 to the Governor and General Assembly.

22 (Source: P.A. 97-464, eff. 8-19-11; 98-463, eff. 8-16-13;
23 98-649, eff. 6-16-14.)

24 Section 90-10. The Department of Revenue Law of the Civil
25 Administrative Code of Illinois is amended by changing Section

1 2505-305 as follows:

2 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

3 Sec. 2505-305. Investigators.

4 (a) The Department has the power to appoint investigators
5 to conduct all investigations, searches, seizures, arrests,
6 and other duties imposed under the provisions of any law
7 administered by the Department. Except as provided in
8 subsection (c), these investigators have and may exercise all
9 the powers of peace officers solely for the purpose of
10 enforcing taxing measures administered by the Department.

11 (b) The Director must authorize to each investigator
12 employed under this Section and to any other employee of the
13 Department exercising the powers of a peace officer a distinct
14 badge that, on its face, (i) clearly states that the badge is
15 authorized by the Department and (ii) contains a unique
16 identifying number. No other badge shall be authorized by the
17 Department.

18 (c) The Department may enter into agreements with the
19 Illinois Gaming Board providing that investigators appointed
20 under this Section shall exercise the peace officer powers set
21 forth in paragraph (20.6) of subsection (c) of Section 5 of the
22 Illinois Riverboat ~~Riverboat~~ Gambling Act.

23 (Source: P.A. 96-37, eff. 7-13-09.)

24 Section 90-12. The Illinois State Auditing Act is amended

1 by changing Section 3-1 as follows:

2 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

3 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
4 General has jurisdiction over all State agencies to make post
5 audits and investigations authorized by or under this Act or
6 the Constitution.

7 The Auditor General has jurisdiction over local government
8 agencies and private agencies only:

9 (a) to make such post audits authorized by or under
10 this Act as are necessary and incidental to a post audit of
11 a State agency or of a program administered by a State
12 agency involving public funds of the State, but this
13 jurisdiction does not include any authority to review local
14 governmental agencies in the obligation, receipt,
15 expenditure or use of public funds of the State that are
16 granted without limitation or condition imposed by law,
17 other than the general limitation that such funds be used
18 for public purposes;

19 (b) to make investigations authorized by or under this
20 Act or the Constitution; and

21 (c) to make audits of the records of local government
22 agencies to verify actual costs of state-mandated programs
23 when directed to do so by the Legislative Audit Commission
24 at the request of the State Board of Appeals under the
25 State Mandates Act.

1 In addition to the foregoing, the Auditor General may
2 conduct an audit of the Metropolitan Pier and Exposition
3 Authority, the Regional Transportation Authority, the Suburban
4 Bus Division, the Commuter Rail Division and the Chicago
5 Transit Authority and any other subsidized carrier when
6 authorized by the Legislative Audit Commission. Such audit may
7 be a financial, management or program audit, or any combination
8 thereof.

9 The audit shall determine whether they are operating in
10 accordance with all applicable laws and regulations. Subject to
11 the limitations of this Act, the Legislative Audit Commission
12 may by resolution specify additional determinations to be
13 included in the scope of the audit.

14 In addition to the foregoing, the Auditor General must also
15 conduct a financial audit of the Illinois Sports Facilities
16 Authority's expenditures of public funds in connection with the
17 reconstruction, renovation, remodeling, extension, or
18 improvement of all or substantially all of any existing
19 "facility", as that term is defined in the Illinois Sports
20 Facilities Authority Act.

21 The Auditor General may also conduct an audit, when
22 authorized by the Legislative Audit Commission, of any hospital
23 which receives 10% or more of its gross revenues from payments
24 from the State of Illinois, Department of Healthcare and Family
25 Services (formerly Department of Public Aid), Medical
26 Assistance Program.

1 The Auditor General is authorized to conduct financial and
2 compliance audits of the Illinois Distance Learning Foundation
3 and the Illinois Conservation Foundation.

4 As soon as practical after the effective date of this
5 amendatory Act of 1995, the Auditor General shall conduct a
6 compliance and management audit of the City of Chicago and any
7 other entity with regard to the operation of Chicago O'Hare
8 International Airport, Chicago Midway Airport and Merrill C.
9 Meigs Field. The audit shall include, but not be limited to, an
10 examination of revenues, expenses, and transfers of funds;
11 purchasing and contracting policies and practices; staffing
12 levels; and hiring practices and procedures. When completed,
13 the audit required by this paragraph shall be distributed in
14 accordance with Section 3-14.

15 The Auditor General shall conduct a financial and
16 compliance and program audit of distributions from the
17 Municipal Economic Development Fund during the immediately
18 preceding calendar year pursuant to Section 8-403.1 of the
19 Public Utilities Act at no cost to the city, village, or
20 incorporated town that received the distributions.

21 The Auditor General must conduct an audit of the Health
22 Facilities and Services Review Board pursuant to Section 19.5
23 of the Illinois Health Facilities Planning Act.

24 The Auditor General must conduct an audit of the Chicago
25 Casino Development Authority pursuant to Section 1-60 of the
26 Chicago Casino Development Authority Act.

1 The Auditor General of the State of Illinois shall annually
2 conduct or cause to be conducted a financial and compliance
3 audit of the books and records of any county water commission
4 organized pursuant to the Water Commission Act of 1985 and
5 shall file a copy of the report of that audit with the Governor
6 and the Legislative Audit Commission. The filed audit shall be
7 open to the public for inspection. The cost of the audit shall
8 be charged to the county water commission in accordance with
9 Section 6z-27 of the State Finance Act. The county water
10 commission shall make available to the Auditor General its
11 books and records and any other documentation, whether in the
12 possession of its trustees or other parties, necessary to
13 conduct the audit required. These audit requirements apply only
14 through July 1, 2007.

15 The Auditor General must conduct audits of the Rend Lake
16 Conservancy District as provided in Section 25.5 of the River
17 Conservancy Districts Act.

18 The Auditor General must conduct financial audits of the
19 Southeastern Illinois Economic Development Authority as
20 provided in Section 70 of the Southeastern Illinois Economic
21 Development Authority Act.

22 The Auditor General shall conduct a compliance audit in
23 accordance with subsections (d) and (f) of Section 30 of the
24 Innovation Development and Economy Act.

25 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
26 96-939, eff. 6-24-10.)

1 Section 90-15. The State Finance Act is amended by adding
2 Sections 5.878, 5.879, 5.880, 5.881, 6z-102, and 6z-103 and by
3 changing Section 6z-45 as follows:

4 (30 ILCS 105/5.878 new)

5 Sec. 5.878. The Gaming Facilities Fee Revenue Fund.

6 (30 ILCS 105/5.879 new)

7 Sec. 5.879. The State Fairgrounds Capital Improvement
8 Fund.

9 (30 ILCS 105/5.880 new)

10 Sec. 5.880. The Depressed Communities Economic Development
11 Fund.

12 (30 ILCS 105/5.881 new)

13 Sec. 5.881. The Latino Community Economic Development
14 Fund.

15 (30 ILCS 105/6z-45)

16 Sec. 6z-45. The School Infrastructure Fund.

17 (a) The School Infrastructure Fund is created as a special
18 fund in the State Treasury.

19 In addition to any other deposits authorized by law,
20 beginning January 1, 2000, on the first day of each month, or

1 as soon thereafter as may be practical, the State Treasurer and
2 State Comptroller shall transfer the sum of \$5,000,000 from the
3 General Revenue Fund to the School Infrastructure Fund, except
4 that, notwithstanding any other provision of law, and in
5 addition to any other transfers that may be provided for by
6 law, before June 30, 2012, the Comptroller and the Treasurer
7 shall transfer \$45,000,000 from the General Revenue Fund into
8 the School Infrastructure Fund, and, for fiscal year 2013 only,
9 the Treasurer and the Comptroller shall transfer \$1,250,000
10 from the General Revenue Fund to the School Infrastructure Fund
11 on the first day of each month; provided, however, that no such
12 transfers shall be made from July 1, 2001 through June 30,
13 2003.

14 (b) Subject to the transfer provisions set forth below,
15 money in the School Infrastructure Fund shall, if and when the
16 State of Illinois incurs any bonded indebtedness for the
17 construction of school improvements under the School
18 Construction Law, be set aside and used for the purpose of
19 paying and discharging annually the principal and interest on
20 that bonded indebtedness then due and payable, and for no other
21 purpose.

22 In addition to other transfers to the General Obligation
23 Bond Retirement and Interest Fund made pursuant to Section 15
24 of the General Obligation Bond Act, upon each delivery of bonds
25 issued for construction of school improvements under the School
26 Construction Law, the State Comptroller shall compute and

1 certify to the State Treasurer the total amount of principal
2 of, interest on, and premium, if any, on such bonds during the
3 then current and each succeeding fiscal year. With respect to
4 the interest payable on variable rate bonds, such
5 certifications shall be calculated at the maximum rate of
6 interest that may be payable during the fiscal year, after
7 taking into account any credits permitted in the related
8 indenture or other instrument against the amount of such
9 interest required to be appropriated for that period.

10 On or before the last day of each month, the State
11 Treasurer and State Comptroller shall transfer from the School
12 Infrastructure Fund to the General Obligation Bond Retirement
13 and Interest Fund an amount sufficient to pay the aggregate of
14 the principal of, interest on, and premium, if any, on the
15 bonds payable on their next payment date, divided by the number
16 of monthly transfers occurring between the last previous
17 payment date (or the delivery date if no payment date has yet
18 occurred) and the next succeeding payment date. Interest
19 payable on variable rate bonds shall be calculated at the
20 maximum rate of interest that may be payable for the relevant
21 period, after taking into account any credits permitted in the
22 related indenture or other instrument against the amount of
23 such interest required to be appropriated for that period.
24 Interest for which moneys have already been deposited into the
25 capitalized interest account within the General Obligation
26 Bond Retirement and Interest Fund shall not be included in the

1 calculation of the amounts to be transferred under this
2 subsection.

3 (b-5) The money deposited into the School Infrastructure
4 Fund from transfers pursuant to subsections (c-30) and (c-35)
5 of Section 13 of the Illinois Riverboat Gambling Act shall be
6 applied, without further direction, as provided in subsection
7 (b-3) of Section 5-35 of the School Construction Law.

8 (c) The surplus, if any, in the School Infrastructure Fund
9 after payments made pursuant to subsections (b) and (b-5) of
10 this Section shall, subject to appropriation, be used as
11 follows:

12 First - to make 3 payments to the School Technology
13 Revolving Loan Fund as follows:

14 Transfer of \$30,000,000 in fiscal year 1999;

15 Transfer of \$20,000,000 in fiscal year 2000; and

16 Transfer of \$10,000,000 in fiscal year 2001.

17 Second - to pay the expenses of the State Board of
18 Education and the Capital Development Board in administering
19 programs under the School Construction Law, the total expenses
20 not to exceed \$1,200,000 in any fiscal year.

21 Third - to pay any amounts due for grants for school
22 construction projects and debt service under the School
23 Construction Law.

24 Fourth - to pay any amounts due for grants for school
25 maintenance projects under the School Construction Law.

26 (Source: P.A. 97-732, eff. 6-30-12; 98-18, eff. 6-7-13.)

1 (30 ILCS 105/6z-102 new)

2 Sec. 6z-102. The Gaming Facilities Fee Revenue Fund.

3 (a) The Gaming Facilities Fee Revenue Fund is created as a
4 special fund in the State treasury.

5 (b) The revenues in the Fund shall be used, subject to
6 appropriation, by the Comptroller for the purpose of (i)
7 providing appropriations to the Illinois Gaming Board for the
8 administration and enforcement of the Illinois Gambling Act and
9 the applicable provisions of the Chicago Casino Development
10 Authority Act and (ii) payment of vouchers that are outstanding
11 for more than 60 days. Whenever practical, the Comptroller must
12 prioritize voucher payments for expenses related to medical
13 assistance under the Illinois Public Aid Code, the Children's
14 Health Insurance Program Act, the Covering ALL KIDS Health
15 Insurance Act, and the Senior Citizens and Disabled Persons
16 Property Tax Relief and Pharmaceutical Assistance Act.

17 (c) The Fund shall consist of fee revenues received
18 pursuant to subsection (e) of Section 1-45 of the Chicago
19 Casino Development Authority Act and pursuant to subsections
20 (e-10), (e-15), (e-25), and (h-5) of Section 7 and subsections
21 (b), (c), (d), and (k) of Section 7.7 of the Illinois Gambling
22 Act. All interest earned on moneys in the Fund shall be
23 deposited into the Fund.

24 (d) The Fund shall not be subject to administrative charges
25 or chargebacks, including, but not limited to, those authorized

1 under subsection (h) of Section 8 of this Act.

2 (30 ILCS 105/6z-103 new)

3 Sec. 6z-103. The State Fairgrounds Capital Improvement
4 Fund. There is created the State Fairgrounds Capital
5 Improvement Fund, a special fund in the State treasury. Moneys
6 in the Fund may be used by the Department of Agriculture,
7 subject to appropriation, solely for infrastructure
8 improvements to the Illinois State Fairgrounds in Sangamon
9 County, including, but not limited to, track surfaces (main
10 track and practice track), grandstands, audio and visual
11 systems, paddocks and barns and associated surface areas,
12 restroom facilities on the backstretch, and roadway surfaces
13 around the racing facility. In addition, no more than 5% of the
14 moneys annually transferred into the Fund may be used by the
15 Department for all costs associated with fire protection and
16 fire protection services for the Illinois State Fairgrounds.
17 The State Fairgrounds Capital Improvement Fund is not subject
18 to administrative chargebacks, including, but not limited to,
19 those authorized under Section 8h of the State Finance Act.

20 Section 90-20. The Illinois Income Tax Act is amended by
21 changing Sections 201, 303, 304 and 710 as follows:

22 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

23 Sec. 201. Tax Imposed.

1 (a) In general. A tax measured by net income is hereby
2 imposed on every individual, corporation, trust and estate for
3 each taxable year ending after July 31, 1969 on the privilege
4 of earning or receiving income in or as a resident of this
5 State. Such tax shall be in addition to all other occupation or
6 privilege taxes imposed by this State or by any municipal
7 corporation or political subdivision thereof.

8 (b) Rates. The tax imposed by subsection (a) of this
9 Section shall be determined as follows, except as adjusted by
10 subsection (d-1):

11 (1) In the case of an individual, trust or estate, for
12 taxable years ending prior to July 1, 1989, an amount equal
13 to 2 1/2% of the taxpayer's net income for the taxable
14 year.

15 (2) In the case of an individual, trust or estate, for
16 taxable years beginning prior to July 1, 1989 and ending
17 after June 30, 1989, an amount equal to the sum of (i) 2
18 1/2% of the taxpayer's net income for the period prior to
19 July 1, 1989, as calculated under Section 202.3, and (ii)
20 3% of the taxpayer's net income for the period after June
21 30, 1989, as calculated under Section 202.3.

22 (3) In the case of an individual, trust or estate, for
23 taxable years beginning after June 30, 1989, and ending
24 prior to January 1, 2011, an amount equal to 3% of the
25 taxpayer's net income for the taxable year.

26 (4) In the case of an individual, trust, or estate, for

1 taxable years beginning prior to January 1, 2011, and
2 ending after December 31, 2010, an amount equal to the sum
3 of (i) 3% of the taxpayer's net income for the period prior
4 to January 1, 2011, as calculated under Section 202.5, and
5 (ii) 5% of the taxpayer's net income for the period after
6 December 31, 2010, as calculated under Section 202.5.

7 (5) In the case of an individual, trust, or estate, for
8 taxable years beginning on or after January 1, 2011, and
9 ending prior to January 1, 2015, an amount equal to 5% of
10 the taxpayer's net income for the taxable year.

11 (5.1) In the case of an individual, trust, or estate,
12 for taxable years beginning prior to January 1, 2015, and
13 ending after December 31, 2014, an amount equal to the sum
14 of (i) 5% of the taxpayer's net income for the period prior
15 to January 1, 2015, as calculated under Section 202.5, and
16 (ii) 3.75% of the taxpayer's net income for the period
17 after December 31, 2014, as calculated under Section 202.5.

18 (5.2) In the case of an individual, trust, or estate,
19 for taxable years beginning on or after January 1, 2015,
20 and ending prior to January 1, 2025, an amount equal to
21 3.75% of the taxpayer's net income for the taxable year.

22 (5.3) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2025, and
24 ending after December 31, 2024, an amount equal to the sum
25 of (i) 3.75% of the taxpayer's net income for the period
26 prior to January 1, 2025, as calculated under Section

1 202.5, and (ii) 3.25% of the taxpayer's net income for the
2 period after December 31, 2024, as calculated under Section
3 202.5.

4 (5.4) In the case of an individual, trust, or estate,
5 for taxable years beginning on or after January 1, 2025, an
6 amount equal to 3.25% of the taxpayer's net income for the
7 taxable year.

8 (6) In the case of a corporation, for taxable years
9 ending prior to July 1, 1989, an amount equal to 4% of the
10 taxpayer's net income for the taxable year.

11 (7) In the case of a corporation, for taxable years
12 beginning prior to July 1, 1989 and ending after June 30,
13 1989, an amount equal to the sum of (i) 4% of the
14 taxpayer's net income for the period prior to July 1, 1989,
15 as calculated under Section 202.3, and (ii) 4.8% of the
16 taxpayer's net income for the period after June 30, 1989,
17 as calculated under Section 202.3.

18 (8) In the case of a corporation, for taxable years
19 beginning after June 30, 1989, and ending prior to January
20 1, 2011, an amount equal to 4.8% of the taxpayer's net
21 income for the taxable year.

22 (9) In the case of a corporation, for taxable years
23 beginning prior to January 1, 2011, and ending after
24 December 31, 2010, an amount equal to the sum of (i) 4.8%
25 of the taxpayer's net income for the period prior to
26 January 1, 2011, as calculated under Section 202.5, and

1 (ii) 7% of the taxpayer's net income for the period after
2 December 31, 2010, as calculated under Section 202.5.

3 (10) In the case of a corporation, for taxable years
4 beginning on or after January 1, 2011, and ending prior to
5 January 1, 2015, an amount equal to 7% of the taxpayer's
6 net income for the taxable year.

7 (11) In the case of a corporation, for taxable years
8 beginning prior to January 1, 2015, and ending after
9 December 31, 2014, an amount equal to the sum of (i) 7% of
10 the taxpayer's net income for the period prior to January
11 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
12 of the taxpayer's net income for the period after December
13 31, 2014, as calculated under Section 202.5.

14 (12) In the case of a corporation, for taxable years
15 beginning on or after January 1, 2015, and ending prior to
16 January 1, 2025, an amount equal to 5.25% of the taxpayer's
17 net income for the taxable year.

18 (13) In the case of a corporation, for taxable years
19 beginning prior to January 1, 2025, and ending after
20 December 31, 2024, an amount equal to the sum of (i) 5.25%
21 of the taxpayer's net income for the period prior to
22 January 1, 2025, as calculated under Section 202.5, and
23 (ii) 4.8% of the taxpayer's net income for the period after
24 December 31, 2024, as calculated under Section 202.5.

25 (14) In the case of a corporation, for taxable years
26 beginning on or after January 1, 2025, an amount equal to

1 4.8% of the taxpayer's net income for the taxable year.

2 The rates under this subsection (b) are subject to the
3 provisions of Section 201.5.

4 (b-5) Surcharge; sale or exchange of assets, properties,
5 and intangibles of electronic gaming licensees. For each of
6 taxable years 2017 through 2025, a surcharge is imposed on all
7 taxpayers on income arising from the sale or exchange of
8 capital assets, depreciable business property, real property
9 used in the trade or business, and Section 197 intangibles (i)
10 of an organization licensee under the Illinois Horse Racing Act
11 of 1975 and (ii) of an electronic gaming licensee under the
12 Illinois Gambling Act. The amount of the surcharge is equal to
13 the amount of federal income tax liability for the taxable year
14 attributable to those sales and exchanges. The surcharge
15 imposed shall not apply if:

16 (1) the electronic gaming license, organization
17 license, or race track property is transferred as a result
18 of any of the following:

19 (A) bankruptcy, a receivership, or a debt
20 adjustment initiated by or against the initial
21 licensee or the substantial owners of the initial
22 licensee;

23 (B) cancellation, revocation, or termination of
24 any such license by the Illinois Gaming Board or the
25 Illinois Racing Board;

26 (C) a determination by the Illinois Gaming Board

1 that transfer of the license is in the best interests
2 of Illinois gaming;

3 (D) the death of an owner of the equity interest in
4 a licensee;

5 (E) the acquisition of a controlling interest in
6 the stock or substantially all of the assets of a
7 publicly traded company;

8 (F) a transfer by a parent company to a wholly
9 owned subsidiary; or

10 (G) the transfer or sale to or by one person to
11 another person where both persons were initial owners
12 of the license when the license was issued; or

13 (2) the controlling interest in the electronic gaming
14 license, organization license, or race track property is
15 transferred in a transaction to lineal descendants in which
16 no gain or loss is recognized or as a result of a
17 transaction in accordance with Section 351 of the Internal
18 Revenue Code in which no gain or loss is recognized; or

19 (3) live horse racing was not conducted in 2011 under a
20 license issued pursuant to the Illinois Horse Racing Act of
21 1975.

22 The transfer of an electronic gaming license, organization
23 license, or race track property by a person other than the
24 initial licensee to receive the electronic gaming license is
25 not subject to a surcharge. The Department shall adopt rules
26 necessary to implement and administer this subsection.

1 (c) Personal Property Tax Replacement Income Tax.
2 Beginning on July 1, 1979 and thereafter, in addition to such
3 income tax, there is also hereby imposed the Personal Property
4 Tax Replacement Income Tax measured by net income on every
5 corporation (including Subchapter S corporations), partnership
6 and trust, for each taxable year ending after June 30, 1979.
7 Such taxes are imposed on the privilege of earning or receiving
8 income in or as a resident of this State. The Personal Property
9 Tax Replacement Income Tax shall be in addition to the income
10 tax imposed by subsections (a) and (b) of this Section and in
11 addition to all other occupation or privilege taxes imposed by
12 this State or by any municipal corporation or political
13 subdivision thereof.

14 (d) Additional Personal Property Tax Replacement Income
15 Tax Rates. The personal property tax replacement income tax
16 imposed by this subsection and subsection (c) of this Section
17 in the case of a corporation, other than a Subchapter S
18 corporation and except as adjusted by subsection (d-1), shall
19 be an additional amount equal to 2.85% of such taxpayer's net
20 income for the taxable year, except that beginning on January
21 1, 1981, and thereafter, the rate of 2.85% specified in this
22 subsection shall be reduced to 2.5%, and in the case of a
23 partnership, trust or a Subchapter S corporation shall be an
24 additional amount equal to 1.5% of such taxpayer's net income
25 for the taxable year.

26 (d-1) Rate reduction for certain foreign insurers. In the

1 case of a foreign insurer, as defined by Section 35A-5 of the
2 Illinois Insurance Code, whose state or country of domicile
3 imposes on insurers domiciled in Illinois a retaliatory tax
4 (excluding any insurer whose premiums from reinsurance assumed
5 are 50% or more of its total insurance premiums as determined
6 under paragraph (2) of subsection (b) of Section 304, except
7 that for purposes of this determination premiums from
8 reinsurance do not include premiums from inter-affiliate
9 reinsurance arrangements), beginning with taxable years ending
10 on or after December 31, 1999, the sum of the rates of tax
11 imposed by subsections (b) and (d) shall be reduced (but not
12 increased) to the rate at which the total amount of tax imposed
13 under this Act, net of all credits allowed under this Act,
14 shall equal (i) the total amount of tax that would be imposed
15 on the foreign insurer's net income allocable to Illinois for
16 the taxable year by such foreign insurer's state or country of
17 domicile if that net income were subject to all income taxes
18 and taxes measured by net income imposed by such foreign
19 insurer's state or country of domicile, net of all credits
20 allowed or (ii) a rate of zero if no such tax is imposed on such
21 income by the foreign insurer's state of domicile. For the
22 purposes of this subsection (d-1), an inter-affiliate includes
23 a mutual insurer under common management.

24 (1) For the purposes of subsection (d-1), in no event
25 shall the sum of the rates of tax imposed by subsections
26 (b) and (d) be reduced below the rate at which the sum of:

1 (A) the total amount of tax imposed on such foreign
2 insurer under this Act for a taxable year, net of all
3 credits allowed under this Act, plus

4 (B) the privilege tax imposed by Section 409 of the
5 Illinois Insurance Code, the fire insurance company
6 tax imposed by Section 12 of the Fire Investigation
7 Act, and the fire department taxes imposed under
8 Section 11-10-1 of the Illinois Municipal Code,
9 equals 1.25% for taxable years ending prior to December 31,
10 2003, or 1.75% for taxable years ending on or after
11 December 31, 2003, of the net taxable premiums written for
12 the taxable year, as described by subsection (1) of Section
13 409 of the Illinois Insurance Code. This paragraph will in
14 no event increase the rates imposed under subsections (b)
15 and (d).

16 (2) Any reduction in the rates of tax imposed by this
17 subsection shall be applied first against the rates imposed
18 by subsection (b) and only after the tax imposed by
19 subsection (a) net of all credits allowed under this
20 Section other than the credit allowed under subsection (i)
21 has been reduced to zero, against the rates imposed by
22 subsection (d).

23 This subsection (d-1) is exempt from the provisions of
24 Section 250.

25 (e) Investment credit. A taxpayer shall be allowed a credit
26 against the Personal Property Tax Replacement Income Tax for

1 investment in qualified property.

2 (1) A taxpayer shall be allowed a credit equal to .5%
3 of the basis of qualified property placed in service during
4 the taxable year, provided such property is placed in
5 service on or after July 1, 1984. There shall be allowed an
6 additional credit equal to .5% of the basis of qualified
7 property placed in service during the taxable year,
8 provided such property is placed in service on or after
9 July 1, 1986, and the taxpayer's base employment within
10 Illinois has increased by 1% or more over the preceding
11 year as determined by the taxpayer's employment records
12 filed with the Illinois Department of Employment Security.
13 Taxpayers who are new to Illinois shall be deemed to have
14 met the 1% growth in base employment for the first year in
15 which they file employment records with the Illinois
16 Department of Employment Security. The provisions added to
17 this Section by Public Act 85-1200 (and restored by Public
18 Act 87-895) shall be construed as declaratory of existing
19 law and not as a new enactment. If, in any year, the
20 increase in base employment within Illinois over the
21 preceding year is less than 1%, the additional credit shall
22 be limited to that percentage times a fraction, the
23 numerator of which is .5% and the denominator of which is
24 1%, but shall not exceed .5%. The investment credit shall
25 not be allowed to the extent that it would reduce a
26 taxpayer's liability in any tax year below zero, nor may

1 any credit for qualified property be allowed for any year
2 other than the year in which the property was placed in
3 service in Illinois. For tax years ending on or after
4 December 31, 1987, and on or before December 31, 1988, the
5 credit shall be allowed for the tax year in which the
6 property is placed in service, or, if the amount of the
7 credit exceeds the tax liability for that year, whether it
8 exceeds the original liability or the liability as later
9 amended, such excess may be carried forward and applied to
10 the tax liability of the 5 taxable years following the
11 excess credit years if the taxpayer (i) makes investments
12 which cause the creation of a minimum of 2,000 full-time
13 equivalent jobs in Illinois, (ii) is located in an
14 enterprise zone established pursuant to the Illinois
15 Enterprise Zone Act and (iii) is certified by the
16 Department of Commerce and Community Affairs (now
17 Department of Commerce and Economic Opportunity) as
18 complying with the requirements specified in clause (i) and
19 (ii) by July 1, 1986. The Department of Commerce and
20 Community Affairs (now Department of Commerce and Economic
21 Opportunity) shall notify the Department of Revenue of all
22 such certifications immediately. For tax years ending
23 after December 31, 1988, the credit shall be allowed for
24 the tax year in which the property is placed in service,
25 or, if the amount of the credit exceeds the tax liability
26 for that year, whether it exceeds the original liability or

1 the liability as later amended, such excess may be carried
2 forward and applied to the tax liability of the 5 taxable
3 years following the excess credit years. The credit shall
4 be applied to the earliest year for which there is a
5 liability. If there is credit from more than one tax year
6 that is available to offset a liability, earlier credit
7 shall be applied first.

8 (2) The term "qualified property" means property
9 which:

10 (A) is tangible, whether new or used, including
11 buildings and structural components of buildings and
12 signs that are real property, but not including land or
13 improvements to real property that are not a structural
14 component of a building such as landscaping, sewer
15 lines, local access roads, fencing, parking lots, and
16 other appurtenances;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c)(2)(A) of that Code is not
20 eligible for the credit provided by this subsection
21 (e);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code;

24 (D) is used in Illinois by a taxpayer who is
25 primarily engaged in manufacturing, or in mining coal
26 or fluorite, or in retailing, or was placed in service

1 on or after July 1, 2006 in a River Edge Redevelopment
2 Zone established pursuant to the River Edge
3 Redevelopment Zone Act; and

4 (E) has not previously been used in Illinois in
5 such a manner and by such a person as would qualify for
6 the credit provided by this subsection (e) or
7 subsection (f).

8 (3) For purposes of this subsection (e),
9 "manufacturing" means the material staging and production
10 of tangible personal property by procedures commonly
11 regarded as manufacturing, processing, fabrication, or
12 assembling which changes some existing material into new
13 shapes, new qualities, or new combinations. For purposes of
14 this subsection (e) the term "mining" shall have the same
15 meaning as the term "mining" in Section 613(c) of the
16 Internal Revenue Code. For purposes of this subsection (e),
17 the term "retailing" means the sale of tangible personal
18 property for use or consumption and not for resale, or
19 services rendered in conjunction with the sale of tangible
20 personal property for use or consumption and not for
21 resale. For purposes of this subsection (e), "tangible
22 personal property" has the same meaning as when that term
23 is used in the Retailers' Occupation Tax Act, and, for
24 taxable years ending after December 31, 2008, does not
25 include the generation, transmission, or distribution of
26 electricity.

1 (4) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (5) If the basis of the property for federal income tax
5 depreciation purposes is increased after it has been placed
6 in service in Illinois by the taxpayer, the amount of such
7 increase shall be deemed property placed in service on the
8 date of such increase in basis.

9 (6) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (7) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside Illinois within 48
15 months after being placed in service, the Personal Property
16 Tax Replacement Income Tax for such taxable year shall be
17 increased. Such increase shall be determined by (i)
18 recomputing the investment credit which would have been
19 allowed for the year in which credit for such property was
20 originally allowed by eliminating such property from such
21 computation and, (ii) subtracting such recomputed credit
22 from the amount of credit previously allowed. For the
23 purposes of this paragraph (7), a reduction of the basis of
24 qualified property resulting from a redetermination of the
25 purchase price shall be deemed a disposition of qualified
26 property to the extent of such reduction.

1 (8) Unless the investment credit is extended by law,
2 the basis of qualified property shall not include costs
3 incurred after December 31, 2018, except for costs incurred
4 pursuant to a binding contract entered into on or before
5 December 31, 2018.

6 (9) Each taxable year ending before December 31, 2000,
7 a partnership may elect to pass through to its partners the
8 credits to which the partnership is entitled under this
9 subsection (e) for the taxable year. A partner may use the
10 credit allocated to him or her under this paragraph only
11 against the tax imposed in subsections (c) and (d) of this
12 Section. If the partnership makes that election, those
13 credits shall be allocated among the partners in the
14 partnership in accordance with the rules set forth in
15 Section 704(b) of the Internal Revenue Code, and the rules
16 promulgated under that Section, and the allocated amount of
17 the credits shall be allowed to the partners for that
18 taxable year. The partnership shall make this election on
19 its Personal Property Tax Replacement Income Tax return for
20 that taxable year. The election to pass through the credits
21 shall be irrevocable.

22 For taxable years ending on or after December 31, 2000,
23 a partner that qualifies its partnership for a subtraction
24 under subparagraph (I) of paragraph (2) of subsection (d)
25 of Section 203 or a shareholder that qualifies a Subchapter
26 S corporation for a subtraction under subparagraph (S) of

1 paragraph (2) of subsection (b) of Section 203 shall be
2 allowed a credit under this subsection (e) equal to its
3 share of the credit earned under this subsection (e) during
4 the taxable year by the partnership or Subchapter S
5 corporation, determined in accordance with the
6 determination of income and distributive share of income
7 under Sections 702 and 704 and Subchapter S of the Internal
8 Revenue Code. This paragraph is exempt from the provisions
9 of Section 250.

10 (f) Investment credit; Enterprise Zone; River Edge
11 Redevelopment Zone.

12 (1) A taxpayer shall be allowed a credit against the
13 tax imposed by subsections (a) and (b) of this Section for
14 investment in qualified property which is placed in service
15 in an Enterprise Zone created pursuant to the Illinois
16 Enterprise Zone Act or, for property placed in service on
17 or after July 1, 2006, a River Edge Redevelopment Zone
18 established pursuant to the River Edge Redevelopment Zone
19 Act. For partners, shareholders of Subchapter S
20 corporations, and owners of limited liability companies,
21 if the liability company is treated as a partnership for
22 purposes of federal and State income taxation, there shall
23 be allowed a credit under this subsection (f) to be
24 determined in accordance with the determination of income
25 and distributive share of income under Sections 702 and 704
26 and Subchapter S of the Internal Revenue Code. The credit

1 shall be .5% of the basis for such property. The credit
2 shall be available only in the taxable year in which the
3 property is placed in service in the Enterprise Zone or
4 River Edge Redevelopment Zone and shall not be allowed to
5 the extent that it would reduce a taxpayer's liability for
6 the tax imposed by subsections (a) and (b) of this Section
7 to below zero. For tax years ending on or after December
8 31, 1985, the credit shall be allowed for the tax year in
9 which the property is placed in service, or, if the amount
10 of the credit exceeds the tax liability for that year,
11 whether it exceeds the original liability or the liability
12 as later amended, such excess may be carried forward and
13 applied to the tax liability of the 5 taxable years
14 following the excess credit year. The credit shall be
15 applied to the earliest year for which there is a
16 liability. If there is credit from more than one tax year
17 that is available to offset a liability, the credit
18 accruing first in time shall be applied first.

19 (2) The term qualified property means property which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings;

22 (B) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property"
24 as defined in Section 168(c)(2)(A) of that Code is not
25 eligible for the credit provided by this subsection

26 (f);

1 (C) is acquired by purchase as defined in Section
2 179(d) of the Internal Revenue Code;

3 (D) is used in the Enterprise Zone or River Edge
4 Redevelopment Zone by the taxpayer; and

5 (E) has not been previously used in Illinois in
6 such a manner and by such a person as would qualify for
7 the credit provided by this subsection (f) or
8 subsection (e).

9 (3) The basis of qualified property shall be the basis
10 used to compute the depreciation deduction for federal
11 income tax purposes.

12 (4) If the basis of the property for federal income tax
13 depreciation purposes is increased after it has been placed
14 in service in the Enterprise Zone or River Edge
15 Redevelopment Zone by the taxpayer, the amount of such
16 increase shall be deemed property placed in service on the
17 date of such increase in basis.

18 (5) The term "placed in service" shall have the same
19 meaning as under Section 46 of the Internal Revenue Code.

20 (6) If during any taxable year, any property ceases to
21 be qualified property in the hands of the taxpayer within
22 48 months after being placed in service, or the situs of
23 any qualified property is moved outside the Enterprise Zone
24 or River Edge Redevelopment Zone within 48 months after
25 being placed in service, the tax imposed under subsections
26 (a) and (b) of this Section for such taxable year shall be

1 increased. Such increase shall be determined by (i)
2 recomputing the investment credit which would have been
3 allowed for the year in which credit for such property was
4 originally allowed by eliminating such property from such
5 computation, and (ii) subtracting such recomputed credit
6 from the amount of credit previously allowed. For the
7 purposes of this paragraph (6), a reduction of the basis of
8 qualified property resulting from a redetermination of the
9 purchase price shall be deemed a disposition of qualified
10 property to the extent of such reduction.

11 (7) There shall be allowed an additional credit equal
12 to 0.5% of the basis of qualified property placed in
13 service during the taxable year in a River Edge
14 Redevelopment Zone, provided such property is placed in
15 service on or after July 1, 2006, and the taxpayer's base
16 employment within Illinois has increased by 1% or more over
17 the preceding year as determined by the taxpayer's
18 employment records filed with the Illinois Department of
19 Employment Security. Taxpayers who are new to Illinois
20 shall be deemed to have met the 1% growth in base
21 employment for the first year in which they file employment
22 records with the Illinois Department of Employment
23 Security. If, in any year, the increase in base employment
24 within Illinois over the preceding year is less than 1%,
25 the additional credit shall be limited to that percentage
26 times a fraction, the numerator of which is 0.5% and the

1 denominator of which is 1%, but shall not exceed 0.5%.

2 (g) (Blank).

3 (h) Investment credit; High Impact Business.

4 (1) Subject to subsections (b) and (b-5) of Section 5.5
5 of the Illinois Enterprise Zone Act, a taxpayer shall be
6 allowed a credit against the tax imposed by subsections (a)
7 and (b) of this Section for investment in qualified
8 property which is placed in service by a Department of
9 Commerce and Economic Opportunity designated High Impact
10 Business. The credit shall be .5% of the basis for such
11 property. The credit shall not be available (i) until the
12 minimum investments in qualified property set forth in
13 subdivision (a)(3)(A) of Section 5.5 of the Illinois
14 Enterprise Zone Act have been satisfied or (ii) until the
15 time authorized in subsection (b-5) of the Illinois
16 Enterprise Zone Act for entities designated as High Impact
17 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
18 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
19 Act, and shall not be allowed to the extent that it would
20 reduce a taxpayer's liability for the tax imposed by
21 subsections (a) and (b) of this Section to below zero. The
22 credit applicable to such investments shall be taken in the
23 taxable year in which such investments have been completed.
24 The credit for additional investments beyond the minimum
25 investment by a designated high impact business authorized
26 under subdivision (a)(3)(A) of Section 5.5 of the Illinois

1 Enterprise Zone Act shall be available only in the taxable
2 year in which the property is placed in service and shall
3 not be allowed to the extent that it would reduce a
4 taxpayer's liability for the tax imposed by subsections (a)
5 and (b) of this Section to below zero. For tax years ending
6 on or after December 31, 1987, the credit shall be allowed
7 for the tax year in which the property is placed in
8 service, or, if the amount of the credit exceeds the tax
9 liability for that year, whether it exceeds the original
10 liability or the liability as later amended, such excess
11 may be carried forward and applied to the tax liability of
12 the 5 taxable years following the excess credit year. The
13 credit shall be applied to the earliest year for which
14 there is a liability. If there is credit from more than one
15 tax year that is available to offset a liability, the
16 credit accruing first in time shall be applied first.

17 Changes made in this subdivision (h) (1) by Public Act
18 88-670 restore changes made by Public Act 85-1182 and
19 reflect existing law.

20 (2) The term qualified property means property which:

21 (A) is tangible, whether new or used, including
22 buildings and structural components of buildings;

23 (B) is depreciable pursuant to Section 167 of the
24 Internal Revenue Code, except that "3-year property"
25 as defined in Section 168(c) (2) (A) of that Code is not
26 eligible for the credit provided by this subsection

1 (h);

2 (C) is acquired by purchase as defined in Section
3 179(d) of the Internal Revenue Code; and

4 (D) is not eligible for the Enterprise Zone
5 Investment Credit provided by subsection (f) of this
6 Section.

7 (3) The basis of qualified property shall be the basis
8 used to compute the depreciation deduction for federal
9 income tax purposes.

10 (4) If the basis of the property for federal income tax
11 depreciation purposes is increased after it has been placed
12 in service in a federally designated Foreign Trade Zone or
13 Sub-Zone located in Illinois by the taxpayer, the amount of
14 such increase shall be deemed property placed in service on
15 the date of such increase in basis.

16 (5) The term "placed in service" shall have the same
17 meaning as under Section 46 of the Internal Revenue Code.

18 (6) If during any taxable year ending on or before
19 December 31, 1996, any property ceases to be qualified
20 property in the hands of the taxpayer within 48 months
21 after being placed in service, or the situs of any
22 qualified property is moved outside Illinois within 48
23 months after being placed in service, the tax imposed under
24 subsections (a) and (b) of this Section for such taxable
25 year shall be increased. Such increase shall be determined
26 by (i) recomputing the investment credit which would have

1 been allowed for the year in which credit for such property
2 was originally allowed by eliminating such property from
3 such computation, and (ii) subtracting such recomputed
4 credit from the amount of credit previously allowed. For
5 the purposes of this paragraph (6), a reduction of the
6 basis of qualified property resulting from a
7 redetermination of the purchase price shall be deemed a
8 disposition of qualified property to the extent of such
9 reduction.

10 (7) Beginning with tax years ending after December 31,
11 1996, if a taxpayer qualifies for the credit under this
12 subsection (h) and thereby is granted a tax abatement and
13 the taxpayer relocates its entire facility in violation of
14 the explicit terms and length of the contract under Section
15 18-183 of the Property Tax Code, the tax imposed under
16 subsections (a) and (b) of this Section shall be increased
17 for the taxable year in which the taxpayer relocated its
18 facility by an amount equal to the amount of credit
19 received by the taxpayer under this subsection (h).

20 (i) Credit for Personal Property Tax Replacement Income
21 Tax. For tax years ending prior to December 31, 2003, a credit
22 shall be allowed against the tax imposed by subsections (a) and
23 (b) of this Section for the tax imposed by subsections (c) and
24 (d) of this Section. This credit shall be computed by
25 multiplying the tax imposed by subsections (c) and (d) of this
26 Section by a fraction, the numerator of which is base income

1 allocable to Illinois and the denominator of which is Illinois
2 base income, and further multiplying the product by the tax
3 rate imposed by subsections (a) and (b) of this Section.

4 Any credit earned on or after December 31, 1986 under this
5 subsection which is unused in the year the credit is computed
6 because it exceeds the tax liability imposed by subsections (a)
7 and (b) for that year (whether it exceeds the original
8 liability or the liability as later amended) may be carried
9 forward and applied to the tax liability imposed by subsections
10 (a) and (b) of the 5 taxable years following the excess credit
11 year, provided that no credit may be carried forward to any
12 year ending on or after December 31, 2003. This credit shall be
13 applied first to the earliest year for which there is a
14 liability. If there is a credit under this subsection from more
15 than one tax year that is available to offset a liability the
16 earliest credit arising under this subsection shall be applied
17 first.

18 If, during any taxable year ending on or after December 31,
19 1986, the tax imposed by subsections (c) and (d) of this
20 Section for which a taxpayer has claimed a credit under this
21 subsection (i) is reduced, the amount of credit for such tax
22 shall also be reduced. Such reduction shall be determined by
23 recomputing the credit to take into account the reduced tax
24 imposed by subsections (c) and (d). If any portion of the
25 reduced amount of credit has been carried to a different
26 taxable year, an amended return shall be filed for such taxable

1 year to reduce the amount of credit claimed.

2 (j) Training expense credit. Beginning with tax years
3 ending on or after December 31, 1986 and prior to December 31,
4 2003, a taxpayer shall be allowed a credit against the tax
5 imposed by subsections (a) and (b) under this Section for all
6 amounts paid or accrued, on behalf of all persons employed by
7 the taxpayer in Illinois or Illinois residents employed outside
8 of Illinois by a taxpayer, for educational or vocational
9 training in semi-technical or technical fields or semi-skilled
10 or skilled fields, which were deducted from gross income in the
11 computation of taxable income. The credit against the tax
12 imposed by subsections (a) and (b) shall be 1.6% of such
13 training expenses. For partners, shareholders of subchapter S
14 corporations, and owners of limited liability companies, if the
15 liability company is treated as a partnership for purposes of
16 federal and State income taxation, there shall be allowed a
17 credit under this subsection (j) to be determined in accordance
18 with the determination of income and distributive share of
19 income under Sections 702 and 704 and subchapter S of the
20 Internal Revenue Code.

21 Any credit allowed under this subsection which is unused in
22 the year the credit is earned may be carried forward to each of
23 the 5 taxable years following the year for which the credit is
24 first computed until it is used. This credit shall be applied
25 first to the earliest year for which there is a liability. If
26 there is a credit under this subsection from more than one tax

1 year that is available to offset a liability the earliest
2 credit arising under this subsection shall be applied first. No
3 carryforward credit may be claimed in any tax year ending on or
4 after December 31, 2003.

5 (k) Research and development credit. For tax years ending
6 after July 1, 1990 and prior to December 31, 2003, and
7 beginning again for tax years ending on or after December 31,
8 2004, and ending prior to January 1, 2016, a taxpayer shall be
9 allowed a credit against the tax imposed by subsections (a) and
10 (b) of this Section for increasing research activities in this
11 State. The credit allowed against the tax imposed by
12 subsections (a) and (b) shall be equal to 6 1/2% of the
13 qualifying expenditures for increasing research activities in
14 this State. For partners, shareholders of subchapter S
15 corporations, and owners of limited liability companies, if the
16 liability company is treated as a partnership for purposes of
17 federal and State income taxation, there shall be allowed a
18 credit under this subsection to be determined in accordance
19 with the determination of income and distributive share of
20 income under Sections 702 and 704 and subchapter S of the
21 Internal Revenue Code.

22 For purposes of this subsection, "qualifying expenditures"
23 means the qualifying expenditures as defined for the federal
24 credit for increasing research activities which would be
25 allowable under Section 41 of the Internal Revenue Code and
26 which are conducted in this State, "qualifying expenditures for

1 increasing research activities in this State" means the excess
2 of qualifying expenditures for the taxable year in which
3 incurred over qualifying expenditures for the base period,
4 "qualifying expenditures for the base period" means the average
5 of the qualifying expenditures for each year in the base
6 period, and "base period" means the 3 taxable years immediately
7 preceding the taxable year for which the determination is being
8 made.

9 Any credit in excess of the tax liability for the taxable
10 year may be carried forward. A taxpayer may elect to have the
11 unused credit shown on its final completed return carried over
12 as a credit against the tax liability for the following 5
13 taxable years or until it has been fully used, whichever occurs
14 first; provided that no credit earned in a tax year ending
15 prior to December 31, 2003 may be carried forward to any year
16 ending on or after December 31, 2003.

17 If an unused credit is carried forward to a given year from
18 2 or more earlier years, that credit arising in the earliest
19 year will be applied first against the tax liability for the
20 given year. If a tax liability for the given year still
21 remains, the credit from the next earliest year will then be
22 applied, and so on, until all credits have been used or no tax
23 liability for the given year remains. Any remaining unused
24 credit or credits then will be carried forward to the next
25 following year in which a tax liability is incurred, except
26 that no credit can be carried forward to a year which is more

1 than 5 years after the year in which the expense for which the
2 credit is given was incurred.

3 No inference shall be drawn from this amendatory Act of the
4 91st General Assembly in construing this Section for taxable
5 years beginning before January 1, 1999.

6 (1) Environmental Remediation Tax Credit.

7 (i) For tax years ending after December 31, 1997 and on
8 or before December 31, 2001, a taxpayer shall be allowed a
9 credit against the tax imposed by subsections (a) and (b)
10 of this Section for certain amounts paid for unreimbursed
11 eligible remediation costs, as specified in this
12 subsection. For purposes of this Section, "unreimbursed
13 eligible remediation costs" means costs approved by the
14 Illinois Environmental Protection Agency ("Agency") under
15 Section 58.14 of the Environmental Protection Act that were
16 paid in performing environmental remediation at a site for
17 which a No Further Remediation Letter was issued by the
18 Agency and recorded under Section 58.10 of the
19 Environmental Protection Act. The credit must be claimed
20 for the taxable year in which Agency approval of the
21 eligible remediation costs is granted. The credit is not
22 available to any taxpayer if the taxpayer or any related
23 party caused or contributed to, in any material respect, a
24 release of regulated substances on, in, or under the site
25 that was identified and addressed by the remedial action
26 pursuant to the Site Remediation Program of the

1 Environmental Protection Act. After the Pollution Control
2 Board rules are adopted pursuant to the Illinois
3 Administrative Procedure Act for the administration and
4 enforcement of Section 58.9 of the Environmental
5 Protection Act, determinations as to credit availability
6 for purposes of this Section shall be made consistent with
7 those rules. For purposes of this Section, "taxpayer"
8 includes a person whose tax attributes the taxpayer has
9 succeeded to under Section 381 of the Internal Revenue Code
10 and "related party" includes the persons disallowed a
11 deduction for losses by paragraphs (b), (c), and (f) (1) of
12 Section 267 of the Internal Revenue Code by virtue of being
13 a related taxpayer, as well as any of its partners. The
14 credit allowed against the tax imposed by subsections (a)
15 and (b) shall be equal to 25% of the unreimbursed eligible
16 remediation costs in excess of \$100,000 per site, except
17 that the \$100,000 threshold shall not apply to any site
18 contained in an enterprise zone as determined by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity). The
21 total credit allowed shall not exceed \$40,000 per year with
22 a maximum total of \$150,000 per site. For partners and
23 shareholders of subchapter S corporations, there shall be
24 allowed a credit under this subsection to be determined in
25 accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and

1 subchapter S of the Internal Revenue Code.

2 (ii) A credit allowed under this subsection that is
3 unused in the year the credit is earned may be carried
4 forward to each of the 5 taxable years following the year
5 for which the credit is first earned until it is used. The
6 term "unused credit" does not include any amounts of
7 unreimbursed eligible remediation costs in excess of the
8 maximum credit per site authorized under paragraph (i).
9 This credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available to
12 offset a liability, the earliest credit arising under this
13 subsection shall be applied first. A credit allowed under
14 this subsection may be sold to a buyer as part of a sale of
15 all or part of the remediation site for which the credit
16 was granted. The purchaser of a remediation site and the
17 tax credit shall succeed to the unused credit and remaining
18 carry-forward period of the seller. To perfect the
19 transfer, the assignor shall record the transfer in the
20 chain of title for the site and provide written notice to
21 the Director of the Illinois Department of Revenue of the
22 assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (m) Education expense credit. Beginning with tax years
5 ending after December 31, 1999, a taxpayer who is the custodian
6 of one or more qualifying pupils shall be allowed a credit
7 against the tax imposed by subsections (a) and (b) of this
8 Section for qualified education expenses incurred on behalf of
9 the qualifying pupils. The credit shall be equal to 25% of
10 qualified education expenses, but in no event may the total
11 credit under this subsection claimed by a family that is the
12 custodian of qualifying pupils exceed \$500. In no event shall a
13 credit under this subsection reduce the taxpayer's liability
14 under this Act to less than zero. This subsection is exempt
15 from the provisions of Section 250 of this Act.

16 For purposes of this subsection:

17 "Qualifying pupils" means individuals who (i) are
18 residents of the State of Illinois, (ii) are under the age of
19 21 at the close of the school year for which a credit is
20 sought, and (iii) during the school year for which a credit is
21 sought were full-time pupils enrolled in a kindergarten through
22 twelfth grade education program at any school, as defined in
23 this subsection.

24 "Qualified education expense" means the amount incurred on
25 behalf of a qualifying pupil in excess of \$250 for tuition,
26 book fees, and lab fees at the school in which the pupil is

1 enrolled during the regular school year.

2 "School" means any public or nonpublic elementary or
3 secondary school in Illinois that is in compliance with Title
4 VI of the Civil Rights Act of 1964 and attendance at which
5 satisfies the requirements of Section 26-1 of the School Code,
6 except that nothing shall be construed to require a child to
7 attend any particular public or nonpublic school to qualify for
8 the credit under this Section.

9 "Custodian" means, with respect to qualifying pupils, an
10 Illinois resident who is a parent, the parents, a legal
11 guardian, or the legal guardians of the qualifying pupils.

12 (n) River Edge Redevelopment Zone site remediation tax
13 credit.

14 (i) For tax years ending on or after December 31, 2006,
15 a taxpayer shall be allowed a credit against the tax
16 imposed by subsections (a) and (b) of this Section for
17 certain amounts paid for unreimbursed eligible remediation
18 costs, as specified in this subsection. For purposes of
19 this Section, "unreimbursed eligible remediation costs"
20 means costs approved by the Illinois Environmental
21 Protection Agency ("Agency") under Section 58.14a of the
22 Environmental Protection Act that were paid in performing
23 environmental remediation at a site within a River Edge
24 Redevelopment Zone for which a No Further Remediation
25 Letter was issued by the Agency and recorded under Section
26 58.10 of the Environmental Protection Act. The credit must

1 be claimed for the taxable year in which Agency approval of
2 the eligible remediation costs is granted. The credit is
3 not available to any taxpayer if the taxpayer or any
4 related party caused or contributed to, in any material
5 respect, a release of regulated substances on, in, or under
6 the site that was identified and addressed by the remedial
7 action pursuant to the Site Remediation Program of the
8 Environmental Protection Act. Determinations as to credit
9 availability for purposes of this Section shall be made
10 consistent with rules adopted by the Pollution Control
11 Board pursuant to the Illinois Administrative Procedure
12 Act for the administration and enforcement of Section 58.9
13 of the Environmental Protection Act. For purposes of this
14 Section, "taxpayer" includes a person whose tax attributes
15 the taxpayer has succeeded to under Section 381 of the
16 Internal Revenue Code and "related party" includes the
17 persons disallowed a deduction for losses by paragraphs
18 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
19 Code by virtue of being a related taxpayer, as well as any
20 of its partners. The credit allowed against the tax imposed
21 by subsections (a) and (b) shall be equal to 25% of the
22 unreimbursed eligible remediation costs in excess of
23 \$100,000 per site.

24 (ii) A credit allowed under this subsection that is
25 unused in the year the credit is earned may be carried
26 forward to each of the 5 taxable years following the year

1 for which the credit is first earned until it is used. This
2 credit shall be applied first to the earliest year for
3 which there is a liability. If there is a credit under this
4 subsection from more than one tax year that is available to
5 offset a liability, the earliest credit arising under this
6 subsection shall be applied first. A credit allowed under
7 this subsection may be sold to a buyer as part of a sale of
8 all or part of the remediation site for which the credit
9 was granted. The purchaser of a remediation site and the
10 tax credit shall succeed to the unused credit and remaining
11 carry-forward period of the seller. To perfect the
12 transfer, the assignor shall record the transfer in the
13 chain of title for the site and provide written notice to
14 the Director of the Illinois Department of Revenue of the
15 assignor's intent to sell the remediation site and the
16 amount of the tax credit to be transferred as a portion of
17 the sale. In no event may a credit be transferred to any
18 taxpayer if the taxpayer or a related party would not be
19 eligible under the provisions of subsection (i).

20 (iii) For purposes of this Section, the term "site"
21 shall have the same meaning as under Section 58.2 of the
22 Environmental Protection Act.

23 (o) For each of taxable years during the Compassionate Use
24 of Medical Cannabis Pilot Program, a surcharge is imposed on
25 all taxpayers on income arising from the sale or exchange of
26 capital assets, depreciable business property, real property

1 used in the trade or business, and Section 197 intangibles of
2 an organization registrant under the Compassionate Use of
3 Medical Cannabis Pilot Program Act. The amount of the surcharge
4 is equal to the amount of federal income tax liability for the
5 taxable year attributable to those sales and exchanges. The
6 surcharge imposed does not apply if:

7 (1) the medical cannabis cultivation center
8 registration, medical cannabis dispensary registration, or
9 the property of a registration is transferred as a result
10 of any of the following:

11 (A) bankruptcy, a receivership, or a debt
12 adjustment initiated by or against the initial
13 registration or the substantial owners of the initial
14 registration;

15 (B) cancellation, revocation, or termination of
16 any registration by the Illinois Department of Public
17 Health;

18 (C) a determination by the Illinois Department of
19 Public Health that transfer of the registration is in
20 the best interests of Illinois qualifying patients as
21 defined by the Compassionate Use of Medical Cannabis
22 Pilot Program Act;

23 (D) the death of an owner of the equity interest in
24 a registrant;

25 (E) the acquisition of a controlling interest in
26 the stock or substantially all of the assets of a

1 publicly traded company;

2 (F) a transfer by a parent company to a wholly
3 owned subsidiary; or

4 (G) the transfer or sale to or by one person to
5 another person where both persons were initial owners
6 of the registration when the registration was issued;
7 or

8 (2) the cannabis cultivation center registration,
9 medical cannabis dispensary registration, or the
10 controlling interest in a registrant's property is
11 transferred in a transaction to lineal descendants in which
12 no gain or loss is recognized or as a result of a
13 transaction in accordance with Section 351 of the Internal
14 Revenue Code in which no gain or loss is recognized.

15 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
16 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,
17 eff. 7-16-14.)

18 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

19 Sec. 303. (a) In general. Any item of capital gain or loss,
20 and any item of income from rents or royalties from real or
21 tangible personal property, interest, dividends, and patent or
22 copyright royalties, and prizes awarded under the Illinois
23 Lottery Law, and, for taxable years ending on or after December
24 31, 2017, wagering and gambling winnings from Illinois sources
25 as set forth in subsection (e-1) of this Section, to the extent

1 such item constitutes nonbusiness income, together with any
2 item of deduction directly allocable thereto, shall be
3 allocated by any person other than a resident as provided in
4 this Section.

5 (b) Capital gains and losses.

6 (1) Real property. Capital gains and losses from sales
7 or exchanges of real property are allocable to this State
8 if the property is located in this State.

9 (2) Tangible personal property. Capital gains and
10 losses from sales or exchanges of tangible personal
11 property are allocable to this State if, at the time of
12 such sale or exchange:

13 (A) The property had its situs in this State; or

14 (B) The taxpayer had its commercial domicile in
15 this State and was not taxable in the state in which
16 the property had its situs.

17 (3) Intangibles. Capital gains and losses from sales or
18 exchanges of intangible personal property are allocable to
19 this State if the taxpayer had its commercial domicile in
20 this State at the time of such sale or exchange.

21 (c) Rents and royalties.

22 (1) Real property. Rents and royalties from real
23 property are allocable to this State if the property is
24 located in this State.

25 (2) Tangible personal property. Rents and royalties
26 from tangible personal property are allocable to this

1 State:

2 (A) If and to the extent that the property is
3 utilized in this State; or

4 (B) In their entirety if, at the time such rents or
5 royalties were paid or accrued, the taxpayer had its
6 commercial domicile in this State and was not organized
7 under the laws of or taxable with respect to such rents
8 or royalties in the state in which the property was
9 utilized. The extent of utilization of tangible
10 personal property in a state is determined by
11 multiplying the rents or royalties derived from such
12 property by a fraction, the numerator of which is the
13 number of days of physical location of the property in
14 the state during the rental or royalty period in the
15 taxable year and the denominator of which is the number
16 of days of physical location of the property everywhere
17 during all rental or royalty periods in the taxable
18 year. If the physical location of the property during
19 the rental or royalty period is unknown or
20 unascertainable by the taxpayer, tangible personal
21 property is utilized in the state in which the property
22 was located at the time the rental or royalty payer
23 obtained possession.

24 (d) Patent and copyright royalties.

25 (1) Allocation. Patent and copyright royalties are
26 allocable to this State:

1 (A) If and to the extent that the patent or
2 copyright is utilized by the payer in this State; or

3 (B) If and to the extent that the patent or
4 copyright is utilized by the payer in a state in which
5 the taxpayer is not taxable with respect to such
6 royalties and, at the time such royalties were paid or
7 accrued, the taxpayer had its commercial domicile in
8 this State.

9 (2) Utilization.

10 (A) A patent is utilized in a state to the extent
11 that it is employed in production, fabrication,
12 manufacturing or other processing in the state or to
13 the extent that a patented product is produced in the
14 state. If the basis of receipts from patent royalties
15 does not permit allocation to states or if the
16 accounting procedures do not reflect states of
17 utilization, the patent is utilized in this State if
18 the taxpayer has its commercial domicile in this State.

19 (B) A copyright is utilized in a state to the
20 extent that printing or other publication originates
21 in the state. If the basis of receipts from copyright
22 royalties does not permit allocation to states or if
23 the accounting procedures do not reflect states of
24 utilization, the copyright is utilized in this State if
25 the taxpayer has its commercial domicile in this State.

26 (e) Illinois lottery prizes. Prizes awarded under the

1 Illinois Lottery Law are allocable to this State. Payments
2 received in taxable years ending on or after December 31, 2013,
3 from the assignment of a prize under Section 13.1 of the
4 Illinois Lottery Law are allocable to this State.

5 (e-1) Wagering and gambling winnings. Payments received in
6 taxable years ending on or after December 31, 2017 of winnings
7 from pari-mutuel wagering conducted at a wagering facility
8 licensed under the Illinois Horse Racing Act of 1975 and from
9 gambling games conducted on a riverboat or in a casino or
10 electronic gaming facility licensed under the Illinois
11 Gambling Act are allocable to this State.

12 (e-5) Unemployment benefits. Unemployment benefits paid by
13 the Illinois Department of Employment Security are allocable to
14 this State.

15 (f) Taxability in other state. For purposes of allocation
16 of income pursuant to this Section, a taxpayer is taxable in
17 another state if:

18 (1) In that state he is subject to a net income tax, a
19 franchise tax measured by net income, a franchise tax for
20 the privilege of doing business, or a corporate stock tax;
21 or

22 (2) That state has jurisdiction to subject the taxpayer
23 to a net income tax regardless of whether, in fact, the
24 state does or does not.

25 (g) Cross references.

26 (1) For allocation of interest and dividends by persons

1 other than residents, see Section 301(c)(2).

2 (2) For allocation of nonbusiness income by residents,
3 see Section 301(a).

4 (Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

5 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

6 Sec. 304. Business income of persons other than residents.

7 (a) In general. The business income of a person other than
8 a resident shall be allocated to this State if such person's
9 business income is derived solely from this State. If a person
10 other than a resident derives business income from this State
11 and one or more other states, then, for tax years ending on or
12 before December 30, 1998, and except as otherwise provided by
13 this Section, such person's business income shall be
14 apportioned to this State by multiplying the income by a
15 fraction, the numerator of which is the sum of the property
16 factor (if any), the payroll factor (if any) and 200% of the
17 sales factor (if any), and the denominator of which is 4
18 reduced by the number of factors other than the sales factor
19 which have a denominator of zero and by an additional 2 if the
20 sales factor has a denominator of zero. For tax years ending on
21 or after December 31, 1998, and except as otherwise provided by
22 this Section, persons other than residents who derive business
23 income from this State and one or more other states shall
24 compute their apportionment factor by weighting their
25 property, payroll, and sales factors as provided in subsection

1 (h) of this Section.

2 (1) Property factor.

3 (A) The property factor is a fraction, the numerator of
4 which is the average value of the person's real and
5 tangible personal property owned or rented and used in the
6 trade or business in this State during the taxable year and
7 the denominator of which is the average value of all the
8 person's real and tangible personal property owned or
9 rented and used in the trade or business during the taxable
10 year.

11 (B) Property owned by the person is valued at its
12 original cost. Property rented by the person is valued at 8
13 times the net annual rental rate. Net annual rental rate is
14 the annual rental rate paid by the person less any annual
15 rental rate received by the person from sub-rentals.

16 (C) The average value of property shall be determined
17 by averaging the values at the beginning and ending of the
18 taxable year but the Director may require the averaging of
19 monthly values during the taxable year if reasonably
20 required to reflect properly the average value of the
21 person's property.

22 (2) Payroll factor.

23 (A) The payroll factor is a fraction, the numerator of
24 which is the total amount paid in this State during the
25 taxable year by the person for compensation, and the
26 denominator of which is the total compensation paid

1 everywhere during the taxable year.

2 (B) Compensation is paid in this State if:

3 (i) The individual's service is performed entirely
4 within this State;

5 (ii) The individual's service is performed both
6 within and without this State, but the service
7 performed without this State is incidental to the
8 individual's service performed within this State; or

9 (iii) Some of the service is performed within this
10 State and either the base of operations, or if there is
11 no base of operations, the place from which the service
12 is directed or controlled is within this State, or the
13 base of operations or the place from which the service
14 is directed or controlled is not in any state in which
15 some part of the service is performed, but the
16 individual's residence is in this State.

17 (iv) Compensation paid to nonresident professional
18 athletes.

19 (a) General. The Illinois source income of a
20 nonresident individual who is a member of a
21 professional athletic team includes the portion of the
22 individual's total compensation for services performed
23 as a member of a professional athletic team during the
24 taxable year which the number of duty days spent within
25 this State performing services for the team in any
26 manner during the taxable year bears to the total

1 number of duty days spent both within and without this
2 State during the taxable year.

3 (b) Travel days. Travel days that do not involve
4 either a game, practice, team meeting, or other similar
5 team event are not considered duty days spent in this
6 State. However, such travel days are considered in the
7 total duty days spent both within and without this
8 State.

9 (c) Definitions. For purposes of this subpart
10 (iv):

11 (1) The term "professional athletic team"
12 includes, but is not limited to, any professional
13 baseball, basketball, football, soccer, or hockey
14 team.

15 (2) The term "member of a professional
16 athletic team" includes those employees who are
17 active players, players on the disabled list, and
18 any other persons required to travel and who travel
19 with and perform services on behalf of a
20 professional athletic team on a regular basis.
21 This includes, but is not limited to, coaches,
22 managers, and trainers.

23 (3) Except as provided in items (C) and (D) of
24 this subpart (3), the term "duty days" means all
25 days during the taxable year from the beginning of
26 the professional athletic team's official

1 pre-season training period through the last game
2 in which the team competes or is scheduled to
3 compete. Duty days shall be counted for the year in
4 which they occur, including where a team's
5 official pre-season training period through the
6 last game in which the team competes or is
7 scheduled to compete, occurs during more than one
8 tax year.

9 (A) Duty days shall also include days on
10 which a member of a professional athletic team
11 performs service for a team on a date that does
12 not fall within the foregoing period (e.g.,
13 participation in instructional leagues, the
14 "All Star Game", or promotional "caravans").
15 Performing a service for a professional
16 athletic team includes conducting training and
17 rehabilitation activities, when such
18 activities are conducted at team facilities.

19 (B) Also included in duty days are game
20 days, practice days, days spent at team
21 meetings, promotional caravans, preseason
22 training camps, and days served with the team
23 through all post-season games in which the team
24 competes or is scheduled to compete.

25 (C) Duty days for any person who joins a
26 team during the period from the beginning of

1 the professional athletic team's official
2 pre-season training period through the last
3 game in which the team competes, or is
4 scheduled to compete, shall begin on the day
5 that person joins the team. Conversely, duty
6 days for any person who leaves a team during
7 this period shall end on the day that person
8 leaves the team. Where a person switches teams
9 during a taxable year, a separate duty-day
10 calculation shall be made for the period the
11 person was with each team.

12 (D) Days for which a member of a
13 professional athletic team is not compensated
14 and is not performing services for the team in
15 any manner, including days when such member of
16 a professional athletic team has been
17 suspended without pay and prohibited from
18 performing any services for the team, shall not
19 be treated as duty days.

20 (E) Days for which a member of a
21 professional athletic team is on the disabled
22 list and does not conduct rehabilitation
23 activities at facilities of the team, and is
24 not otherwise performing services for the team
25 in Illinois, shall not be considered duty days
26 spent in this State. All days on the disabled

1 list, however, are considered to be included in
2 total duty days spent both within and without
3 this State.

4 (4) The term "total compensation for services
5 performed as a member of a professional athletic
6 team" means the total compensation received during
7 the taxable year for services performed:

8 (A) from the beginning of the official
9 pre-season training period through the last
10 game in which the team competes or is scheduled
11 to compete during that taxable year; and

12 (B) during the taxable year on a date which
13 does not fall within the foregoing period
14 (e.g., participation in instructional leagues,
15 the "All Star Game", or promotional caravans).

16 This compensation shall include, but is not
17 limited to, salaries, wages, bonuses as described
18 in this subpart, and any other type of compensation
19 paid during the taxable year to a member of a
20 professional athletic team for services performed
21 in that year. This compensation does not include
22 strike benefits, severance pay, termination pay,
23 contract or option year buy-out payments,
24 expansion or relocation payments, or any other
25 payments not related to services performed for the
26 team.

1 For purposes of this subparagraph, "bonuses"
2 included in "total compensation for services
3 performed as a member of a professional athletic
4 team" subject to the allocation described in
5 Section 302(c)(1) are: bonuses earned as a result
6 of play (i.e., performance bonuses) during the
7 season, including bonuses paid for championship,
8 playoff or "bowl" games played by a team, or for
9 selection to all-star league or other honorary
10 positions; and bonuses paid for signing a
11 contract, unless the payment of the signing bonus
12 is not conditional upon the signee playing any
13 games for the team or performing any subsequent
14 services for the team or even making the team, the
15 signing bonus is payable separately from the
16 salary and any other compensation, and the signing
17 bonus is nonrefundable.

18 (3) Sales factor.

19 (A) The sales factor is a fraction, the numerator of
20 which is the total sales of the person in this State during
21 the taxable year, and the denominator of which is the total
22 sales of the person everywhere during the taxable year.

23 (B) Sales of tangible personal property are in this
24 State if:

25 (i) The property is delivered or shipped to a
26 purchaser, other than the United States government,

1 within this State regardless of the f. o. b. point or
2 other conditions of the sale; or

3 (ii) The property is shipped from an office, store,
4 warehouse, factory or other place of storage in this
5 State and either the purchaser is the United States
6 government or the person is not taxable in the state of
7 the purchaser; provided, however, that premises owned
8 or leased by a person who has independently contracted
9 with the seller for the printing of newspapers,
10 periodicals or books shall not be deemed to be an
11 office, store, warehouse, factory or other place of
12 storage for purposes of this Section. Sales of tangible
13 personal property are not in this State if the seller
14 and purchaser would be members of the same unitary
15 business group but for the fact that either the seller
16 or purchaser is a person with 80% or more of total
17 business activity outside of the United States and the
18 property is purchased for resale.

19 (B-1) Patents, copyrights, trademarks, and similar
20 items of intangible personal property.

21 (i) Gross receipts from the licensing, sale, or
22 other disposition of a patent, copyright, trademark,
23 or similar item of intangible personal property, other
24 than gross receipts governed by paragraph (B-7) of this
25 item (3), are in this State to the extent the item is
26 utilized in this State during the year the gross

1 receipts are included in gross income.

2 (ii) Place of utilization.

3 (I) A patent is utilized in a state to the
4 extent that it is employed in production,
5 fabrication, manufacturing, or other processing in
6 the state or to the extent that a patented product
7 is produced in the state. If a patent is utilized
8 in more than one state, the extent to which it is
9 utilized in any one state shall be a fraction equal
10 to the gross receipts of the licensee or purchaser
11 from sales or leases of items produced,
12 fabricated, manufactured, or processed within that
13 state using the patent and of patented items
14 produced within that state, divided by the total of
15 such gross receipts for all states in which the
16 patent is utilized.

17 (II) A copyright is utilized in a state to the
18 extent that printing or other publication
19 originates in the state. If a copyright is utilized
20 in more than one state, the extent to which it is
21 utilized in any one state shall be a fraction equal
22 to the gross receipts from sales or licenses of
23 materials printed or published in that state
24 divided by the total of such gross receipts for all
25 states in which the copyright is utilized.

26 (III) Trademarks and other items of intangible

1 personal property governed by this paragraph (B-1)
2 are utilized in the state in which the commercial
3 domicile of the licensee or purchaser is located.

4 (iii) If the state of utilization of an item of
5 property governed by this paragraph (B-1) cannot be
6 determined from the taxpayer's books and records or
7 from the books and records of any person related to the
8 taxpayer within the meaning of Section 267(b) of the
9 Internal Revenue Code, 26 U.S.C. 267, the gross
10 receipts attributable to that item shall be excluded
11 from both the numerator and the denominator of the
12 sales factor.

13 (B-2) Gross receipts from the license, sale, or other
14 disposition of patents, copyrights, trademarks, and
15 similar items of intangible personal property, other than
16 gross receipts governed by paragraph (B-7) of this item
17 (3), may be included in the numerator or denominator of the
18 sales factor only if gross receipts from licenses, sales,
19 or other disposition of such items comprise more than 50%
20 of the taxpayer's total gross receipts included in gross
21 income during the tax year and during each of the 2
22 immediately preceding tax years; provided that, when a
23 taxpayer is a member of a unitary business group, such
24 determination shall be made on the basis of the gross
25 receipts of the entire unitary business group.

26 (B-5) For taxable years ending on or after December 31,

1 2008, except as provided in subsections (ii) through (vii),
2 receipts from the sale of telecommunications service or
3 mobile telecommunications service are in this State if the
4 customer's service address is in this State.

5 (i) For purposes of this subparagraph (B-5), the
6 following terms have the following meanings:

7 "Ancillary services" means services that are
8 associated with or incidental to the provision of
9 "telecommunications services", including but not
10 limited to "detailed telecommunications billing",
11 "directory assistance", "vertical service", and "voice
12 mail services".

13 "Air-to-Ground Radiotelephone service" means a
14 radio service, as that term is defined in 47 CFR 22.99,
15 in which common carriers are authorized to offer and
16 provide radio telecommunications service for hire to
17 subscribers in aircraft.

18 "Call-by-call Basis" means any method of charging
19 for telecommunications services where the price is
20 measured by individual calls.

21 "Communications Channel" means a physical or
22 virtual path of communications over which signals are
23 transmitted between or among customer channel
24 termination points.

25 "Conference bridging service" means an "ancillary
26 service" that links two or more participants of an

1 audio or video conference call and may include the
2 provision of a telephone number. "Conference bridging
3 service" does not include the "telecommunications
4 services" used to reach the conference bridge.

5 "Customer Channel Termination Point" means the
6 location where the customer either inputs or receives
7 the communications.

8 "Detailed telecommunications billing service"
9 means an "ancillary service" of separately stating
10 information pertaining to individual calls on a
11 customer's billing statement.

12 "Directory assistance" means an "ancillary
13 service" of providing telephone number information,
14 and/or address information.

15 "Home service provider" means the facilities based
16 carrier or reseller with which the customer contracts
17 for the provision of mobile telecommunications
18 services.

19 "Mobile telecommunications service" means
20 commercial mobile radio service, as defined in Section
21 20.3 of Title 47 of the Code of Federal Regulations as
22 in effect on June 1, 1999.

23 "Place of primary use" means the street address
24 representative of where the customer's use of the
25 telecommunications service primarily occurs, which
26 must be the residential street address or the primary

1 business street address of the customer. In the case of
2 mobile telecommunications services, "place of primary
3 use" must be within the licensed service area of the
4 home service provider.

5 "Post-paid telecommunication service" means the
6 telecommunications service obtained by making a
7 payment on a call-by-call basis either through the use
8 of a credit card or payment mechanism such as a bank
9 card, travel card, credit card, or debit card, or by
10 charge made to a telephone number which is not
11 associated with the origination or termination of the
12 telecommunications service. A post-paid calling
13 service includes telecommunications service, except a
14 prepaid wireless calling service, that would be a
15 prepaid calling service except it is not exclusively a
16 telecommunication service.

17 "Prepaid telecommunication service" means the
18 right to access exclusively telecommunications
19 services, which must be paid for in advance and which
20 enables the origination of calls using an access number
21 or authorization code, whether manually or
22 electronically dialed, and that is sold in
23 predetermined units or dollars of which the number
24 declines with use in a known amount.

25 "Prepaid Mobile telecommunication service" means a
26 telecommunications service that provides the right to

1 utilize mobile wireless service as well as other
2 non-telecommunication services, including but not
3 limited to ancillary services, which must be paid for
4 in advance that is sold in predetermined units or
5 dollars of which the number declines with use in a
6 known amount.

7 "Private communication service" means a
8 telecommunication service that entitles the customer
9 to exclusive or priority use of a communications
10 channel or group of channels between or among
11 termination points, regardless of the manner in which
12 such channel or channels are connected, and includes
13 switching capacity, extension lines, stations, and any
14 other associated services that are provided in
15 connection with the use of such channel or channels.

16 "Service address" means:

17 (a) The location of the telecommunications
18 equipment to which a customer's call is charged and
19 from which the call originates or terminates,
20 regardless of where the call is billed or paid;

21 (b) If the location in line (a) is not known,
22 service address means the origination point of the
23 signal of the telecommunications services first
24 identified by either the seller's
25 telecommunications system or in information
26 received by the seller from its service provider

1 where the system used to transport such signals is
2 not that of the seller; and

3 (c) If the locations in line (a) and line (b)
4 are not known, the service address means the
5 location of the customer's place of primary use.

6 "Telecommunications service" means the electronic
7 transmission, conveyance, or routing of voice, data,
8 audio, video, or any other information or signals to a
9 point, or between or among points. The term
10 "telecommunications service" includes such
11 transmission, conveyance, or routing in which computer
12 processing applications are used to act on the form,
13 code or protocol of the content for purposes of
14 transmission, conveyance or routing without regard to
15 whether such service is referred to as voice over
16 Internet protocol services or is classified by the
17 Federal Communications Commission as enhanced or value
18 added. "Telecommunications service" does not include:

19 (a) Data processing and information services
20 that allow data to be generated, acquired, stored,
21 processed, or retrieved and delivered by an
22 electronic transmission to a purchaser when such
23 purchaser's primary purpose for the underlying
24 transaction is the processed data or information;

25 (b) Installation or maintenance of wiring or
26 equipment on a customer's premises;

- 1 (c) Tangible personal property;
- 2 (d) Advertising, including but not limited to
3 directory advertising;—
- 4 (e) Billing and collection services provided
5 to third parties;
- 6 (f) Internet access service;
- 7 (g) Radio and television audio and video
8 programming services, regardless of the medium,
9 including the furnishing of transmission,
10 conveyance and routing of such services by the
11 programming service provider. Radio and television
12 audio and video programming services shall include
13 but not be limited to cable service as defined in
14 47 USC 522(6) and audio and video programming
15 services delivered by commercial mobile radio
16 service providers, as defined in 47 CFR 20.3;
- 17 (h) "Ancillary services"; or
- 18 (i) Digital products "delivered
19 electronically", including but not limited to
20 software, music, video, reading materials or ring
21 tones.
- 22 "Vertical service" means an "ancillary service"
23 that is offered in connection with one or more
24 "telecommunications services", which offers advanced
25 calling features that allow customers to identify
26 callers and to manage multiple calls and call

1 connections, including "conference bridging services".

2 "Voice mail service" means an "ancillary service"
3 that enables the customer to store, send or receive
4 recorded messages. "Voice mail service" does not
5 include any "vertical services" that the customer may
6 be required to have in order to utilize the "voice mail
7 service".

8 (ii) Receipts from the sale of telecommunications
9 service sold on an individual call-by-call basis are in
10 this State if either of the following applies:

11 (a) The call both originates and terminates in
12 this State.

13 (b) The call either originates or terminates
14 in this State and the service address is located in
15 this State.

16 (iii) Receipts from the sale of postpaid
17 telecommunications service at retail are in this State
18 if the origination point of the telecommunication
19 signal, as first identified by the service provider's
20 telecommunication system or as identified by
21 information received by the seller from its service
22 provider if the system used to transport
23 telecommunication signals is not the seller's, is
24 located in this State.

25 (iv) Receipts from the sale of prepaid
26 telecommunications service or prepaid mobile

1 telecommunications service at retail are in this State
2 if the purchaser obtains the prepaid card or similar
3 means of conveyance at a location in this State.
4 Receipts from recharging a prepaid telecommunications
5 service or mobile telecommunications service is in
6 this State if the purchaser's billing information
7 indicates a location in this State.

8 (v) Receipts from the sale of private
9 communication services are in this State as follows:

10 (a) 100% of receipts from charges imposed at
11 each channel termination point in this State.

12 (b) 100% of receipts from charges for the total
13 channel mileage between each channel termination
14 point in this State.

15 (c) 50% of the total receipts from charges for
16 service segments when those segments are between 2
17 customer channel termination points, 1 of which is
18 located in this State and the other is located
19 outside of this State, which segments are
20 separately charged.

21 (d) The receipts from charges for service
22 segments with a channel termination point located
23 in this State and in two or more other states, and
24 which segments are not separately billed, are in
25 this State based on a percentage determined by
26 dividing the number of customer channel

1 termination points in this State by the total
2 number of customer channel termination points.

3 (vi) Receipts from charges for ancillary services
4 for telecommunications service sold to customers at
5 retail are in this State if the customer's primary
6 place of use of telecommunications services associated
7 with those ancillary services is in this State. If the
8 seller of those ancillary services cannot determine
9 where the associated telecommunications are located,
10 then the ancillary services shall be based on the
11 location of the purchaser.

12 (vii) Receipts to access a carrier's network or
13 from the sale of telecommunication services or
14 ancillary services for resale are in this State as
15 follows:

16 (a) 100% of the receipts from access fees
17 attributable to intrastate telecommunications
18 service that both originates and terminates in
19 this State.

20 (b) 50% of the receipts from access fees
21 attributable to interstate telecommunications
22 service if the interstate call either originates
23 or terminates in this State.

24 (c) 100% of the receipts from interstate end
25 user access line charges, if the customer's
26 service address is in this State. As used in this

1 subdivision, "interstate end user access line
2 charges" includes, but is not limited to, the
3 surcharge approved by the federal communications
4 commission and levied pursuant to 47 CFR 69.

5 (d) Gross receipts from sales of
6 telecommunication services or from ancillary
7 services for telecommunications services sold to
8 other telecommunication service providers for
9 resale shall be sourced to this State using the
10 apportionment concepts used for non-resale
11 receipts of telecommunications services if the
12 information is readily available to make that
13 determination. If the information is not readily
14 available, then the taxpayer may use any other
15 reasonable and consistent method.

16 (B-7) For taxable years ending on or after December 31,
17 2008, receipts from the sale of broadcasting services are
18 in this State if the broadcasting services are received in
19 this State. For purposes of this paragraph (B-7), the
20 following terms have the following meanings:

21 "Advertising revenue" means consideration received
22 by the taxpayer in exchange for broadcasting services
23 or allowing the broadcasting of commercials or
24 announcements in connection with the broadcasting of
25 film or radio programming, from sponsorships of the
26 programming, or from product placements in the

1 programming.

2 "Audience factor" means the ratio that the
3 audience or subscribers located in this State of a
4 station, a network, or a cable system bears to the
5 total audience or total subscribers for that station,
6 network, or cable system. The audience factor for film
7 or radio programming shall be determined by reference
8 to the books and records of the taxpayer or by
9 reference to published rating statistics provided the
10 method used by the taxpayer is consistently used from
11 year to year for this purpose and fairly represents the
12 taxpayer's activity in this State.

13 "Broadcast" or "broadcasting" or "broadcasting
14 services" means the transmission or provision of film
15 or radio programming, whether through the public
16 airwaves, by cable, by direct or indirect satellite
17 transmission, or by any other means of communication,
18 either through a station, a network, or a cable system.

19 "Film" or "film programming" means the broadcast
20 on television of any and all performances, events, or
21 productions, including but not limited to news,
22 sporting events, plays, stories, or other literary,
23 commercial, educational, or artistic works, either
24 live or through the use of video tape, disc, or any
25 other type of format or medium. Each episode of a
26 series of films produced for television shall

1 constitute separate "film" notwithstanding that the
2 series relates to the same principal subject and is
3 produced during one or more tax periods.

4 "Radio" or "radio programming" means the broadcast
5 on radio of any and all performances, events, or
6 productions, including but not limited to news,
7 sporting events, plays, stories, or other literary,
8 commercial, educational, or artistic works, either
9 live or through the use of an audio tape, disc, or any
10 other format or medium. Each episode in a series of
11 radio programming produced for radio broadcast shall
12 constitute a separate "radio programming"
13 notwithstanding that the series relates to the same
14 principal subject and is produced during one or more
15 tax periods.

16 (i) In the case of advertising revenue from
17 broadcasting, the customer is the advertiser and
18 the service is received in this State if the
19 commercial domicile of the advertiser is in this
20 State.

21 (ii) In the case where film or radio
22 programming is broadcast by a station, a network,
23 or a cable system for a fee or other remuneration
24 received from the recipient of the broadcast, the
25 portion of the service that is received in this
26 State is measured by the portion of the recipients

1 of the broadcast located in this State.
2 Accordingly, the fee or other remuneration for
3 such service that is included in the Illinois
4 numerator of the sales factor is the total of those
5 fees or other remuneration received from
6 recipients in Illinois. For purposes of this
7 paragraph, a taxpayer may determine the location
8 of the recipients of its broadcast using the
9 address of the recipient shown in its contracts
10 with the recipient or using the billing address of
11 the recipient in the taxpayer's records.

12 (iii) In the case where film or radio
13 programming is broadcast by a station, a network,
14 or a cable system for a fee or other remuneration
15 from the person providing the programming, the
16 portion of the broadcast service that is received
17 by such station, network, or cable system in this
18 State is measured by the portion of recipients of
19 the broadcast located in this State. Accordingly,
20 the amount of revenue related to such an
21 arrangement that is included in the Illinois
22 numerator of the sales factor is the total fee or
23 other total remuneration from the person providing
24 the programming related to that broadcast
25 multiplied by the Illinois audience factor for
26 that broadcast.

1 (iv) In the case where film or radio
2 programming is provided by a taxpayer that is a
3 network or station to a customer for broadcast in
4 exchange for a fee or other remuneration from that
5 customer the broadcasting service is received at
6 the location of the office of the customer from
7 which the services were ordered in the regular
8 course of the customer's trade or business.
9 Accordingly, in such a case the revenue derived by
10 the taxpayer that is included in the taxpayer's
11 Illinois numerator of the sales factor is the
12 revenue from such customers who receive the
13 broadcasting service in Illinois.

14 (v) In the case where film or radio programming
15 is provided by a taxpayer that is not a network or
16 station to another person for broadcasting in
17 exchange for a fee or other remuneration from that
18 person, the broadcasting service is received at
19 the location of the office of the customer from
20 which the services were ordered in the regular
21 course of the customer's trade or business.
22 Accordingly, in such a case the revenue derived by
23 the taxpayer that is included in the taxpayer's
24 Illinois numerator of the sales factor is the
25 revenue from such customers who receive the
26 broadcasting service in Illinois.

1 (B-8) Gross receipts from winnings under the Illinois
2 Lottery Law from the assignment of a prize under Section
3 13.1 of the Illinois Lottery Law are received in this
4 State. This paragraph (B-8) applies only to taxable years
5 ending on or after December 31, 2013.

6 (B-9) For taxable years ending on or after December 31,
7 2017, gross receipts from winnings from pari-mutuel
8 wagering conducted at a wagering facility licensed under
9 the Illinois Horse Racing Act of 1975 or from winnings from
10 gambling games conducted on a riverboat or in a casino or
11 electronic gaming facility licensed under the Illinois
12 Gambling Act are in this State.

13 (C) For taxable years ending before December 31, 2008,
14 sales, other than sales governed by paragraphs (B), (B-1),
15 (B-2), and (B-8) are in this State if:

16 (i) The income-producing activity is performed in
17 this State; or

18 (ii) The income-producing activity is performed
19 both within and without this State and a greater
20 proportion of the income-producing activity is
21 performed within this State than without this State,
22 based on performance costs.

23 (C-5) For taxable years ending on or after December 31,
24 2008, sales, other than sales governed by paragraphs (B),
25 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
26 the following criteria are met:

1 (i) Sales from the sale or lease of real property
2 are in this State if the property is located in this
3 State.

4 (ii) Sales from the lease or rental of tangible
5 personal property are in this State if the property is
6 located in this State during the rental period. Sales
7 from the lease or rental of tangible personal property
8 that is characteristically moving property, including,
9 but not limited to, motor vehicles, rolling stock,
10 aircraft, vessels, or mobile equipment are in this
11 State to the extent that the property is used in this
12 State.

13 (iii) In the case of interest, net gains (but not
14 less than zero) and other items of income from
15 intangible personal property, the sale is in this State
16 if:

17 (a) in the case of a taxpayer who is a dealer
18 in the item of intangible personal property within
19 the meaning of Section 475 of the Internal Revenue
20 Code, the income or gain is received from a
21 customer in this State. For purposes of this
22 subparagraph, a customer is in this State if the
23 customer is an individual, trust or estate who is a
24 resident of this State and, for all other
25 customers, if the customer's commercial domicile
26 is in this State. Unless the dealer has actual

1 knowledge of the residence or commercial domicile
2 of a customer during a taxable year, the customer
3 shall be deemed to be a customer in this State if
4 the billing address of the customer, as shown in
5 the records of the dealer, is in this State; or

6 (b) in all other cases, if the
7 income-producing activity of the taxpayer is
8 performed in this State or, if the
9 income-producing activity of the taxpayer is
10 performed both within and without this State, if a
11 greater proportion of the income-producing
12 activity of the taxpayer is performed within this
13 State than in any other state, based on performance
14 costs.

15 (iv) Sales of services are in this State if the
16 services are received in this State. For the purposes
17 of this section, gross receipts from the performance of
18 services provided to a corporation, partnership, or
19 trust may only be attributed to a state where that
20 corporation, partnership, or trust has a fixed place of
21 business. If the state where the services are received
22 is not readily determinable or is a state where the
23 corporation, partnership, or trust receiving the
24 service does not have a fixed place of business, the
25 services shall be deemed to be received at the location
26 of the office of the customer from which the services

1 were ordered in the regular course of the customer's
2 trade or business. If the ordering office cannot be
3 determined, the services shall be deemed to be received
4 at the office of the customer to which the services are
5 billed. If the taxpayer is not taxable in the state in
6 which the services are received, the sale must be
7 excluded from both the numerator and the denominator of
8 the sales factor. The Department shall adopt rules
9 prescribing where specific types of service are
10 received, including, but not limited to, publishing,
11 and utility service.

12 (D) For taxable years ending on or after December 31,
13 1995, the following items of income shall not be included
14 in the numerator or denominator of the sales factor:
15 dividends; amounts included under Section 78 of the
16 Internal Revenue Code; and Subpart F income as defined in
17 Section 952 of the Internal Revenue Code. No inference
18 shall be drawn from the enactment of this paragraph (D) in
19 construing this Section for taxable years ending before
20 December 31, 1995.

21 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
22 ending on or after December 31, 1999, provided that a
23 taxpayer may elect to apply the provisions of these
24 paragraphs to prior tax years. Such election shall be made
25 in the form and manner prescribed by the Department, shall
26 be irrevocable, and shall apply to all tax years; provided

1 that, if a taxpayer's Illinois income tax liability for any
2 tax year, as assessed under Section 903 prior to January 1,
3 1999, was computed in a manner contrary to the provisions
4 of paragraphs (B-1) or (B-2), no refund shall be payable to
5 the taxpayer for that tax year to the extent such refund is
6 the result of applying the provisions of paragraph (B-1) or
7 (B-2) retroactively. In the case of a unitary business
8 group, such election shall apply to all members of such
9 group for every tax year such group is in existence, but
10 shall not apply to any taxpayer for any period during which
11 that taxpayer is not a member of such group.

12 (b) Insurance companies.

13 (1) In general. Except as otherwise provided by
14 paragraph (2), business income of an insurance company for
15 a taxable year shall be apportioned to this State by
16 multiplying such income by a fraction, the numerator of
17 which is the direct premiums written for insurance upon
18 property or risk in this State, and the denominator of
19 which is the direct premiums written for insurance upon
20 property or risk everywhere. For purposes of this
21 subsection, the term "direct premiums written" means the
22 total amount of direct premiums written, assessments and
23 annuity considerations as reported for the taxable year on
24 the annual statement filed by the company with the Illinois
25 Director of Insurance in the form approved by the National
26 Convention of Insurance Commissioners or such other form as

1 may be prescribed in lieu thereof.

2 (2) Reinsurance. If the principal source of premiums
3 written by an insurance company consists of premiums for
4 reinsurance accepted by it, the business income of such
5 company shall be apportioned to this State by multiplying
6 such income by a fraction, the numerator of which is the
7 sum of (i) direct premiums written for insurance upon
8 property or risk in this State, plus (ii) premiums written
9 for reinsurance accepted in respect of property or risk in
10 this State, and the denominator of which is the sum of
11 (iii) direct premiums written for insurance upon property
12 or risk everywhere, plus (iv) premiums written for
13 reinsurance accepted in respect of property or risk
14 everywhere. For purposes of this paragraph, premiums
15 written for reinsurance accepted in respect of property or
16 risk in this State, whether or not otherwise determinable,
17 may, at the election of the company, be determined on the
18 basis of the proportion which premiums written for
19 reinsurance accepted from companies commercially domiciled
20 in Illinois bears to premiums written for reinsurance
21 accepted from all sources, or, alternatively, in the
22 proportion which the sum of the direct premiums written for
23 insurance upon property or risk in this State by each
24 ceding company from which reinsurance is accepted bears to
25 the sum of the total direct premiums written by each such
26 ceding company for the taxable year. The election made by a

1 company under this paragraph for its first taxable year
2 ending on or after December 31, 2011, shall be binding for
3 that company for that taxable year and for all subsequent
4 taxable years, and may be altered only with the written
5 permission of the Department, which shall not be
6 unreasonably withheld.

7 (c) Financial organizations.

8 (1) In general. For taxable years ending before
9 December 31, 2008, business income of a financial
10 organization shall be apportioned to this State by
11 multiplying such income by a fraction, the numerator of
12 which is its business income from sources within this
13 State, and the denominator of which is its business income
14 from all sources. For the purposes of this subsection, the
15 business income of a financial organization from sources
16 within this State is the sum of the amounts referred to in
17 subparagraphs (A) through (E) following, but excluding the
18 adjusted income of an international banking facility as
19 determined in paragraph (2):

20 (A) Fees, commissions or other compensation for
21 financial services rendered within this State;

22 (B) Gross profits from trading in stocks, bonds or
23 other securities managed within this State;

24 (C) Dividends, and interest from Illinois
25 customers, which are received within this State;

26 (D) Interest charged to customers at places of

1 business maintained within this State for carrying
2 debit balances of margin accounts, without deduction
3 of any costs incurred in carrying such accounts; and

4 (E) Any other gross income resulting from the
5 operation as a financial organization within this
6 State. In computing the amounts referred to in
7 paragraphs (A) through (E) of this subsection, any
8 amount received by a member of an affiliated group
9 (determined under Section 1504(a) of the Internal
10 Revenue Code but without reference to whether any such
11 corporation is an "includible corporation" under
12 Section 1504(b) of the Internal Revenue Code) from
13 another member of such group shall be included only to
14 the extent such amount exceeds expenses of the
15 recipient directly related thereto.

16 (2) International Banking Facility. For taxable years
17 ending before December 31, 2008:

18 (A) Adjusted Income. The adjusted income of an
19 international banking facility is its income reduced
20 by the amount of the floor amount.

21 (B) Floor Amount. The floor amount shall be the
22 amount, if any, determined by multiplying the income of
23 the international banking facility by a fraction, not
24 greater than one, which is determined as follows:

25 (i) The numerator shall be:

26 The average aggregate, determined on a

1 quarterly basis, of the financial organization's
2 loans to banks in foreign countries, to foreign
3 domiciled borrowers (except where secured
4 primarily by real estate) and to foreign
5 governments and other foreign official
6 institutions, as reported for its branches,
7 agencies and offices within the state on its
8 "Consolidated Report of Condition", Schedule A,
9 Lines 2.c., 5.b., and 7.a., which was filed with
10 the Federal Deposit Insurance Corporation and
11 other regulatory authorities, for the year 1980,
12 minus

13 The average aggregate, determined on a
14 quarterly basis, of such loans (other than loans of
15 an international banking facility), as reported by
16 the financial institution for its branches,
17 agencies and offices within the state, on the
18 corresponding Schedule and lines of the
19 Consolidated Report of Condition for the current
20 taxable year, provided, however, that in no case
21 shall the amount determined in this clause (the
22 subtrahend) exceed the amount determined in the
23 preceding clause (the minuend); and

24 (ii) the denominator shall be the average
25 aggregate, determined on a quarterly basis, of the
26 international banking facility's loans to banks in

1 foreign countries, to foreign domiciled borrowers
2 (except where secured primarily by real estate)
3 and to foreign governments and other foreign
4 official institutions, which were recorded in its
5 financial accounts for the current taxable year.

6 (C) Change to Consolidated Report of Condition and
7 in Qualification. In the event the Consolidated Report
8 of Condition which is filed with the Federal Deposit
9 Insurance Corporation and other regulatory authorities
10 is altered so that the information required for
11 determining the floor amount is not found on Schedule
12 A, lines 2.c., 5.b. and 7.a., the financial institution
13 shall notify the Department and the Department may, by
14 regulations or otherwise, prescribe or authorize the
15 use of an alternative source for such information. The
16 financial institution shall also notify the Department
17 should its international banking facility fail to
18 qualify as such, in whole or in part, or should there
19 be any amendment or change to the Consolidated Report
20 of Condition, as originally filed, to the extent such
21 amendment or change alters the information used in
22 determining the floor amount.

23 (3) For taxable years ending on or after December 31,
24 2008, the business income of a financial organization shall
25 be apportioned to this State by multiplying such income by
26 a fraction, the numerator of which is its gross receipts

1 from sources in this State or otherwise attributable to
2 this State's marketplace and the denominator of which is
3 its gross receipts everywhere during the taxable year.
4 "Gross receipts" for purposes of this subparagraph (3)
5 means gross income, including net taxable gain on
6 disposition of assets, including securities and money
7 market instruments, when derived from transactions and
8 activities in the regular course of the financial
9 organization's trade or business. The following examples
10 are illustrative:

11 (i) Receipts from the lease or rental of real or
12 tangible personal property are in this State if the
13 property is located in this State during the rental
14 period. Receipts from the lease or rental of tangible
15 personal property that is characteristically moving
16 property, including, but not limited to, motor
17 vehicles, rolling stock, aircraft, vessels, or mobile
18 equipment are from sources in this State to the extent
19 that the property is used in this State.

20 (ii) Interest income, commissions, fees, gains on
21 disposition, and other receipts from assets in the
22 nature of loans that are secured primarily by real
23 estate or tangible personal property are from sources
24 in this State if the security is located in this State.

25 (iii) Interest income, commissions, fees, gains on
26 disposition, and other receipts from consumer loans

1 that are not secured by real or tangible personal
2 property are from sources in this State if the debtor
3 is a resident of this State.

4 (iv) Interest income, commissions, fees, gains on
5 disposition, and other receipts from commercial loans
6 and installment obligations that are not secured by
7 real or tangible personal property are from sources in
8 this State if the proceeds of the loan are to be
9 applied in this State. If it cannot be determined where
10 the funds are to be applied, the income and receipts
11 are from sources in this State if the office of the
12 borrower from which the loan was negotiated in the
13 regular course of business is located in this State. If
14 the location of this office cannot be determined, the
15 income and receipts shall be excluded from the
16 numerator and denominator of the sales factor.

17 (v) Interest income, fees, gains on disposition,
18 service charges, merchant discount income, and other
19 receipts from credit card receivables are from sources
20 in this State if the card charges are regularly billed
21 to a customer in this State.

22 (vi) Receipts from the performance of services,
23 including, but not limited to, fiduciary, advisory,
24 and brokerage services, are in this State if the
25 services are received in this State within the meaning
26 of subparagraph (a) (3) (C-5) (iv) of this Section.

1 (vii) Receipts from the issuance of travelers
2 checks and money orders are from sources in this State
3 if the checks and money orders are issued from a
4 location within this State.

5 (viii) Receipts from investment assets and
6 activities and trading assets and activities are
7 included in the receipts factor as follows:

8 (1) Interest, dividends, net gains (but not
9 less than zero) and other income from investment
10 assets and activities from trading assets and
11 activities shall be included in the receipts
12 factor. Investment assets and activities and
13 trading assets and activities include but are not
14 limited to: investment securities; trading account
15 assets; federal funds; securities purchased and
16 sold under agreements to resell or repurchase;
17 options; futures contracts; forward contracts;
18 notional principal contracts such as swaps;
19 equities; and foreign currency transactions. With
20 respect to the investment and trading assets and
21 activities described in subparagraphs (A) and (B)
22 of this paragraph, the receipts factor shall
23 include the amounts described in such
24 subparagraphs.

25 (A) The receipts factor shall include the
26 amount by which interest from federal funds

1 sold and securities purchased under resale
2 agreements exceeds interest expense on federal
3 funds purchased and securities sold under
4 repurchase agreements.

5 (B) The receipts factor shall include the
6 amount by which interest, dividends, gains and
7 other income from trading assets and
8 activities, including but not limited to
9 assets and activities in the matched book, in
10 the arbitrage book, and foreign currency
11 transactions, exceed amounts paid in lieu of
12 interest, amounts paid in lieu of dividends,
13 and losses from such assets and activities.

14 (2) The numerator of the receipts factor
15 includes interest, dividends, net gains (but not
16 less than zero), and other income from investment
17 assets and activities and from trading assets and
18 activities described in paragraph (1) of this
19 subsection that are attributable to this State.

20 (A) The amount of interest, dividends, net
21 gains (but not less than zero), and other
22 income from investment assets and activities
23 in the investment account to be attributed to
24 this State and included in the numerator is
25 determined by multiplying all such income from
26 such assets and activities by a fraction, the

1 numerator of which is the gross income from
2 such assets and activities which are properly
3 assigned to a fixed place of business of the
4 taxpayer within this State and the denominator
5 of which is the gross income from all such
6 assets and activities.

7 (B) The amount of interest from federal
8 funds sold and purchased and from securities
9 purchased under resale agreements and
10 securities sold under repurchase agreements
11 attributable to this State and included in the
12 numerator is determined by multiplying the
13 amount described in subparagraph (A) of
14 paragraph (1) of this subsection from such
15 funds and such securities by a fraction, the
16 numerator of which is the gross income from
17 such funds and such securities which are
18 properly assigned to a fixed place of business
19 of the taxpayer within this State and the
20 denominator of which is the gross income from
21 all such funds and such securities.

22 (C) The amount of interest, dividends,
23 gains, and other income from trading assets and
24 activities, including but not limited to
25 assets and activities in the matched book, in
26 the arbitrage book and foreign currency

1 transactions (but excluding amounts described
2 in subparagraphs (A) or (B) of this paragraph),
3 attributable to this State and included in the
4 numerator is determined by multiplying the
5 amount described in subparagraph (B) of
6 paragraph (1) of this subsection by a fraction,
7 the numerator of which is the gross income from
8 such trading assets and activities which are
9 properly assigned to a fixed place of business
10 of the taxpayer within this State and the
11 denominator of which is the gross income from
12 all such assets and activities.

13 (D) Properly assigned, for purposes of
14 this paragraph (2) of this subsection, means
15 the investment or trading asset or activity is
16 assigned to the fixed place of business with
17 which it has a preponderance of substantive
18 contacts. An investment or trading asset or
19 activity assigned by the taxpayer to a fixed
20 place of business without the State shall be
21 presumed to have been properly assigned if:

22 (i) the taxpayer has assigned, in the
23 regular course of its business, such asset
24 or activity on its records to a fixed place
25 of business consistent with federal or
26 state regulatory requirements;

1 (ii) such assignment on its records is
2 based upon substantive contacts of the
3 asset or activity to such fixed place of
4 business; and

5 (iii) the taxpayer uses such records
6 reflecting assignment of such assets or
7 activities for the filing of all state and
8 local tax returns for which an assignment
9 of such assets or activities to a fixed
10 place of business is required.

11 (E) The presumption of proper assignment
12 of an investment or trading asset or activity
13 provided in subparagraph (D) of paragraph (2)
14 of this subsection may be rebutted upon a
15 showing by the Department, supported by a
16 preponderance of the evidence, that the
17 preponderance of substantive contacts
18 regarding such asset or activity did not occur
19 at the fixed place of business to which it was
20 assigned on the taxpayer's records. If the
21 fixed place of business that has a
22 preponderance of substantive contacts cannot
23 be determined for an investment or trading
24 asset or activity to which the presumption in
25 subparagraph (D) of paragraph (2) of this
26 subsection does not apply or with respect to

1 which that presumption has been rebutted, that
2 asset or activity is properly assigned to the
3 state in which the taxpayer's commercial
4 domicile is located. For purposes of this
5 subparagraph (E), it shall be presumed,
6 subject to rebuttal, that taxpayer's
7 commercial domicile is in the state of the
8 United States or the District of Columbia to
9 which the greatest number of employees are
10 regularly connected with the management of the
11 investment or trading income or out of which
12 they are working, irrespective of where the
13 services of such employees are performed, as of
14 the last day of the taxable year.

15 (4) (Blank).

16 (5) (Blank).

17 (c-1) Federally regulated exchanges. For taxable years
18 ending on or after December 31, 2012, business income of a
19 federally regulated exchange shall, at the option of the
20 federally regulated exchange, be apportioned to this State by
21 multiplying such income by a fraction, the numerator of which
22 is its business income from sources within this State, and the
23 denominator of which is its business income from all sources.
24 For purposes of this subsection, the business income within
25 this State of a federally regulated exchange is the sum of the
26 following:

1 (1) Receipts attributable to transactions executed on
2 a physical trading floor if that physical trading floor is
3 located in this State.

4 (2) Receipts attributable to all other matching,
5 execution, or clearing transactions, including without
6 limitation receipts from the provision of matching,
7 execution, or clearing services to another entity,
8 multiplied by (i) for taxable years ending on or after
9 December 31, 2012 but before December 31, 2013, 63.77%; and
10 (ii) for taxable years ending on or after December 31,
11 2013, 27.54%.

12 (3) All other receipts not governed by subparagraphs
13 (1) or (2) of this subsection (c-1), to the extent the
14 receipts would be characterized as "sales in this State"
15 under item (3) of subsection (a) of this Section.

16 "Federally regulated exchange" means (i) a "registered
17 entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B),
18 or (C), (ii) an "exchange" or "clearing agency" within the
19 meaning of 15 U.S.C. Section 78c (a)(1) or (23), (iii) any such
20 entities regulated under any successor regulatory structure to
21 the foregoing, and (iv) all taxpayers who are members of the
22 same unitary business group as a federally regulated exchange,
23 determined without regard to the prohibition in Section
24 1501(a)(27) of this Act against including in a unitary business
25 group taxpayers who are ordinarily required to apportion
26 business income under different subsections of this Section;

1 provided that this subparagraph (iv) shall apply only if 50% or
2 more of the business receipts of the unitary business group
3 determined by application of this subparagraph (iv) for the
4 taxable year are attributable to the matching, execution, or
5 clearing of transactions conducted by an entity described in
6 subparagraph (i), (ii), or (iii) of this paragraph.

7 In no event shall the Illinois apportionment percentage
8 computed in accordance with this subsection (c-1) for any
9 taxpayer for any tax year be less than the Illinois
10 apportionment percentage computed under this subsection (c-1)
11 for that taxpayer for the first full tax year ending on or
12 after December 31, 2013 for which this subsection (c-1) applied
13 to the taxpayer.

14 (d) Transportation services. For taxable years ending
15 before December 31, 2008, business income derived from
16 furnishing transportation services shall be apportioned to
17 this State in accordance with paragraphs (1) and (2):

18 (1) Such business income (other than that derived from
19 transportation by pipeline) shall be apportioned to this
20 State by multiplying such income by a fraction, the
21 numerator of which is the revenue miles of the person in
22 this State, and the denominator of which is the revenue
23 miles of the person everywhere. For purposes of this
24 paragraph, a revenue mile is the transportation of 1
25 passenger or 1 net ton of freight the distance of 1 mile
26 for a consideration. Where a person is engaged in the

1 transportation of both passengers and freight, the
2 fraction above referred to shall be determined by means of
3 an average of the passenger revenue mile fraction and the
4 freight revenue mile fraction, weighted to reflect the
5 person's

6 (A) relative railway operating income from total
7 passenger and total freight service, as reported to the
8 Interstate Commerce Commission, in the case of
9 transportation by railroad, and

10 (B) relative gross receipts from passenger and
11 freight transportation, in case of transportation
12 other than by railroad.

13 (2) Such business income derived from transportation
14 by pipeline shall be apportioned to this State by
15 multiplying such income by a fraction, the numerator of
16 which is the revenue miles of the person in this State, and
17 the denominator of which is the revenue miles of the person
18 everywhere. For the purposes of this paragraph, a revenue
19 mile is the transportation by pipeline of 1 barrel of oil,
20 1,000 cubic feet of gas, or of any specified quantity of
21 any other substance, the distance of 1 mile for a
22 consideration.

23 (3) For taxable years ending on or after December 31,
24 2008, business income derived from providing
25 transportation services other than airline services shall
26 be apportioned to this State by using a fraction, (a) the

1 numerator of which shall be (i) all receipts from any
2 movement or shipment of people, goods, mail, oil, gas, or
3 any other substance (other than by airline) that both
4 originates and terminates in this State, plus (ii) that
5 portion of the person's gross receipts from movements or
6 shipments of people, goods, mail, oil, gas, or any other
7 substance (other than by airline) that originates in one
8 state or jurisdiction and terminates in another state or
9 jurisdiction, that is determined by the ratio that the
10 miles traveled in this State bears to total miles
11 everywhere and (b) the denominator of which shall be all
12 revenue derived from the movement or shipment of people,
13 goods, mail, oil, gas, or any other substance (other than
14 by airline). Where a taxpayer is engaged in the
15 transportation of both passengers and freight, the
16 fraction above referred to shall first be determined
17 separately for passenger miles and freight miles. Then an
18 average of the passenger miles fraction and the freight
19 miles fraction shall be weighted to reflect the taxpayer's:

20 (A) relative railway operating income from total
21 passenger and total freight service, as reported to the
22 Surface Transportation Board, in the case of
23 transportation by railroad; and

24 (B) relative gross receipts from passenger and
25 freight transportation, in case of transportation
26 other than by railroad.

1 (4) For taxable years ending on or after December 31,
2 2008, business income derived from furnishing airline
3 transportation services shall be apportioned to this State
4 by multiplying such income by a fraction, the numerator of
5 which is the revenue miles of the person in this State, and
6 the denominator of which is the revenue miles of the person
7 everywhere. For purposes of this paragraph, a revenue mile
8 is the transportation of one passenger or one net ton of
9 freight the distance of one mile for a consideration. If a
10 person is engaged in the transportation of both passengers
11 and freight, the fraction above referred to shall be
12 determined by means of an average of the passenger revenue
13 mile fraction and the freight revenue mile fraction,
14 weighted to reflect the person's relative gross receipts
15 from passenger and freight airline transportation.

16 (e) Combined apportionment. Where 2 or more persons are
17 engaged in a unitary business as described in subsection
18 (a)(27) of Section 1501, a part of which is conducted in this
19 State by one or more members of the group, the business income
20 attributable to this State by any such member or members shall
21 be apportioned by means of the combined apportionment method.

22 (f) Alternative allocation. If the allocation and
23 apportionment provisions of subsections (a) through (e) and of
24 subsection (h) do not, for taxable years ending before December
25 31, 2008, fairly represent the extent of a person's business
26 activity in this State, or, for taxable years ending on or

1 after December 31, 2008, fairly represent the market for the
2 person's goods, services, or other sources of business income,
3 the person may petition for, or the Director may, without a
4 petition, permit or require, in respect of all or any part of
5 the person's business activity, if reasonable:

6 (1) Separate accounting;

7 (2) The exclusion of any one or more factors;

8 (3) The inclusion of one or more additional factors
9 which will fairly represent the person's business
10 activities or market in this State; or

11 (4) The employment of any other method to effectuate an
12 equitable allocation and apportionment of the person's
13 business income.

14 (g) Cross reference. For allocation of business income by
15 residents, see Section 301(a).

16 (h) For tax years ending on or after December 31, 1998, the
17 apportionment factor of persons who apportion their business
18 income to this State under subsection (a) shall be equal to:

19 (1) for tax years ending on or after December 31, 1998
20 and before December 31, 1999, $16 \frac{2}{3}\%$ of the property
21 factor plus $16 \frac{2}{3}\%$ of the payroll factor plus $66 \frac{2}{3}\%$ of
22 the sales factor;

23 (2) for tax years ending on or after December 31, 1999
24 and before December 31, 2000, $8 \frac{1}{3}\%$ of the property factor
25 plus $8 \frac{1}{3}\%$ of the payroll factor plus $83 \frac{1}{3}\%$ of the sales
26 factor;

1 (3) for tax years ending on or after December 31, 2000,
2 the sales factor.

3 If, in any tax year ending on or after December 31, 1998 and
4 before December 31, 2000, the denominator of the payroll,
5 property, or sales factor is zero, the apportionment factor
6 computed in paragraph (1) or (2) of this subsection for that
7 year shall be divided by an amount equal to 100% minus the
8 percentage weight given to each factor whose denominator is
9 equal to zero.

10 (Source: P.A. 98-478, eff. 1-1-14; 98-496, eff. 1-1-14; 98-756,
11 eff. 7-16-14; 99-642, eff. 7-28-16; revised 11-14-16.)

12 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

13 Sec. 710. Withholding from lottery winnings.

14 (a) In general.

15 (1) Any person making a payment to a resident or
16 nonresident of winnings under the Illinois Lottery Law and
17 not required to withhold Illinois income tax from such
18 payment under Subsection (b) of Section 701 of this Act
19 because those winnings are not subject to Federal income
20 tax withholding, must withhold Illinois income tax from
21 such payment at a rate equal to the percentage tax rate for
22 individuals provided in subsection (b) of Section 201,
23 provided that withholding is not required if such payment
24 of winnings is less than \$1,000.

25 (2) In the case of an assignment of a lottery prize

1 under Section 13.1 of the Illinois Lottery Law, any person
2 making a payment of the purchase price after December 31,
3 2013, shall withhold from the amount of each payment at a
4 rate equal to the percentage tax rate for individuals
5 provided in subsection (b) of Section 201.

6 (3) Any person making a payment after December 31, 2017
7 to a resident or nonresident of winnings from pari-mutuel
8 wagering conducted at a wagering facility licensed under
9 the Illinois Horse Racing Act of 1975 or from gambling
10 games conducted on a riverboat or in a casino or electronic
11 gaming facility licensed under the Illinois Gambling Act
12 must withhold Illinois income tax from such payment at a
13 rate equal to the percentage tax rate for individuals
14 provided in subsection (b) of Section 201, provided that
15 the person making the payment is required to withhold under
16 Section 3402(g) of the Internal Revenue Code.

17 (b) Credit for taxes withheld. Any amount withheld under
18 Subsection (a) shall be a credit against the Illinois income
19 tax liability of the person to whom the payment of winnings was
20 made for the taxable year in which that person incurred an
21 Illinois income tax liability with respect to those winnings.

22 (Source: P.A. 98-496, eff. 1-1-14.)

23 Section 90-23. The Property Tax Code is amended by adding
24 Section 15-144 as follows:

1 (35 ILCS 200/15-144 new)

2 Sec. 15-144. Chicago Casino Development Authority. All
3 property owned by the Chicago Casino Development Authority is
4 exempt. Any property owned by the Chicago Casino Development
5 Authority and leased to any other entity is not exempt.

6 Section 90-24. The Illinois Municipal Code is amended by
7 adding Section 8-10-2.6 as follows:

8 (65 ILCS 5/8-10-2.6 new)

9 Sec. 8-10-2.6. Chicago Casino Development Authority.
10 Except as otherwise provided in the Chicago Casino Development
11 Authority Act, this Division 10 applies to purchase orders and
12 contracts relating to the Chicago Casino Development
13 Authority.

14 Section 90-25. The Joliet Regional Port District Act is
15 amended by changing Section 5.1 as follows:

16 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

17 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
18 any other provision of this Act, the District may not regulate
19 the operation, conduct, or navigation of any riverboat gambling
20 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and
21 the District may not license, tax, or otherwise levy any
22 assessment of any kind on any riverboat gambling casino

1 licensed under the Illinois Riverboat Gambling Act. The General
2 Assembly declares that the powers to regulate the operation,
3 conduct, and navigation of riverboat gambling casinos and to
4 license, tax, and levy assessments upon riverboat gambling
5 casinos are exclusive powers of the State of Illinois and the
6 Illinois Gaming Board as provided in the Illinois Riverboat
7 Gambling Act.

8 (Source: P.A. 87-1175.)

9 Section 90-30. The Consumer Installment Loan Act is amended
10 by changing Section 12.5 as follows:

11 (205 ILCS 670/12.5)

12 Sec. 12.5. Limited purpose branch.

13 (a) Upon the written approval of the Director, a licensee
14 may maintain a limited purpose branch for the sole purpose of
15 making loans as permitted by this Act. A limited purpose branch
16 may include an automatic loan machine. No other activity shall
17 be conducted at the site, including but not limited to,
18 accepting payments, servicing the accounts, or collections.

19 (b) The licensee must submit an application for a limited
20 purpose branch to the Director on forms prescribed by the
21 Director with an application fee of \$300. The approval for the
22 limited purpose branch must be renewed concurrently with the
23 renewal of the licensee's license along with a renewal fee of
24 \$300 for the limited purpose branch.

1 (c) The books, accounts, records, and files of the limited
2 purpose branch's transactions shall be maintained at the
3 licensee's licensed location. The licensee shall notify the
4 Director of the licensed location at which the books, accounts,
5 records, and files shall be maintained.

6 (d) The licensee shall prominently display at the limited
7 purpose branch the address and telephone number of the
8 licensee's licensed location.

9 (e) No other business shall be conducted at the site of the
10 limited purpose branch unless authorized by the Director.

11 (f) The Director shall make and enforce reasonable rules
12 for the conduct of a limited purpose branch.

13 (g) A limited purpose branch may not be located within
14 1,000 feet of a facility operated by an inter-track wagering
15 licensee or an organization licensee subject to the Illinois
16 Horse Racing Act of 1975, on a riverboat or in a casino subject
17 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
18 the location at which the riverboat docks or within 1,000 feet
19 of a casino.

20 (Source: P.A. 90-437, eff. 1-1-98.)

21 Section 90-35. The Illinois Horse Racing Act of 1975 is
22 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
23 20, 21, 24, 25, 26, 27, 30, 30.5, 31, 31.1, 32.1, 36, 40, and
24 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
25 34.3, 39.2, and 56 as follows:

1 (230 ILCS 5/1.2)

2 Sec. 1.2. Legislative intent. This Act is intended to
3 benefit the people of the State of Illinois by encouraging the
4 breeding and production of race horses, assisting economic
5 development and promoting Illinois tourism. The General
6 Assembly finds and declares it to be the public policy of the
7 State of Illinois to:

8 (a) support and enhance Illinois' horse racing industry,
9 which is a significant component within the agribusiness
10 industry;

11 (b) ensure that Illinois' horse racing industry remains
12 competitive with neighboring states;

13 (c) stimulate growth within Illinois' horse racing
14 industry, thereby encouraging new investment and development
15 to produce additional tax revenues and to create additional
16 jobs;

17 (d) promote the further growth of tourism;

18 (e) encourage the breeding of thoroughbred and
19 standardbred horses in this State; and

20 (f) ensure that public confidence and trust in the
21 credibility and integrity of racing operations and the
22 regulatory process is maintained.

23 (Source: P.A. 91-40, eff. 6-25-99.)

24 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

1 Sec. 3.11. "Organization Licensee" means any person
2 receiving an organization license from the Board to conduct a
3 race meeting or meetings. With respect only to electronic
4 gaming, "organization licensee" includes the authorization for
5 an electronic gaming license under subsection (a) of Section 56
6 of this Act.

7 (Source: P.A. 79-1185.)

8 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

9 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
10 system of wagering" means a form of wagering on the outcome of
11 horse races in which wagers are made in various denominations
12 on a horse or horses and all wagers for each race are pooled
13 and held by a licensee for distribution in a manner approved by
14 the Board. "Pari-mutuel system of wagering" shall not include
15 wagering on historic races. Wagers may be placed via any method
16 or at any location authorized under this Act.

17 (Source: P.A. 96-762, eff. 8-25-09.)

18 (230 ILCS 5/3.31 new)

19 Sec. 3.31. Adjusted gross receipts. "Adjusted gross
20 receipts" means the gross receipts less winnings paid to
21 wagerers.

22 (230 ILCS 5/3.32 new)

23 Sec. 3.32. Gross receipts. "Gross receipts" means the total

1 amount of money exchanged for the purchase of chips, tokens, or
2 electronic cards by riverboat or casino patrons or electronic
3 gaming patrons.

4 (230 ILCS 5/3.33 new)

5 Sec. 3.33. Electronic gaming. "Electronic gaming" means
6 slot machine gambling, video game of chance gambling, or
7 gambling with electronic gambling games as defined in the
8 Illinois Gambling Act or defined by the Illinois Gaming Board
9 that is conducted at a race track pursuant to an electronic
10 gaming license.

11 (230 ILCS 5/3.35 new)

12 Sec. 3.35. Electronic gaming license. "Electronic gaming
13 license" means a license issued by the Illinois Gaming Board
14 under Section 7.7 of the Illinois Gambling Act authorizing
15 electronic gaming at an electronic gaming facility.

16 (230 ILCS 5/3.36 new)

17 Sec. 3.36. Electronic gaming facility. "Electronic gaming
18 facility" means that portion of an organization licensee's race
19 track facility at which electronic gaming is conducted.

20 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

21 Sec. 6. Restrictions on Board members.

22 (a) No person shall be appointed a member of the Board or

1 continue to be a member of the Board if the person or any
2 member of their immediate family is a member of the Board of
3 Directors, employee, or financially interested in any of the
4 following: (i) any licensee or other person who has applied for
5 racing dates to the Board, or the operations thereof including,
6 but not limited to, concessions, data processing, track
7 maintenance, track security, and pari-mutuel operations,
8 located, scheduled or doing business within the State of
9 Illinois, (ii) any race horse competing at a meeting under the
10 Board's jurisdiction, or (iii) any licensee under the Illinois
11 Gambling Act. No person shall be appointed a member of the
12 Board or continue to be a member of the Board who is (or any
13 member of whose family is) a member of the Board of Directors
14 of, or who is a person financially interested in, any licensee
15 or other person who has applied for racing dates to the Board,
16 or the operations thereof including, but not limited to,
17 concessions, data processing, track maintenance, track
18 security and pari mutuel operations, located, scheduled or
19 doing business within the State of Illinois, or in any race
20 horse competing at a meeting under the Board's jurisdiction. No
21 Board member shall hold any other public office for which he
22 shall receive compensation other than necessary travel or other
23 incidental expenses.

24 (b) No person shall be a member of the Board who is not of
25 good moral character or who has been convicted of, or is under
26 indictment for, a felony under the laws of Illinois or any

1 other state, or the United States.

2 (c) No member of the Board or employee shall engage in any
3 political activity.

4 For the purposes of this subsection (c):

5 "Political" means any activity in support of or in
6 connection with any campaign for State or local elective office
7 or any political organization, but does not include activities
8 (i) relating to the support or opposition of any executive,
9 legislative, or administrative action (as those terms are
10 defined in Section 2 of the Lobbyist Registration Act), (ii)
11 relating to collective bargaining, or (iii) that are otherwise
12 in furtherance of the person's official State duties or
13 governmental and public service functions.

14 "Political organization" means a party, committee,
15 association, fund, or other organization (whether or not
16 incorporated) that is required to file a statement of
17 organization with the State Board of Elections or county clerk
18 under Section 9-3 of the Election Code, but only with regard to
19 those activities that require filing with the State Board of
20 Elections or county clerk.

21 (d) Board members and employees may not engage in
22 communications or any activity that may cause or have the
23 appearance of causing a conflict of interest. A conflict of
24 interest exists if a situation influences or creates the
25 appearance that it may influence judgment or performance of
26 regulatory duties and responsibilities. This prohibition shall

1 extend to any act identified by Board action that, in the
2 judgment of the Board, could represent the potential for or the
3 appearance of a conflict of interest.

4 (e) Board members and employees may not accept any gift,
5 gratuity, service, compensation, travel, lodging, or thing of
6 value, with the exception of unsolicited items of an incidental
7 nature, from any person, corporation, limited liability
8 company, or entity doing business with the Board.

9 (f) A Board member or employee shall not use or attempt to
10 use his or her official position to secure, or attempt to
11 secure, any privilege, advantage, favor, or influence for
12 himself or herself or others. No Board member or employee,
13 within a period of one year immediately preceding nomination by
14 the Governor or employment, shall have been employed or
15 received compensation or fees for services from a person or
16 entity, or its parent or affiliate, that has engaged in
17 business with the Board, a licensee or a licensee under the
18 Illinois Gambling Act. In addition, all Board members and
19 employees are subject to the restrictions set forth in Section
20 5-45 of the State Officials and Employees Ethics Act.

21 (Source: P.A. 89-16, eff. 5-30-95.)

22 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

23 Sec. 9. The Board shall have all powers necessary and
24 proper to fully and effectively execute the provisions of this
25 Act, including, but not limited to, the following:

1 (a) The Board is vested with jurisdiction and supervision
2 over all race meetings in this State, over all licensees doing
3 business in this State, over all occupation licensees, and over
4 all persons on the facilities of any licensee. Such
5 jurisdiction shall include the power to issue licenses to the
6 Illinois Department of Agriculture authorizing the pari-mutuel
7 system of wagering on harness and Quarter Horse races held (1)
8 at the Illinois State Fair in Sangamon County, and (2) at the
9 DuQuoin State Fair in Perry County. The jurisdiction of the
10 Board shall also include the power to issue licenses to county
11 fairs which are eligible to receive funds pursuant to the
12 Agricultural Fair Act, as now or hereafter amended, or their
13 agents, authorizing the pari-mutuel system of wagering on horse
14 races conducted at the county fairs receiving such licenses.
15 Such licenses shall be governed by subsection (n) of this
16 Section.

17 Upon application, the Board shall issue a license to the
18 Illinois Department of Agriculture to conduct harness and
19 Quarter Horse races at the Illinois State Fair and at the
20 DuQuoin State Fairgrounds during the scheduled dates of each
21 fair. The Board shall not require and the Department of
22 Agriculture shall be exempt from the requirements of Sections
23 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
24 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
25 and 25. The Board and the Department of Agriculture may extend
26 any or all of these exemptions to any contractor or agent

1 engaged by the Department of Agriculture to conduct its race
2 meetings when the Board determines that this would best serve
3 the public interest and the interest of horse racing.

4 Notwithstanding any provision of law to the contrary, it
5 shall be lawful for any licensee to operate pari-mutuel
6 wagering or contract with the Department of Agriculture to
7 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
8 or for the Department to enter into contracts with a licensee,
9 employ its owners, employees or agents and employ such other
10 occupation licensees as the Department deems necessary in
11 connection with race meetings and wagerings.

12 (b) The Board is vested with the full power to promulgate
13 reasonable rules and regulations for the purpose of
14 administering the provisions of this Act and to prescribe
15 reasonable rules, regulations and conditions under which all
16 horse race meetings or wagering in the State shall be
17 conducted. Such reasonable rules and regulations are to provide
18 for the prevention of practices detrimental to the public
19 interest and to promote the best interests of horse racing and
20 to impose penalties for violations thereof.

21 (c) The Board, and any person or persons to whom it
22 delegates this power, is vested with the power to enter the
23 facilities and other places of business of any licensee to
24 determine whether there has been compliance with the provisions
25 of this Act and its rules and regulations.

26 (d) The Board, and any person or persons to whom it

1 delegates this power, is vested with the authority to
2 investigate alleged violations of the provisions of this Act,
3 its reasonable rules and regulations, orders and final
4 decisions; the Board shall take appropriate disciplinary
5 action against any licensee or occupation licensee for
6 violation thereof or institute appropriate legal action for the
7 enforcement thereof.

8 (e) The Board, and any person or persons to whom it
9 delegates this power, may eject or exclude from any race
10 meeting or the facilities of any licensee, or any part thereof,
11 any occupation licensee or any other individual whose conduct
12 or reputation is such that his presence on those facilities
13 may, in the opinion of the Board, call into question the
14 honesty and integrity of horse racing or wagering or interfere
15 with the orderly conduct of horse racing or wagering; provided,
16 however, that no person shall be excluded or ejected from the
17 facilities of any licensee solely on the grounds of race,
18 color, creed, national origin, ancestry, or sex. The power to
19 eject or exclude an occupation licensee or other individual may
20 be exercised for just cause by the licensee or the Board,
21 subject to subsequent hearing by the Board as to the propriety
22 of said exclusion.

23 (f) The Board is vested with the power to acquire,
24 establish, maintain and operate (or provide by contract to
25 maintain and operate) testing laboratories and related
26 facilities, for the purpose of conducting saliva, blood, urine

1 and other tests on the horses run or to be run in any horse race
2 meeting, including races run at county fairs, and to purchase
3 all equipment and supplies deemed necessary or desirable in
4 connection with any such testing laboratories and related
5 facilities and all such tests.

6 (g) The Board may require that the records, including
7 financial or other statements of any licensee or any person
8 affiliated with the licensee who is involved directly or
9 indirectly in the activities of any licensee as regulated under
10 this Act to the extent that those financial or other statements
11 relate to such activities be kept in such manner as prescribed
12 by the Board, and that Board employees shall have access to
13 those records during reasonable business hours. Within 120 days
14 of the end of its fiscal year, each licensee shall transmit to
15 the Board an audit of the financial transactions and condition
16 of the licensee's total operations. All audits shall be
17 conducted by certified public accountants. Each certified
18 public accountant must be registered in the State of Illinois
19 under the Illinois Public Accounting Act. The compensation for
20 each certified public accountant shall be paid directly by the
21 licensee to the certified public accountant. A licensee shall
22 also submit any other financial or related information the
23 Board deems necessary to effectively administer this Act and
24 all rules, regulations, and final decisions promulgated under
25 this Act.

26 (h) The Board shall name and appoint in the manner provided

1 by the rules and regulations of the Board: an Executive
2 Director; a State director of mutuels; State veterinarians and
3 representatives to take saliva, blood, urine and other tests on
4 horses; licensing personnel; revenue inspectors; and State
5 seasonal employees (excluding admission ticket sellers and
6 mutuel clerks). All of those named and appointed as provided in
7 this subsection shall serve during the pleasure of the Board;
8 their compensation shall be determined by the Board and be paid
9 in the same manner as other employees of the Board under this
10 Act.

11 (i) The Board shall require that there shall be 3 stewards
12 at each horse race meeting, at least 2 of whom shall be named
13 and appointed by the Board. Stewards appointed or approved by
14 the Board, while performing duties required by this Act or by
15 the Board, shall be entitled to the same rights and immunities
16 as granted to Board members and Board employees in Section 10
17 of this Act.

18 (j) The Board may discharge any Board employee who fails or
19 refuses for any reason to comply with the rules and regulations
20 of the Board, or who, in the opinion of the Board, is guilty of
21 fraud, dishonesty or who is proven to be incompetent. The Board
22 shall have no right or power to determine who shall be
23 officers, directors or employees of any licensee, or their
24 salaries except the Board may, by rule, require that all or any
25 officials or employees in charge of or whose duties relate to
26 the actual running of races be approved by the Board.

1 (k) The Board is vested with the power to appoint delegates
2 to execute any of the powers granted to it under this Section
3 for the purpose of administering this Act and any rules or
4 regulations promulgated in accordance with this Act.

5 (l) The Board is vested with the power to impose civil
6 penalties of up to \$5,000 against an individual and up to
7 \$10,000 against a licensee for each violation of any provision
8 of this Act, any rules adopted by the Board, any order of the
9 Board or any other action which, in the Board's discretion, is
10 a detriment or impediment to horse racing or wagering.
11 Beginning on the date when any organization licensee begins
12 conducting electronic gaming pursuant to an electronic gaming
13 license issued under the Illinois Gambling Act, the power
14 granted to the Board pursuant to this subsection (l) shall
15 authorize the Board to impose penalties of up to \$10,000
16 against an individual and up to \$25,000 against a licensee. All
17 such civil penalties shall be deposited into the Horse Racing
18 Fund.

19 (m) The Board is vested with the power to prescribe a form
20 to be used by licensees as an application for employment for
21 employees of each licensee.

22 (n) The Board shall have the power to issue a license to
23 any county fair, or its agent, authorizing the conduct of the
24 pari-mutuel system of wagering. The Board is vested with the
25 full power to promulgate reasonable rules, regulations and
26 conditions under which all horse race meetings licensed

1 pursuant to this subsection shall be held and conducted,
2 including rules, regulations and conditions for the conduct of
3 the pari-mutuel system of wagering. The rules, regulations and
4 conditions shall provide for the prevention of practices
5 detrimental to the public interest and for the best interests
6 of horse racing, and shall prescribe penalties for violations
7 thereof. Any authority granted the Board under this Act shall
8 extend to its jurisdiction and supervision over county fairs,
9 or their agents, licensed pursuant to this subsection. However,
10 the Board may waive any provision of this Act or its rules or
11 regulations which would otherwise apply to such county fairs or
12 their agents.

13 (o) Whenever the Board is authorized or required by law to
14 consider some aspect of criminal history record information for
15 the purpose of carrying out its statutory powers and
16 responsibilities, then, upon request and payment of fees in
17 conformance with the requirements of Section 2605-400 of the
18 Department of State Police Law (20 ILCS 2605/2605-400), the
19 Department of State Police is authorized to furnish, pursuant
20 to positive identification, such information contained in
21 State files as is necessary to fulfill the request.

22 (p) To insure the convenience, comfort, and wagering
23 accessibility of race track patrons, to provide for the
24 maximization of State revenue, and to generate increases in
25 purse allotments to the horsemen, the Board shall require any
26 licensee to staff the pari-mutuel department with adequate

1 personnel.

2 (Source: P.A. 97-1060, eff. 8-24-12.)

3 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

4 Sec. 15. (a) The Board shall, in its discretion, issue
5 occupation licenses to horse owners, trainers, harness
6 drivers, jockeys, agents, apprentices, grooms, stable foremen,
7 exercise persons, veterinarians, valets, blacksmiths,
8 concessionaires and others designated by the Board whose work,
9 in whole or in part, is conducted upon facilities within the
10 State. Such occupation licenses will be obtained prior to the
11 persons engaging in their vocation upon such facilities. The
12 Board shall not license pari-mutuel clerks, parking
13 attendants, security guards and employees of concessionaires.
14 No occupation license shall be required of any person who works
15 at facilities within this State as a pari-mutuel clerk, parking
16 attendant, security guard or as an employee of a
17 concessionaire. Concessionaires of the Illinois State Fair and
18 DuQuoin State Fair and employees of the Illinois Department of
19 Agriculture shall not be required to obtain an occupation
20 license by the Board.

21 (b) Each application for an occupation license shall be on
22 forms prescribed by the Board. Such license, when issued, shall
23 be for the period ending December 31 of each year, except that
24 the Board in its discretion may grant 3-year licenses. The
25 application shall be accompanied by a fee of not more than \$25

1 per year or, in the case of 3-year occupation license
2 applications, a fee of not more than \$60. Each applicant shall
3 set forth in the application his full name and address, and if
4 he had been issued prior occupation licenses or has been
5 licensed in any other state under any other name, such name,
6 his age, whether or not a permit or license issued to him in
7 any other state has been suspended or revoked and if so whether
8 such suspension or revocation is in effect at the time of the
9 application, and such other information as the Board may
10 require. Fees for registration of stable names shall not exceed
11 \$50.00. Beginning on the date when any organization licensee
12 begins conducting electronic gaming pursuant to an electronic
13 gambling license issued under the Illinois Gambling Act, the
14 fee for registration of stable names shall not exceed \$150, and
15 the application fee for an occupation license shall not exceed
16 \$75, per year or, in the case of a 3-year occupation license
17 application, the fee shall not exceed \$180.

18 (c) The Board may in its discretion refuse an occupation
19 license to any person:

20 (1) who has been convicted of a crime;

21 (2) who is unqualified to perform the duties required
22 of such applicant;

23 (3) who fails to disclose or states falsely any
24 information called for in the application;

25 (4) who has been found guilty of a violation of this
26 Act or of the rules and regulations of the Board; or

1 (5) whose license or permit has been suspended, revoked
2 or denied for just cause in any other state.

3 (d) The Board may suspend or revoke any occupation license:

4 (1) for violation of any of the provisions of this Act;
5 or

6 (2) for violation of any of the rules or regulations of
7 the Board; or

8 (3) for any cause which, if known to the Board, would
9 have justified the Board in refusing to issue such
10 occupation license; or

11 (4) for any other just cause.

12 (e) Each applicant shall submit his or her fingerprints
13 to the Department of State Police in the form and manner
14 prescribed by the Department of State Police. These
15 fingerprints shall be checked against the fingerprint records
16 now and hereafter filed in the Department of State Police and
17 Federal Bureau of Investigation criminal history records
18 databases. The Department of State Police shall charge a fee
19 for conducting the criminal history records check, which shall
20 be deposited in the State Police Services Fund and shall not
21 exceed the actual cost of the records check. The Department of
22 State Police shall furnish, pursuant to positive
23 identification, records of conviction to the Board. Each
24 applicant for licensure shall submit with his occupation
25 license application, on forms provided by the Board, 2 sets of
26 his fingerprints. All such applicants shall appear in person at

1 the location designated by the Board for the purpose of
2 submitting such sets of fingerprints; however, with the prior
3 approval of a State steward, an applicant may have such sets of
4 fingerprints taken by an official law enforcement agency and
5 submitted to the Board.

6 (f) The Board may, in its discretion, issue an occupation
7 license without submission of fingerprints if an applicant has
8 been duly licensed in another recognized racing jurisdiction
9 after submitting fingerprints that were subjected to a Federal
10 Bureau of Investigation criminal history background check in
11 that jurisdiction.

12 (g) Beginning on the date when any organization licensee
13 begins conducting electronic gambling pursuant to an
14 electronic gaming license issued under the Illinois Gambling
15 Act, the Board may charge each applicant a reasonable
16 non-refundable fee to defray the costs associated with the
17 background investigation conducted by the Board. This fee shall
18 be exclusive of any other fee or fees charged in connection
19 with an application for and, if applicable, the issuance of, an
20 electronic gaming license. If the costs of the investigation
21 exceed the amount of the fee charged, the Board shall
22 immediately notify the applicant of the additional amount owed,
23 payment of which must be submitted to the Board within 7 days
24 after such notification. All information, records, interviews,
25 reports, statements, memoranda, or other data supplied to or
26 used by the Board in the course of its review or investigation

1 of an applicant for a license or renewal under this Act shall
2 be privileged, strictly confidential, and shall be used only
3 for the purpose of evaluating an applicant for a license or a
4 renewal. Such information, records, interviews, reports,
5 statements, memoranda, or other data shall not be admissible as
6 evidence, nor discoverable, in any action of any kind in any
7 court or before any tribunal, board, agency, or person, except
8 for any action deemed necessary by the Board.

9 (Source: P.A. 93-418, eff. 1-1-04.)

10 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

11 Sec. 18. (a) Together with its application, each applicant
12 for racing dates shall deliver to the Board a certified check
13 or bank draft payable to the order of the Board for \$1,000. In
14 the event the applicant applies for racing dates in 2 or 3
15 successive calendar years as provided in subsection (b) of
16 Section 21, the fee shall be \$2,000. Filing fees shall not be
17 refunded in the event the application is denied. Beginning on
18 the date when any organization licensee begins conducting
19 electronic gaming pursuant to an electronic gaming license
20 issued under the Illinois Gambling Act, the application fee for
21 racing dates imposed by this subsection (a) shall be \$10,000
22 and the application fee for racing dates in 2 or 3 successive
23 calendar years as provided in subsection (b) of Section 21
24 shall be \$20,000. All filing fees shall be deposited into the
25 Horse Racing Fund.

1 (b) In addition to the filing fee imposed by subsection (a)
2 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,
3 each organization licensee shall pay a license fee of \$100 for
4 each racing program on which its daily pari-mutuel handle is
5 \$400,000 or more but less than \$700,000, and a license fee of
6 \$200 for each racing program on which its daily pari-mutuel
7 handle is \$700,000 or more. The additional fees required to be
8 paid under this Section by this amendatory Act of 1982 shall be
9 remitted by the organization licensee to the Illinois Racing
10 Board with each day's graduated privilege tax or pari-mutuel
11 tax and breakage as provided under Section 27. Beginning on the
12 date when any organization licensee begins conducting
13 electronic gaming pursuant to an electronic gaming license
14 issued under the Illinois Gambling Act, the license fee imposed
15 by this subsection (b) shall be \$200 for each racing program on
16 which the organization licensee's daily pari-mutuel handle is
17 \$100,000 or more, but less than \$400,000, and the license fee
18 imposed by this subsection (b) shall be \$400 for each racing
19 program on which the organization licensee's daily pari-mutuel
20 handle is \$400,000 or more.

21 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
22 Municipal Code," approved May 29, 1961, as now or hereafter
23 amended, shall not apply to any license under this Act.

24 (Source: P.A. 97-1060, eff. 8-24-12.)

1 Sec. 19. (a) No organization license may be granted to
2 conduct a horse race meeting:

3 (1) except as provided in subsection (c) of Section 21
4 of this Act, to any person at any place within 35 miles of
5 any other place licensed by the Board to hold a race
6 meeting on the same date during the same hours, the mileage
7 measurement used in this subsection (a) shall be certified
8 to the Board by the Bureau of Systems and Services in the
9 Illinois Department of Transportation as the most commonly
10 used public way of vehicular travel;

11 (2) to any person in default in the payment of any
12 obligation or debt due the State under this Act, provided
13 no applicant shall be deemed in default in the payment of
14 any obligation or debt due to the State under this Act as
15 long as there is pending a hearing of any kind relevant to
16 such matter;

17 (3) to any person who has been convicted of the
18 violation of any law of the United States or any State law
19 which provided as all or part of its penalty imprisonment
20 in any penal institution; to any person against whom there
21 is pending a Federal or State criminal charge; to any
22 person who is or has been connected with or engaged in the
23 operation of any illegal business; to any person who does
24 not enjoy a general reputation in his community of being an
25 honest, upright, law-abiding person; provided that none of
26 the matters set forth in this subparagraph (3) shall make

1 any person ineligible to be granted an organization license
2 if the Board determines, based on circumstances of any such
3 case, that the granting of a license would not be
4 detrimental to the interests of horse racing and of the
5 public;

6 (4) to any person who does not at the time of
7 application for the organization license own or have a
8 contract or lease for the possession of a finished race
9 track suitable for the type of racing intended to be held
10 by the applicant and for the accommodation of the public.

11 (b) ~~(Blank) Horse racing on Sunday shall be prohibited~~
12 ~~unless authorized by ordinance or referendum of the~~
13 ~~municipality in which a race track or any of its appurtenances~~
14 ~~or facilities are located, or utilized.~~

15 (c) If any person is ineligible to receive an organization
16 license because of any of the matters set forth in subsection
17 (a) (2) or subsection (a) (3) of this Section, any other or
18 separate person that either (i) controls, directly or
19 indirectly, such ineligible person or (ii) is controlled,
20 directly or indirectly, by such ineligible person or by a
21 person which controls, directly or indirectly, such ineligible
22 person shall also be ineligible.

23 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

24 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

25 Sec. 20. (a) Any person desiring to conduct a horse race

1 meeting may apply to the Board for an organization license. The
2 application shall be made on a form prescribed and furnished by
3 the Board. The application shall specify:

4 (1) the dates on which it intends to conduct the horse
5 race meeting, which dates shall be provided under Section
6 21;

7 (2) the hours of each racing day between which it
8 intends to hold or conduct horse racing at such meeting;

9 (3) the location where it proposes to conduct the
10 meeting; and

11 (4) any other information the Board may reasonably
12 require.

13 (b) A separate application for an organization license
14 shall be filed for each horse race meeting which such person
15 proposes to hold. Any such application, if made by an
16 individual, or by any individual as trustee, shall be signed
17 and verified under oath by such individual. If the application
18 is made by individuals, then it shall be signed and verified
19 under oath by at least 2 of the individuals; if the application
20 is made by ~~or a partnership, it shall be signed and verified~~
21 ~~under oath by at least 2 of such individuals or members of such~~
22 ~~partnership as the case may be. If made by an association, a~~
23 ~~corporation, a corporate trustee, a limited liability company,~~
24 or any other entity, it shall be signed by an authorized
25 officer, a partner, a member, or a manager, as the case may be,
26 of the entity ~~the president and attested by the secretary or~~

1 ~~assistant secretary under the seal of such association, trust~~
2 ~~or corporation if it has a seal, and shall also be verified~~
3 ~~under oath by one of the signing officers.~~

4 (c) The application shall specify:

5 (1) the name of the persons, association, trust, or
6 corporation making such application; ~~and~~

7 (2) the principal ~~post office~~ address of the applicant;

8 (3) if the applicant is a trustee, the names and
9 addresses of the beneficiaries; if the applicant is a
10 corporation, the names and ~~post office~~ addresses of all
11 officers, stockholders and directors; or if such
12 stockholders hold stock as a nominee or fiduciary, the
13 names and ~~post office~~ addresses of the parties ~~these~~
14 ~~persons, partnerships, corporations, or trusts~~ who are the
15 beneficial owners thereof or who are beneficially
16 interested therein; ~~and~~ if the applicant is a partnership,
17 the names and ~~post office~~ addresses of all partners,
18 general or limited; if the applicant is a limited liability
19 company, the names and addresses of the manager and
20 members; and if the applicant is any other entity, the
21 names and addresses of all officers or other authorized
22 persons of the entity ~~corporation, the name of the state of~~
23 ~~its incorporation shall be specified.~~

24 (d) The applicant shall execute and file with the Board a
25 good faith affirmative action plan to recruit, train, and
26 upgrade minorities in all classifications within the

1 association.

2 (e) With such application there shall be delivered to the
3 Board a certified check or bank draft payable to the order of
4 the Board for an amount equal to \$1,000. All applications for
5 the issuance of an organization license shall be filed with the
6 Board before August 1 of the year prior to the year for which
7 application is made and shall be acted upon by the Board at a
8 meeting to be held on such date as shall be fixed by the Board
9 during the last 15 days of September of such prior year. At
10 such meeting, the Board shall announce the award of the racing
11 meets, live racing schedule, and designation of host track to
12 the applicants and its approval or disapproval of each
13 application. No announcement shall be considered binding until
14 a formal order is executed by the Board, which shall be
15 executed no later than October 15 of that prior year. Absent
16 the agreement of the affected organization licensees, the Board
17 shall not grant overlapping race meetings to 2 or more tracks
18 that are within 100 miles of each other to conduct the
19 thoroughbred racing.

20 (e-1) In awarding standardbred racing dates for calendar
21 year 2018 and thereafter, the Board shall award at least 310
22 racing days, and each organization licensee shall average at
23 least 12 races for each racing day awarded. The Board shall
24 have the discretion to allocate those racing days among
25 organization licensees requesting standardbred racing dates.
26 Once awarded by the Board, organization licensees awarded

1 standardbred racing dates shall run at least 3,500 races in
2 total during that calendar year. Standardbred racing conducted
3 in Sangamon County shall not be considered races under this
4 subsection (e-1).

5 (e-2) In awarding racing dates for calendar year 2018 and
6 thereafter, the Board shall award thoroughbred racing days to
7 Cook County organization licensees commensurate with these
8 organization licensees' requirement that they shall run at
9 least 1,950 thoroughbred races in the aggregate, so long as 2
10 organization licensees are conducting electronic gaming
11 operations. Additionally, if the organization licensees that
12 run thoroughbred races in Cook County are conducting electronic
13 gaming operations, the Board shall increase the number of
14 thoroughbred races to be run in Cook County in the aggregate to
15 at least the following:

16 (i) 2,050 races in any year following the most recent
17 preceding complete calendar year when the combined
18 adjusted gross receipts of the electronic gaming licensees
19 operating at Cook County race tracks total in excess of
20 \$200,000,000, but do not exceed \$250,000,000;

21 (ii) 2,125 races in any year following the most recent
22 preceding complete calendar year when the combined
23 adjusted gross receipts of the electronic gaming licensees
24 operating at Cook County race tracks total in excess of
25 \$250,000,000, but do not exceed \$300,000,000;

26 (iii) 2,200 races in any year following the most recent

1 preceding complete calendar year when the combined
2 adjusted gross receipts of the electronic gaming licensees
3 operating at Cook County race tracks total in excess of
4 \$300,000,000, but do not exceed \$350,000,000;

5 (iv) 2,300 races in any year following the most recent
6 preceding complete calendar year when the combined
7 adjusted gross receipts of the electronic gaming licensees
8 operating at Cook County race tracks total in excess of
9 \$350,000,000, but do not exceed \$400,000,000;

10 (v) 2,375 races in any year following the most recent
11 preceding complete calendar year when the combined
12 adjusted gross receipts of the electronic gaming licensees
13 operating at Cook County race tracks total in excess of
14 \$400,000,000, but do not exceed \$450,000,000;

15 (vi) 2,450 races in any year following the most recent
16 preceding complete calendar year when the combined
17 adjusted gross receipts of the electronic gaming licensees
18 operating at Cook County race tracks total in excess of
19 \$450,000,000, but do not exceed \$500,000,000;

20 (vii) 2,550 races in any year following the most recent
21 preceding complete calendar year when the combined
22 adjusted gross receipts of the electronic gaming licensees
23 operating at Cook County race tracks exceeds \$500,000,000.

24 In awarding racing dates under this subsection (e-2), the
25 Board shall have the discretion to allocate those thoroughbred
26 racing dates among these Cook County organization licensees.

1 (e-3) In awarding racing dates for calendar year 2018 and
2 thereafter in connection with a race track in Madison County,
3 the Board shall award racing dates and such organization
4 licensee shall run at least 700 thoroughbred races at the race
5 track in Madison County each year.

6 Notwithstanding Section 7.7 of the Illinois Gambling Act or
7 any provision of this Act other than subsection (e-4.5), for
8 each calendar year for which an electronic gaming licensee
9 located in Madison County requests racing dates resulting in
10 less than 700 live thoroughbred races at its race track
11 facility, the electronic gaming licensee may not conduct
12 electronic gaming for the calendar year of such requested live
13 races.

14 (e-4) Notwithstanding the provisions of Section 7.7 of the
15 Illinois Gambling Act or any provision of this Act other than
16 subsections (e-3) and (e-4.5), for each calendar year for which
17 an electronic gaming licensee requests racing dates for a
18 specific horse breed which results in a number of live races
19 for that specific breed under its organization license that is
20 less than the total number of live races for that specific
21 breed which it conducted in 2011 for standardbred racing and in
22 2009 for thoroughbred racing at its race track facility, the
23 electronic gaming licensee may not conduct electronic gaming
24 for the calendar year of such requested live races.

25 (e-4.5) The Board shall ensure that each organization
26 licensee shall individually run a sufficient number of races

1 per year to qualify for an electronic gaming license under this
2 Act. The General Assembly finds that the minimum live racing
3 guarantees contained in subsections (e-1), (e-2), and (e-3) are
4 in the best interest of the sport of horse racing, and that
5 such guarantees may only be reduced in the limited
6 circumstances described in this subsection. The Board may
7 decrease the number of racing days without affecting an
8 organization licensee's ability to conduct electronic gaming
9 only if the Board determines, after notice and hearing, that:

10 (i) a decrease is necessary to maintain a sufficient
11 number of betting interests per race to ensure the
12 integrity of racing;

13 (ii) there are unsafe track conditions due to weather
14 or acts of God;

15 (iii) there is an agreement between an organization
16 licensee and the breed association that is applicable to
17 the involved live racing guarantee, such association
18 representing either the largest number of thoroughbred
19 owners and trainers or the largest number of standardbred
20 owners, trainers and drivers who race horses at the
21 involved organization licensee's racing meeting, so long
22 as the agreement does not compromise the integrity of the
23 sport of horse racing; or

24 (iv) the horse population or purse levels are
25 insufficient to provide the number of racing opportunities
26 otherwise required in this Act.

1 In decreasing the number of racing dates in accordance with
2 this subsection, the Board shall hold a hearing and shall
3 provide the public and all interested parties notice and an
4 opportunity to be heard. The Board shall accept testimony from
5 all interested parties, including any association representing
6 owners, trainers, jockeys, or drivers who will be affected by
7 the decrease in racing dates. The Board shall provide a written
8 explanation of the reasons for the decrease and the Board's
9 findings. The written explanation shall include a listing and
10 content of all communication between any party and any Illinois
11 Racing Board member or staff that does not take place at a
12 public meeting of the Board.

13 (e-5) In reviewing an application for the purpose of
14 granting an organization license consistent with the best
15 interests of the public and the sport of horse racing, the
16 Board shall consider:

17 (1) the character, reputation, experience, and
18 financial integrity of the applicant and of any other
19 separate person that either:

20 (i) controls the applicant, directly or
21 indirectly, or

22 (ii) is controlled, directly or indirectly, by
23 that applicant or by a person who controls, directly or
24 indirectly, that applicant;

25 (2) the applicant's facilities or proposed facilities
26 for conducting horse racing;

1 (3) the total revenue without regard to Section 32.1 to
2 be derived by the State and horsemen from the applicant's
3 conducting a race meeting;

4 (4) the applicant's good faith affirmative action plan
5 to recruit, train, and upgrade minorities in all employment
6 classifications;

7 (5) the applicant's financial ability to purchase and
8 maintain adequate liability and casualty insurance;

9 (6) the applicant's proposed and prior year's
10 promotional and marketing activities and expenditures of
11 the applicant associated with those activities;

12 (7) an agreement, if any, among organization licensees
13 as provided in subsection (b) of Section 21 of this Act;
14 and

15 (8) the extent to which the applicant exceeds or meets
16 other standards for the issuance of an organization license
17 that the Board shall adopt by rule.

18 In granting organization licenses and allocating dates for
19 horse race meetings, the Board shall have discretion to
20 determine an overall schedule, including required simulcasts
21 of Illinois races by host tracks that will, in its judgment, be
22 conducive to the best interests of the public and the sport of
23 horse racing.

24 (e-10) The Illinois Administrative Procedure Act shall
25 apply to administrative procedures of the Board under this Act
26 for the granting of an organization license, except that (1)

1 notwithstanding the provisions of subsection (b) of Section
2 10-40 of the Illinois Administrative Procedure Act regarding
3 cross-examination, the Board may prescribe rules limiting the
4 right of an applicant or participant in any proceeding to award
5 an organization license to conduct cross-examination of
6 witnesses at that proceeding where that cross-examination
7 would unduly obstruct the timely award of an organization
8 license under subsection (e) of Section 20 of this Act; (2) the
9 provisions of Section 10-45 of the Illinois Administrative
10 Procedure Act regarding proposals for decision are excluded
11 under this Act; (3) notwithstanding the provisions of
12 subsection (a) of Section 10-60 of the Illinois Administrative
13 Procedure Act regarding ex parte communications, the Board may
14 prescribe rules allowing ex parte communications with
15 applicants or participants in a proceeding to award an
16 organization license where conducting those communications
17 would be in the best interest of racing, provided all those
18 communications are made part of the record of that proceeding
19 pursuant to subsection (c) of Section 10-60 of the Illinois
20 Administrative Procedure Act; (4) the provisions of Section 14a
21 of this Act and the rules of the Board promulgated under that
22 Section shall apply instead of the provisions of Article 10 of
23 the Illinois Administrative Procedure Act regarding
24 administrative law judges; and (5) the provisions of subsection
25 (d) of Section 10-65 of the Illinois Administrative Procedure
26 Act that prevent summary suspension of a license pending

1 revocation or other action shall not apply.

2 (f) The Board may allot racing dates to an organization
3 licensee for more than one calendar year but for no more than 3
4 successive calendar years in advance, provided that the Board
5 shall review such allotment for more than one calendar year
6 prior to each year for which such allotment has been made. The
7 granting of an organization license to a person constitutes a
8 privilege to conduct a horse race meeting under the provisions
9 of this Act, and no person granted an organization license
10 shall be deemed to have a vested interest, property right, or
11 future expectation to receive an organization license in any
12 subsequent year as a result of the granting of an organization
13 license. Organization licenses shall be subject to revocation
14 if the organization licensee has violated any provision of this
15 Act or the rules and regulations promulgated under this Act or
16 has been convicted of a crime or has failed to disclose or has
17 stated falsely any information called for in the application
18 for an organization license. Any organization license
19 revocation proceeding shall be in accordance with Section 16
20 regarding suspension and revocation of occupation licenses.

21 (f-5) If, (i) an applicant does not file an acceptance of
22 the racing dates awarded by the Board as required under part
23 (1) of subsection (h) of this Section 20, or (ii) an
24 organization licensee has its license suspended or revoked
25 under this Act, the Board, upon conducting an emergency hearing
26 as provided for in this Act, may reaward on an emergency basis

1 pursuant to rules established by the Board, racing dates not
2 accepted or the racing dates associated with any suspension or
3 revocation period to one or more organization licensees, new
4 applicants, or any combination thereof, upon terms and
5 conditions that the Board determines are in the best interest
6 of racing, provided, the organization licensees or new
7 applicants receiving the awarded racing dates file an
8 acceptance of those reawarded racing dates as required under
9 paragraph (1) of subsection (h) of this Section 20 and comply
10 with the other provisions of this Act. The Illinois
11 Administrative Procedure Act shall not apply to the
12 administrative procedures of the Board in conducting the
13 emergency hearing and the reallocation of racing dates on an
14 emergency basis.

15 (g) (Blank).

16 (h) The Board shall send the applicant a copy of its
17 formally executed order by certified mail addressed to the
18 applicant at the address stated in his application, which
19 notice shall be mailed within 5 days of the date the formal
20 order is executed.

21 Each applicant notified shall, within 10 days after receipt
22 of the final executed order of the Board awarding racing dates:

23 (1) file with the Board an acceptance of such award in
24 the form prescribed by the Board;

25 (2) pay to the Board an additional amount equal to \$110
26 for each racing date awarded; and

1 (3) file with the Board the bonds required in Sections
2 21 and 25 at least 20 days prior to the first day of each
3 race meeting.

4 Upon compliance with the provisions of paragraphs (1), (2), and
5 (3) of this subsection (h), the applicant shall be issued an
6 organization license.

7 If any applicant fails to comply with this Section or fails
8 to pay the organization license fees herein provided, no
9 organization license shall be issued to such applicant.

10 (Source: P.A. 97-333, eff. 8-12-11.)

11 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

12 Sec. 21. (a) Applications for organization licenses must be
13 filed with the Board at a time and place prescribed by the
14 rules and regulations of the Board. The Board shall examine the
15 applications within 21 days after the date allowed for filing
16 with respect to their conformity with this Act and such rules
17 and regulations as may be prescribed by the Board. If any
18 application does not comply with this Act or the rules and
19 regulations prescribed by the Board, such application may be
20 rejected and an organization license refused to the applicant,
21 or the Board may, within 21 days of the receipt of such
22 application, advise the applicant of the deficiencies of the
23 application under the Act or the rules and regulations of the
24 Board, and require the submittal of an amended application
25 within a reasonable time determined by the Board; and upon

1 submittal of the amended application by the applicant, the
2 Board may consider the application consistent with the process
3 described in subsection (e-5) of Section 20 of this Act. If it
4 is found to be in compliance with this Act and the rules and
5 regulations of the Board, the Board may then issue an
6 organization license to such applicant.

7 (b) The Board may exercise discretion in granting racing
8 dates to qualified applicants different from those requested by
9 the applicants in their applications. However, if all eligible
10 applicants for organization licenses whose tracks are located
11 within 100 miles of each other execute and submit to the Board
12 a written agreement among such applicants as to the award of
13 racing dates, including where applicable racing programs, for
14 up to 3 consecutive years, then subject to annual review of
15 each applicant's compliance with Board rules and regulations,
16 provisions of this Act and conditions contained in annual dates
17 orders issued by the Board, the Board may grant such dates and
18 programs to such applicants as so agreed by them if the Board
19 determines that the grant of these racing dates is in the best
20 interests of racing. The Board shall treat any such agreement
21 as the agreement signatories' joint and several application for
22 racing dates during the term of the agreement.

23 (c) Where 2 or more applicants propose to conduct horse
24 race meetings within 35 miles of each other, as certified to
25 the Board under Section 19 (a) (1) of this Act, on conflicting
26 dates, the Board may determine and grant the number of racing

1 days to be awarded to the several applicants in accordance with
2 the provisions of subsection (e-5) of Section 20 of this Act.

3 (d) (Blank).

4 (e) Prior to the issuance of an organization license, the
5 applicant shall file with the Board a bond payable to the State
6 of Illinois in the sum of \$200,000, executed by the applicant
7 and a surety company or companies authorized to do business in
8 this State, and conditioned upon the payment by the
9 organization licensee of all taxes due under Section 27, other
10 monies due and payable under this Act, all purses due and
11 payable, and that the organization licensee will upon
12 presentation of the winning ticket or tickets distribute all
13 sums due to the patrons of pari-mutuel pools. Beginning on the
14 date when any organization licensee begins conducting
15 electronic gaming pursuant to an electronic gaming license
16 issued under the Illinois Gambling Act, the amount of the bond
17 required under this subsection (e) shall be \$500,000.

18 (f) Each organization license shall specify the person to
19 whom it is issued, the dates upon which horse racing is
20 permitted, and the location, place, track, or enclosure where
21 the horse race meeting is to be held.

22 (g) Any person who owns one or more race tracks within the
23 State may seek, in its own name, a separate organization
24 license for each race track.

25 (h) All racing conducted under such organization license is
26 subject to this Act and to the rules and regulations from time

1 to time prescribed by the Board, and every such organization
2 license issued by the Board shall contain a recital to that
3 effect.

4 (i) Each such organization licensee may provide that at
5 least one race per day may be devoted to the racing of quarter
6 horses, appaloosas, arabians, or paints.

7 (j) In acting on applications for organization licenses,
8 the Board shall give weight to an organization license which
9 has implemented a good faith affirmative action effort to
10 recruit, train and upgrade minorities in all classifications
11 within the organization license.

12 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

13 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

14 Sec. 24. (a) No license shall be issued to or held by an
15 organization licensee unless all of its officers, directors,
16 and holders of ownership interests of at least 5% are first
17 approved by the Board. The Board shall not give approval of an
18 organization license application to any person who has been
19 convicted of or is under an indictment for a crime of moral
20 turpitude or has violated any provision of the racing law of
21 this State or any rules of the Board.

22 (b) An organization licensee must notify the Board within
23 10 days of any change in the holders of a direct or indirect
24 interest in the ownership of the organization licensee. The
25 Board may, after hearing, revoke the organization license of

1 any person who registers on its books or knowingly permits a
2 direct or indirect interest in the ownership of that person
3 without notifying the Board of the name of the holder in
4 interest within this period.

5 (c) In addition to the provisions of subsection (a) of this
6 Section, no person shall be granted an organization license if
7 any public official of the State or member of his or her family
8 holds any ownership or financial interest, directly or
9 indirectly, in the person.

10 (d) No person which has been granted an organization
11 license to hold a race meeting shall give to any public
12 official or member of his family, directly or indirectly, for
13 or without consideration, any interest in the person. The Board
14 shall, after hearing, revoke the organization license granted
15 to a person which has violated this subsection.

16 (e) (Blank).

17 (f) No organization licensee or concessionaire or officer,
18 director or holder or controller of 5% or more legal or
19 beneficial interest in any organization licensee or concession
20 shall make any sort of gift or contribution that is prohibited
21 under Article 10 of the State Officials and Employees Ethics
22 Act of any kind or pay or give any money or other thing of value
23 to any person who is a public official, or a candidate or
24 nominee for public office if that payment or gift is prohibited
25 under Article 10 of the State Officials and Employees Ethics
26 Act.

1 (Source: P.A. 89-16, eff. 5-30-95.)

2 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

3 Sec. 25. Admission charge; bond; fine.

4 (a) There shall be paid to the Board at such time or times
5 as it shall prescribe, the sum of fifteen cents (15¢) for each
6 person entering the grounds or enclosure of each organization
7 licensee and inter-track wagering licensee upon a ticket of
8 admission except as provided in subsection (g) of Section 27 of
9 this Act. If tickets are issued for more than one day then the
10 sum of fifteen cents (15¢) shall be paid for each person using
11 such ticket on each day that the same shall be used. Provided,
12 however, that no charge shall be made on tickets of admission
13 issued to and in the name of directors, officers, agents or
14 employees of the organization licensee, or inter-track
15 wagering licensee, or to owners, trainers, jockeys, drivers and
16 their employees or to any person or persons entering the
17 grounds or enclosure for the transaction of business in
18 connection with such race meeting. The organization licensee or
19 inter-track wagering licensee may, if it desires, collect such
20 amount from each ticket holder in addition to the amount or
21 amounts charged for such ticket of admission. Beginning on the
22 date when any organization licensee begins conducting
23 electronic gaming pursuant to an electronic gaming license
24 issued under the Illinois Gambling Act, the admission charge
25 imposed by this subsection (a) shall be 40 cents for each

1 person entering the grounds or enclosure of each organization
2 licensee and inter-track wagering licensee upon a ticket of
3 admission, and if such tickets are issued for more than one
4 day, 40 cents shall be paid for each person using such ticket
5 on each day that the same shall be used.

6 (b) Accurate records and books shall at all times be kept
7 and maintained by the organization licensees and inter-track
8 wagering licensees showing the admission tickets issued and
9 used on each racing day and the attendance thereat of each
10 horse racing meeting. The Board or its duly authorized
11 representative or representatives shall at all reasonable
12 times have access to the admission records of any organization
13 licensee and inter-track wagering licensee for the purpose of
14 examining and checking the same and ascertaining whether or not
15 the proper amount has been or is being paid the State of
16 Illinois as herein provided. The Board shall also require,
17 before issuing any license, that the licensee shall execute and
18 deliver to it a bond, payable to the State of Illinois, in such
19 sum as it shall determine, not, however, in excess of fifty
20 thousand dollars (\$50,000), with a surety or sureties to be
21 approved by it, conditioned for the payment of all sums due and
22 payable or collected by it under this Section upon admission
23 fees received for any particular racing meetings. The Board may
24 also from time to time require sworn statements of the number
25 or numbers of such admissions and may prescribe blanks upon
26 which such reports shall be made. Any organization licensee or

1 inter-track wagering licensee failing or refusing to pay the
2 amount found to be due as herein provided, shall be deemed
3 guilty of a business offense and upon conviction shall be
4 punished by a fine of not more than five thousand dollars
5 (\$5,000) in addition to the amount due from such organization
6 licensee or inter-track wagering licensee as herein provided.
7 All fines paid into court by an organization licensee or
8 inter-track wagering licensee found guilty of violating this
9 Section shall be transmitted and paid over by the clerk of the
10 court to the Board. Beginning on the date when any organization
11 licensee begins conducting electronic gaming pursuant to an
12 electronic gaming license issued under the Illinois Gambling
13 Act, any fine imposed pursuant to this subsection (b) shall not
14 exceed \$10,000.

15 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

16 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

17 Sec. 26. Wagering.

18 (a) Any licensee may conduct and supervise the pari-mutuel
19 system of wagering, as defined in Section 3.12 of this Act, on
20 horse races conducted by an Illinois organization licensee or
21 conducted at a racetrack located in another state or country
22 ~~and televised in Illinois~~ in accordance with subsection (g) of
23 Section 26 of this Act. Subject to the prior consent of the
24 Board, licensees may supplement any pari-mutuel pool in order
25 to guarantee a minimum distribution. Such pari-mutuel method of

1 wagering shall not, under any circumstances if conducted under
2 the provisions of this Act, be held or construed to be
3 unlawful, other statutes of this State to the contrary
4 notwithstanding. Subject to rules for advance wagering
5 promulgated by the Board, any licensee may accept wagers in
6 advance of the day of the race wagered upon occurs.

7 (b) Except for those gaming activities for which a license
8 is obtained and authorized under the Illinois Lottery Law, the
9 Charitable Games Act, the Raffles and Poker Runs Act, or the
10 Illinois Gambling Act, no ~~no~~ other method of betting, pool
11 making, wagering or gambling shall be used or permitted by the
12 licensee. Each licensee may retain, subject to the payment of
13 all applicable taxes and purses, an amount not to exceed 17% of
14 all money wagered under subsection (a) of this Section, except
15 as may otherwise be permitted under this Act.

16 (b-5) An individual may place a wager under the pari-mutuel
17 system from any licensed location authorized under this Act
18 provided that wager is electronically recorded in the manner
19 described in Section 3.12 of this Act. Any wager made
20 electronically by an individual while physically on the
21 premises of a licensee shall be deemed to have been made at the
22 premises of that licensee.

23 (c) Until January 1, 2000, the sum held by any licensee for
24 payment of outstanding pari-mutuel tickets, if unclaimed prior
25 to December 31 of the next year, shall be retained by the
26 licensee for payment of such tickets until that date. Within 10

1 days thereafter, the balance of such sum remaining unclaimed,
2 less any uncashed supplements contributed by such licensee for
3 the purpose of guaranteeing minimum distributions of any
4 pari-mutuel pool, shall be paid to the Illinois Veterans'
5 Rehabilitation Fund of the State treasury, except as provided
6 in subsection (g) of Section 27 of this Act.

7 (c-5) Beginning January 1, 2000, the sum held by any
8 licensee for payment of outstanding pari-mutuel tickets, if
9 unclaimed prior to December 31 of the next year, shall be
10 retained by the licensee for payment of such tickets until that
11 date. Within 10 days thereafter, the balance of such sum
12 remaining unclaimed, less any uncashed supplements contributed
13 by such licensee for the purpose of guaranteeing minimum
14 distributions of any pari-mutuel pool, shall be evenly
15 distributed to the purse account of the organization licensee
16 and the organization licensee.

17 (d) A pari-mutuel ticket shall be honored until December 31
18 of the next calendar year, and the licensee shall pay the same
19 and may charge the amount thereof against unpaid money
20 similarly accumulated on account of pari-mutuel tickets not
21 presented for payment.

22 (e) No licensee shall knowingly permit any minor, other
23 than an employee of such licensee or an owner, trainer, jockey,
24 driver, or employee thereof, to be admitted during a racing
25 program unless accompanied by a parent or guardian, or any
26 minor to be a patron of the pari-mutuel system of wagering

1 conducted or supervised by it. The admission of any
2 unaccompanied minor, other than an employee of the licensee or
3 an owner, trainer, jockey, driver, or employee thereof at a
4 race track is a Class C misdemeanor.

5 (f) Notwithstanding the other provisions of this Act, an
6 organization licensee may contract with an entity in another
7 state or country to permit any legal wagering entity in another
8 state or country to accept wagers solely within such other
9 state or country on races conducted by the organization
10 licensee in this State. Beginning January 1, 2000, these wagers
11 shall not be subject to State taxation. Until January 1, 2000,
12 when the out-of-State entity conducts a pari-mutuel pool
13 separate from the organization licensee, a privilege tax equal
14 to 7 1/2% of all monies received by the organization licensee
15 from entities in other states or countries pursuant to such
16 contracts is imposed on the organization licensee, and such
17 privilege tax shall be remitted to the Department of Revenue
18 within 48 hours of receipt of the moneys from the simulcast.
19 When the out-of-State entity conducts a combined pari-mutuel
20 pool with the organization licensee, the tax shall be 10% of
21 all monies received by the organization licensee with 25% of
22 the receipts from this 10% tax to be distributed to the county
23 in which the race was conducted.

24 An organization licensee may permit one or more of its
25 races to be utilized for pari-mutuel wagering at one or more
26 locations in other states and may transmit audio and visual

1 signals of races the organization licensee conducts to one or
2 more locations outside the State or country and may also permit
3 pari-mutuel pools in other states or countries to be combined
4 with its gross or net wagering pools or with wagering pools
5 established by other states.

6 (g) A host track may accept interstate simulcast wagers on
7 horse races conducted in other states or countries and shall
8 control the number of signals and types of breeds of racing in
9 its simulcast program, subject to the disapproval of the Board.
10 The Board may prohibit a simulcast program only if it finds
11 that the simulcast program is clearly adverse to the integrity
12 of racing. The host track simulcast program shall include the
13 signal of live racing of all organization licensees. All
14 non-host licensees and advance deposit wagering licensees
15 shall carry the signal of and accept wagers on live racing of
16 all organization licensees. Advance deposit wagering licensees
17 shall not be permitted to accept out-of-state wagers on any
18 Illinois signal provided pursuant to this Section without the
19 approval and consent of the organization licensee providing the
20 signal. For one year after August 15, 2014 (the effective date
21 of Public Act 98-968) ~~this amendatory Act of the 98th General~~
22 ~~Assembly~~, non-host licensees may carry the host track simulcast
23 program and shall accept wagers on all races included as part
24 of the simulcast program of horse races conducted at race
25 tracks located within North America upon which wagering is
26 permitted. For a period of one year after August 15, 2014 (the

1 effective date of Public Act 98-968) ~~this amendatory Act of the~~
2 ~~98th General Assembly~~, on horse races conducted at race tracks
3 located outside of North America, non-host licensees may accept
4 wagers on all races included as part of the simulcast program
5 upon which wagering is permitted. Beginning August 15, 2015
6 (one year after the effective date of Public Act 98-968) ~~this~~
7 ~~amendatory Act of the 98th General Assembly~~, non-host licensees
8 may carry the host track simulcast program and shall accept
9 wagers on all races included as part of the simulcast program
10 upon which wagering is permitted. All organization licensees
11 shall provide their live signal to all advance deposit wagering
12 licensees for a simulcast commission fee not to exceed 6% of
13 the advance deposit wagering licensee's Illinois handle on the
14 organization licensee's signal without prior approval by the
15 Board. The Board may adopt rules under which it may permit
16 simulcast commission fees in excess of 6%. The Board shall
17 adopt rules limiting the interstate commission fees charged to
18 an advance deposit wagering licensee. The Board shall adopt
19 rules regarding advance deposit wagering on interstate
20 simulcast races that shall reflect, among other things, the
21 General Assembly's desire to maximize revenues to the State,
22 horsemen purses, and organizational licensees. However,
23 organization licensees providing live signals pursuant to the
24 requirements of this subsection (g) may petition the Board to
25 withhold their live signals from an advance deposit wagering
26 licensee if the organization licensee discovers and the Board

1 finds reputable or credible information that the advance
2 deposit wagering licensee is under investigation by another
3 state or federal governmental agency, the advance deposit
4 wagering licensee's license has been suspended in another
5 state, or the advance deposit wagering licensee's license is in
6 revocation proceedings in another state. The organization
7 licensee's provision of their live signal to an advance deposit
8 wagering licensee under this subsection (g) pertains to wagers
9 placed from within Illinois. Advance deposit wagering
10 licensees may place advance deposit wagering terminals at
11 wagering facilities as a convenience to customers. The advance
12 deposit wagering licensee shall not charge or collect any fee
13 from purses for the placement of the advance deposit wagering
14 terminals. The costs and expenses of the host track and
15 non-host licensees associated with interstate simulcast
16 wagering, other than the interstate commission fee, shall be
17 borne by the host track and all non-host licensees incurring
18 these costs. The interstate commission fee shall not exceed 5%
19 of Illinois handle on the interstate simulcast race or races
20 without prior approval of the Board. The Board shall promulgate
21 rules under which it may permit interstate commission fees in
22 excess of 5%. The interstate commission fee and other fees
23 charged by the sending racetrack, including, but not limited
24 to, satellite decoder fees, shall be uniformly applied to the
25 host track and all non-host licensees.

26 Notwithstanding any other provision of this Act, through

1 December 31, 2018, an organization licensee, with the consent
2 of the horsemen association representing the largest number of
3 owners, trainers, jockeys, or standardbred drivers who race
4 horses at that organization licensee's racing meeting, may
5 maintain a system whereby advance deposit wagering may take
6 place or an organization licensee, with the consent of the
7 horsemen association representing the largest number of
8 owners, trainers, jockeys, or standardbred drivers who race
9 horses at that organization licensee's racing meeting, may
10 contract with another person to carry out a system of advance
11 deposit wagering. Such consent may not be unreasonably
12 withheld. Only with respect to an appeal to the Board that
13 consent for an organization licensee that maintains its own
14 advance deposit wagering system is being unreasonably
15 withheld, the Board shall issue a final order within 30 days
16 after initiation of the appeal, and the organization licensee's
17 advance deposit wagering system may remain operational during
18 that 30-day period. The actions of any organization licensee
19 who conducts advance deposit wagering or any person who has a
20 contract with an organization licensee to conduct advance
21 deposit wagering who conducts advance deposit wagering on or
22 after January 1, 2013 and prior to June 7, 2013 (the effective
23 date of Public Act 98-18) ~~this amendatory Act of the 98th~~
24 ~~General Assembly~~ taken in reliance on the changes made to this
25 subsection (g) by Public Act 98-18 ~~this amendatory Act of the~~
26 ~~98th General Assembly~~ are hereby validated, provided payment of

1 all applicable pari-mutuel taxes are remitted to the Board. All
2 advance deposit wagers placed from within Illinois must be
3 placed through a Board-approved advance deposit wagering
4 licensee; no other entity may accept an advance deposit wager
5 from a person within Illinois. All advance deposit wagering is
6 subject to any rules adopted by the Board. The Board may adopt
7 rules necessary to regulate advance deposit wagering through
8 the use of emergency rulemaking in accordance with Section 5-45
9 of the Illinois Administrative Procedure Act. The General
10 Assembly finds that the adoption of rules to regulate advance
11 deposit wagering is deemed an emergency and necessary for the
12 public interest, safety, and welfare. An advance deposit
13 wagering licensee may retain all moneys as agreed to by
14 contract with an organization licensee. Any moneys retained by
15 the organization licensee from advance deposit wagering, not
16 including moneys retained by the advance deposit wagering
17 licensee, shall be paid 50% to the organization licensee's
18 purse account and 50% to the organization licensee. With the
19 exception of any organization licensee that is owned by a
20 publicly traded company that is incorporated in a state other
21 than Illinois and advance deposit wagering licensees under
22 contract with such organization licensees, organization
23 licensees that maintain advance deposit wagering systems and
24 advance deposit wagering licensees that contract with
25 organization licensees shall provide sufficiently detailed
26 monthly accountings to the horsemen association representing

1 the largest number of owners, trainers, jockeys, or
2 standardbred drivers who race horses at that organization
3 licensee's racing meeting so that the horsemen association, as
4 an interested party, can confirm the accuracy of the amounts
5 paid to the purse account at the horsemen association's
6 affiliated organization licensee from advance deposit
7 wagering. If more than one breed races at the same race track
8 facility, then the 50% of the moneys to be paid to an
9 organization licensee's purse account shall be allocated among
10 all organization licensees' purse accounts operating at that
11 race track facility proportionately based on the actual number
12 of host days that the Board grants to that breed at that race
13 track facility in the current calendar year. To the extent any
14 fees from advance deposit wagering conducted in Illinois for
15 wagers in Illinois or other states have been placed in escrow
16 or otherwise withheld from wagers pending a determination of
17 the legality of advance deposit wagering, no action shall be
18 brought to declare such wagers or the disbursement of any fees
19 previously escrowed illegal.

20 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
21 inter-track ~~intertrack~~ wagering licensee other than the
22 host track may supplement the host track simulcast program
23 with additional simulcast races or race programs, provided
24 that between January 1 and the third Friday in February of
25 any year, inclusive, if no live thoroughbred racing is
26 occurring in Illinois during this period, only

1 thoroughbred races may be used for supplemental interstate
2 simulcast purposes. The Board shall withhold approval for a
3 supplemental interstate simulcast only if it finds that the
4 simulcast is clearly adverse to the integrity of racing. A
5 supplemental interstate simulcast may be transmitted from
6 an inter-track ~~intertrack~~ wagering licensee to its
7 affiliated non-host licensees. The interstate commission
8 fee for a supplemental interstate simulcast shall be paid
9 by the non-host licensee and its affiliated non-host
10 licensees receiving the simulcast.

11 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
12 inter-track ~~intertrack~~ wagering licensee other than the
13 host track may receive supplemental interstate simulcasts
14 only with the consent of the host track, except when the
15 Board finds that the simulcast is clearly adverse to the
16 integrity of racing. Consent granted under this paragraph
17 (2) to any inter-track ~~intertrack~~ wagering licensee shall
18 be deemed consent to all non-host licensees. The interstate
19 commission fee for the supplemental interstate simulcast
20 shall be paid by all participating non-host licensees.

21 (3) Each licensee conducting interstate simulcast
22 wagering may retain, subject to the payment of all
23 applicable taxes and the purses, an amount not to exceed
24 17% of all money wagered. If any licensee conducts the
25 pari-mutuel system wagering on races conducted at
26 racetracks in another state or country, each such race or

1 race program shall be considered a separate racing day for
2 the purpose of determining the daily handle and computing
3 the privilege tax of that daily handle as provided in
4 subsection (a) of Section 27. Until January 1, 2000, from
5 the sums permitted to be retained pursuant to this
6 subsection, each inter-track ~~intertrack~~ wagering location
7 licensee shall pay 1% of the pari-mutuel handle wagered on
8 simulcast wagering to the Horse Racing Tax Allocation Fund,
9 subject to the provisions of subparagraph (B) of paragraph
10 (11) of subsection (h) of Section 26 of this Act.

11 (4) A licensee who receives an interstate simulcast may
12 combine its gross or net pools with pools at the sending
13 racetracks pursuant to rules established by the Board. All
14 licensees combining their gross pools at a sending
15 racetrack shall adopt the take-out percentages of the
16 sending racetrack. A licensee may also establish a separate
17 pool and takeout structure for wagering purposes on races
18 conducted at race tracks outside of the State of Illinois.
19 The licensee may permit pari-mutuel wagers placed in other
20 states or countries to be combined with its gross or net
21 wagering pools or other wagering pools.

22 (5) After the payment of the interstate commission fee
23 (except for the interstate commission fee on a supplemental
24 interstate simulcast, which shall be paid by the host track
25 and by each non-host licensee through the host-track) and
26 all applicable State and local taxes, except as provided in

1 subsection (g) of Section 27 of this Act, the remainder of
2 moneys retained from simulcast wagering pursuant to this
3 subsection (g), and Section 26.2 shall be divided as
4 follows:

5 (A) For interstate simulcast wagers made at a host
6 track, 50% to the host track and 50% to purses at the
7 host track.

8 (B) For wagers placed on interstate simulcast
9 races, supplemental simulcasts as defined in
10 subparagraphs (1) and (2), and separately pooled races
11 conducted outside of the State of Illinois made at a
12 non-host licensee, 25% to the host track, 25% to the
13 non-host licensee, and 50% to the purses at the host
14 track.

15 (6) Notwithstanding any provision in this Act to the
16 contrary, non-host licensees who derive their licenses
17 from a track located in a county with a population in
18 excess of 230,000 and that borders the Mississippi River
19 may receive supplemental interstate simulcast races at all
20 times subject to Board approval, which shall be withheld
21 only upon a finding that a supplemental interstate
22 simulcast is clearly adverse to the integrity of racing.

23 (7) Notwithstanding any provision of this Act to the
24 contrary, after payment of all applicable State and local
25 taxes and interstate commission fees, non-host licensees
26 who derive their licenses from a track located in a county

1 with a population in excess of 230,000 and that borders the
2 Mississippi River shall retain 50% of the retention from
3 interstate simulcast wagers and shall pay 50% to purses at
4 the track from which the non-host licensee derives its
5 license as follows:

6 (A) Between January 1 and the third Friday in
7 February, inclusive, if no live thoroughbred racing is
8 occurring in Illinois during this period, when the
9 interstate simulcast is a standardbred race, the purse
10 share to its standardbred purse account;

11 (B) Between January 1 and the third Friday in
12 February, inclusive, if no live thoroughbred racing is
13 occurring in Illinois during this period, and the
14 interstate simulcast is a thoroughbred race, the purse
15 share to its interstate simulcast purse pool to be
16 distributed under paragraph (10) of this subsection
17 (g);

18 (C) Between January 1 and the third Friday in
19 February, inclusive, if live thoroughbred racing is
20 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
21 the purse share from wagers made during this time
22 period to its thoroughbred purse account and between
23 6:30 p.m. and 6:30 a.m. the purse share from wagers
24 made during this time period to its standardbred purse
25 accounts;

26 (D) Between the third Saturday in February and

1 December 31, when the interstate simulcast occurs
2 between the hours of 6:30 a.m. and 6:30 p.m., the purse
3 share to its thoroughbred purse account;

4 (E) Between the third Saturday in February and
5 December 31, when the interstate simulcast occurs
6 between the hours of 6:30 p.m. and 6:30 a.m., the purse
7 share to its standardbred purse account.

8 (7.1) Notwithstanding any other provision of this Act
9 to the contrary, if no standardbred racing is conducted at
10 a racetrack located in Madison County during any calendar
11 year beginning on or after January 1, 2002, all moneys
12 derived by that racetrack from simulcast wagering and
13 inter-track wagering that (1) are to be used for purses and
14 (2) are generated between the hours of 6:30 p.m. and 6:30
15 a.m. during that calendar year shall be paid as follows:

16 (A) If the licensee that conducts horse racing at
17 that racetrack requests from the Board at least as many
18 racing dates as were conducted in calendar year 2000,
19 80% shall be paid to its thoroughbred purse account;
20 and

21 (B) Twenty percent shall be deposited into the
22 Illinois Colt Stakes Purse Distribution Fund and shall
23 be paid to purses for standardbred races for Illinois
24 conceived and foaled horses conducted at any county
25 fairgrounds. The moneys deposited into the Fund
26 pursuant to this subparagraph (B) shall be deposited

1 within 2 weeks after the day they were generated, shall
2 be in addition to and not in lieu of any other moneys
3 paid to standardbred purses under this Act, and shall
4 not be commingled with other moneys paid into that
5 Fund. The moneys deposited pursuant to this
6 subparagraph (B) shall be allocated as provided by the
7 Department of Agriculture, with the advice and
8 assistance of the Illinois Standardbred Breeders Fund
9 Advisory Board.

10 (7.2) Notwithstanding any other provision of this Act
11 to the contrary, if no thoroughbred racing is conducted at
12 a racetrack located in Madison County during any calendar
13 year beginning on or after January 1, 2002, all moneys
14 derived by that racetrack from simulcast wagering and
15 inter-track wagering that (1) are to be used for purses and
16 (2) are generated between the hours of 6:30 a.m. and 6:30
17 p.m. during that calendar year shall be deposited as
18 follows:

19 (A) If the licensee that conducts horse racing at
20 that racetrack requests from the Board at least as many
21 racing dates as were conducted in calendar year 2000,
22 80% shall be deposited into its standardbred purse
23 account; and

24 (B) Twenty percent shall be deposited into the
25 Illinois Colt Stakes Purse Distribution Fund. Moneys
26 deposited into the Illinois Colt Stakes Purse

1 Distribution Fund pursuant to this subparagraph (B)
2 shall be paid to Illinois conceived and foaled
3 thoroughbred breeders' programs and to thoroughbred
4 purses for races conducted at any county fairgrounds
5 for Illinois conceived and foaled horses at the
6 discretion of the Department of Agriculture, with the
7 advice and assistance of the Illinois Thoroughbred
8 Breeders Fund Advisory Board. The moneys deposited
9 into the Illinois Colt Stakes Purse Distribution Fund
10 pursuant to this subparagraph (B) shall be deposited
11 within 2 weeks after the day they were generated, shall
12 be in addition to and not in lieu of any other moneys
13 paid to thoroughbred purses under this Act, and shall
14 not be commingled with other moneys deposited into that
15 Fund.

16 (7.3) If no live standardbred racing is conducted at a
17 racetrack located in Madison County in calendar year 2000
18 or 2001, an organization licensee who is licensed to
19 conduct horse racing at that racetrack shall, before
20 January 1, 2002, pay all moneys derived from simulcast
21 wagering and inter-track wagering in calendar years 2000
22 and 2001 and paid into the licensee's standardbred purse
23 account as follows:

24 (A) Eighty percent to that licensee's thoroughbred
25 purse account to be used for thoroughbred purses; and

26 (B) Twenty percent to the Illinois Colt Stakes

1 Purse Distribution Fund.

2 Failure to make the payment to the Illinois Colt Stakes
3 Purse Distribution Fund before January 1, 2002 shall result
4 in the immediate revocation of the licensee's organization
5 license, inter-track wagering license, and inter-track
6 wagering location license.

7 Moneys paid into the Illinois Colt Stakes Purse
8 Distribution Fund pursuant to this paragraph (7.3) shall be
9 paid to purses for standardbred races for Illinois
10 conceived and foaled horses conducted at any county
11 fairgrounds. Moneys paid into the Illinois Colt Stakes
12 Purse Distribution Fund pursuant to this paragraph (7.3)
13 shall be used as determined by the Department of
14 Agriculture, with the advice and assistance of the Illinois
15 Standardbred Breeders Fund Advisory Board, shall be in
16 addition to and not in lieu of any other moneys paid to
17 standardbred purses under this Act, and shall not be
18 commingled with any other moneys paid into that Fund.

19 (7.4) If live standardbred racing is conducted at a
20 racetrack located in Madison County at any time in calendar
21 year 2001 before the payment required under paragraph (7.3)
22 has been made, the organization licensee who is licensed to
23 conduct racing at that racetrack shall pay all moneys
24 derived by that racetrack from simulcast wagering and
25 inter-track wagering during calendar years 2000 and 2001
26 that (1) are to be used for purses and (2) are generated

1 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
2 2001 to the standardbred purse account at that racetrack to
3 be used for standardbred purses.

4 (8) Notwithstanding any provision in this Act to the
5 contrary, an organization licensee from a track located in
6 a county with a population in excess of 230,000 and that
7 borders the Mississippi River and its affiliated non-host
8 licensees shall not be entitled to share in any retention
9 generated on racing, inter-track wagering, or simulcast
10 wagering at any other Illinois wagering facility.

11 (8.1) Notwithstanding any provisions in this Act to the
12 contrary, if 2 organization licensees are conducting
13 standardbred race meetings concurrently between the hours
14 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
15 State and local taxes and interstate commission fees, the
16 remainder of the amount retained from simulcast wagering
17 otherwise attributable to the host track and to host track
18 purses shall be split daily between the 2 organization
19 licensees and the purses at the tracks of the 2
20 organization licensees, respectively, based on each
21 organization licensee's share of the total live handle for
22 that day, provided that this provision shall not apply to
23 any non-host licensee that derives its license from a track
24 located in a county with a population in excess of 230,000
25 and that borders the Mississippi River.

26 (9) (Blank).

1 (10) (Blank).

2 (11) (Blank).

3 (12) The Board shall have authority to compel all host
4 tracks to receive the simulcast of any or all races
5 conducted at the Springfield or DuQuoin State fairgrounds
6 and include all such races as part of their simulcast
7 programs.

8 (13) Notwithstanding any other provision of this Act,
9 in the event that the total Illinois pari-mutuel handle on
10 Illinois horse races at all wagering facilities in any
11 calendar year is less than 75% of the total Illinois
12 pari-mutuel handle on Illinois horse races at all such
13 wagering facilities for calendar year 1994, then each
14 wagering facility that has an annual total Illinois
15 pari-mutuel handle on Illinois horse races that is less
16 than 75% of the total Illinois pari-mutuel handle on
17 Illinois horse races at such wagering facility for calendar
18 year 1994, shall be permitted to receive, from any amount
19 otherwise payable to the purse account at the race track
20 with which the wagering facility is affiliated in the
21 succeeding calendar year, an amount equal to 2% of the
22 differential in total Illinois pari-mutuel handle on
23 Illinois horse races at the wagering facility between that
24 calendar year in question and 1994 provided, however, that
25 a wagering facility shall not be entitled to any such
26 payment until the Board certifies in writing to the

1 wagering facility the amount to which the wagering facility
2 is entitled and a schedule for payment of the amount to the
3 wagering facility, based on: (i) the racing dates awarded
4 to the race track affiliated with the wagering facility
5 during the succeeding year; (ii) the sums available or
6 anticipated to be available in the purse account of the
7 race track affiliated with the wagering facility for purses
8 during the succeeding year; and (iii) the need to ensure
9 reasonable purse levels during the payment period. The
10 Board's certification shall be provided no later than
11 January 31 of the succeeding year. In the event a wagering
12 facility entitled to a payment under this paragraph (13) is
13 affiliated with a race track that maintains purse accounts
14 for both standardbred and thoroughbred racing, the amount
15 to be paid to the wagering facility shall be divided
16 between each purse account pro rata, based on the amount of
17 Illinois handle on Illinois standardbred and thoroughbred
18 racing respectively at the wagering facility during the
19 previous calendar year. Annually, the General Assembly
20 shall appropriate sufficient funds from the General
21 Revenue Fund to the Department of Agriculture for payment
22 into the thoroughbred and standardbred horse racing purse
23 accounts at Illinois pari-mutuel tracks. The amount paid to
24 each purse account shall be the amount certified by the
25 Illinois Racing Board in January to be transferred from
26 each account to each eligible racing facility in accordance

1 with the provisions of this Section. Beginning in the
2 calendar year in which an organization licensee that is
3 eligible to receive payment under this paragraph (13)
4 begins to receive funds from electronic gaming, the amount
5 of the payment due to all wagering facilities licensed
6 under that organization licensee under this paragraph (13)
7 shall be the amount certified by the Board in January of
8 that year. An organization licensee and its related
9 wagering facilities shall no longer be able to receive
10 payments under this paragraph (13) beginning in the year
11 subsequent to the first year in which the organization
12 licensee begins to receive funds from electronic gaming.

13 (h) The Board may approve and license the conduct of
14 inter-track wagering and simulcast wagering by inter-track
15 wagering licensees and inter-track wagering location licensees
16 subject to the following terms and conditions:

17 (1) Any person licensed to conduct a race meeting (i)
18 at a track where 60 or more days of racing were conducted
19 during the immediately preceding calendar year or where
20 over the 5 immediately preceding calendar years an average
21 of 30 or more days of racing were conducted annually may be
22 issued an inter-track wagering license; (ii) at a track
23 located in a county that is bounded by the Mississippi
24 River, which has a population of less than 150,000
25 according to the 1990 decennial census, and an average of
26 at least 60 days of racing per year between 1985 and 1993

1 may be issued an inter-track wagering license; or (iii) at
2 a track located in Madison County that conducted at least
3 100 days of live racing during the immediately preceding
4 calendar year may be issued an inter-track wagering
5 license, unless a lesser schedule of live racing is the
6 result of (A) weather, unsafe track conditions, or other
7 acts of God; (B) an agreement between the organization
8 licensee and the associations representing the largest
9 number of owners, trainers, jockeys, or standardbred
10 drivers who race horses at that organization licensee's
11 racing meeting; or (C) a finding by the Board of
12 extraordinary circumstances and that it was in the best
13 interest of the public and the sport to conduct fewer than
14 100 days of live racing. Any such person having operating
15 control of the racing facility may receive inter-track
16 wagering location licenses. An eligible race track located
17 in a county that has a population of more than 230,000 and
18 that is bounded by the Mississippi River may establish up
19 to 9 inter-track wagering locations, ~~and~~ and an eligible race
20 track located in Stickney Township in Cook County may
21 establish up to 16 inter-track wagering locations, ~~and~~ and an
22 eligible race track located in Palatine Township in Cook
23 County may establish up to 18 inter-track wagering
24 locations. An application for said license shall be filed
25 with the Board prior to such dates as may be fixed by the
26 Board. With an application for an inter-track wagering

1 location license there shall be delivered to the Board a
2 certified check or bank draft payable to the order of the
3 Board for an amount equal to \$500. The application shall be
4 on forms prescribed and furnished by the Board. The
5 application shall comply with all other rules, regulations
6 and conditions imposed by the Board in connection
7 therewith.

8 (2) The Board shall examine the applications with
9 respect to their conformity with this Act and the rules and
10 regulations imposed by the Board. If found to be in
11 compliance with the Act and rules and regulations of the
12 Board, the Board may then issue a license to conduct
13 inter-track wagering and simulcast wagering to such
14 applicant. All such applications shall be acted upon by the
15 Board at a meeting to be held on such date as may be fixed
16 by the Board.

17 (3) In granting licenses to conduct inter-track
18 wagering and simulcast wagering, the Board shall give due
19 consideration to the best interests of the public, of horse
20 racing, and of maximizing revenue to the State.

21 (4) Prior to the issuance of a license to conduct
22 inter-track wagering and simulcast wagering, the applicant
23 shall file with the Board a bond payable to the State of
24 Illinois in the sum of \$50,000, executed by the applicant
25 and a surety company or companies authorized to do business
26 in this State, and conditioned upon (i) the payment by the

1 licensee of all taxes due under Section 27 or 27.1 and any
2 other monies due and payable under this Act, and (ii)
3 distribution by the licensee, upon presentation of the
4 winning ticket or tickets, of all sums payable to the
5 patrons of pari-mutuel pools.

6 (5) Each license to conduct inter-track wagering and
7 simulcast wagering shall specify the person to whom it is
8 issued, the dates on which such wagering is permitted, and
9 the track or location where the wagering is to be
10 conducted.

11 (6) All wagering under such license is subject to this
12 Act and to the rules and regulations from time to time
13 prescribed by the Board, and every such license issued by
14 the Board shall contain a recital to that effect.

15 (7) An inter-track wagering licensee or inter-track
16 wagering location licensee may accept wagers at the track
17 or location where it is licensed, or as otherwise provided
18 under this Act.

19 (8) Inter-track wagering or simulcast wagering shall
20 not be conducted at any track less than 4 ~~5~~ miles from a
21 track at which a racing meeting is in progress.

22 (8.1) Inter-track wagering location licensees who
23 derive their licenses from a particular organization
24 licensee shall conduct inter-track wagering and simulcast
25 wagering only at locations that are within 160 miles of
26 that race track where the particular organization licensee

1 is licensed to conduct racing. However, inter-track
2 wagering and simulcast wagering shall not be conducted by
3 those licensees at any location within 5 miles of any race
4 track at which a horse race meeting has been licensed in
5 the current year, unless the person having operating
6 control of such race track has given its written consent to
7 such inter-track wagering location licensees, which
8 consent must be filed with the Board at or prior to the
9 time application is made. In the case of any inter-track
10 wagering location licensee initially licensed after
11 December 31, 2013, inter-track wagering and simulcast
12 wagering shall not be conducted by those inter-track
13 wagering location licensees that are located outside the
14 City of Chicago at any location within 8 miles of any race
15 track at which a horse race meeting has been licensed in
16 the current year, unless the person having operating
17 control of such race track has given its written consent to
18 such inter-track wagering location licensees, which
19 consent must be filed with the Board at or prior to the
20 time application is made.

21 (8.2) Inter-track wagering or simulcast wagering shall
22 not be conducted by an inter-track wagering location
23 licensee at any location within 500 feet of an existing
24 church, an ~~or~~ existing elementary or secondary public
25 school, or an existing elementary or secondary private
26 school registered with or recognized by the State Board of

1 Education school, nor within 500 feet of the residences of
2 more than 50 registered voters without receiving written
3 permission from a majority of the registered voters at such
4 residences. Such written permission statements shall be
5 filed with the Board. The distance of 500 feet shall be
6 measured to the nearest part of any building used for
7 worship services, education programs, residential
8 purposes, or conducting inter-track wagering by an
9 inter-track wagering location licensee, and not to
10 property boundaries. However, inter-track wagering or
11 simulcast wagering may be conducted at a site within 500
12 feet of a church, school or residences of 50 or more
13 registered voters if such church, school or residences have
14 been erected or established, or such voters have been
15 registered, after the Board issues the original
16 inter-track wagering location license at the site in
17 question. Inter-track wagering location licensees may
18 conduct inter-track wagering and simulcast wagering only
19 in areas that are zoned for commercial or manufacturing
20 purposes or in areas for which a special use has been
21 approved by the local zoning authority. However, no license
22 to conduct inter-track wagering and simulcast wagering
23 shall be granted by the Board with respect to any
24 inter-track wagering location within the jurisdiction of
25 any local zoning authority which has, by ordinance or by
26 resolution, prohibited the establishment of an inter-track

1 wagering location within its jurisdiction. However,
2 inter-track wagering and simulcast wagering may be
3 conducted at a site if such ordinance or resolution is
4 enacted after the Board licenses the original inter-track
5 wagering location licensee for the site in question.

6 (9) (Blank).

7 (10) An inter-track wagering licensee or an
8 inter-track wagering location licensee may retain, subject
9 to the payment of the privilege taxes and the purses, an
10 amount not to exceed 17% of all money wagered. Each program
11 of racing conducted by each inter-track wagering licensee
12 or inter-track wagering location licensee shall be
13 considered a separate racing day for the purpose of
14 determining the daily handle and computing the privilege
15 tax or pari-mutuel tax on such daily handle as provided in
16 Section 27.

17 (10.1) Except as provided in subsection (g) of Section
18 27 of this Act, inter-track wagering location licensees
19 shall pay 1% of the pari-mutuel handle at each location to
20 the municipality in which such location is situated and 1%
21 of the pari-mutuel handle at each location to the county in
22 which such location is situated. In the event that an
23 inter-track wagering location licensee is situated in an
24 unincorporated area of a county, such licensee shall pay 2%
25 of the pari-mutuel handle from such location to such
26 county.

1 (10.2) Notwithstanding any other provision of this
2 Act, with respect to inter-track ~~intertrack~~ wagering at a
3 race track located in a county that has a population of
4 more than 230,000 and that is bounded by the Mississippi
5 River ("the first race track"), or at a facility operated
6 by an inter-track wagering licensee or inter-track
7 wagering location licensee that derives its license from
8 the organization licensee that operates the first race
9 track, on races conducted at the first race track or on
10 races conducted at another Illinois race track and
11 simultaneously televised to the first race track or to a
12 facility operated by an inter-track wagering licensee or
13 inter-track wagering location licensee that derives its
14 license from the organization licensee that operates the
15 first race track, those moneys shall be allocated as
16 follows:

17 (A) That portion of all moneys wagered on
18 standardbred racing that is required under this Act to
19 be paid to purses shall be paid to purses for
20 standardbred races.

21 (B) That portion of all moneys wagered on
22 thoroughbred racing that is required under this Act to
23 be paid to purses shall be paid to purses for
24 thoroughbred races.

25 (11) (A) After payment of the privilege or pari-mutuel
26 tax, any other applicable taxes, and the costs and expenses

1 in connection with the gathering, transmission, and
2 dissemination of all data necessary to the conduct of
3 inter-track wagering, the remainder of the monies retained
4 under either Section 26 or Section 26.2 of this Act by the
5 inter-track wagering licensee on inter-track wagering
6 shall be allocated with 50% to be split between the 2
7 participating licensees and 50% to purses, except that an
8 inter-track ~~intertrack~~ wagering licensee that derives its
9 license from a track located in a county with a population
10 in excess of 230,000 and that borders the Mississippi River
11 shall not divide any remaining retention with the Illinois
12 organization licensee that provides the race or races, and
13 an inter-track ~~intertrack~~ wagering licensee that accepts
14 wagers on races conducted by an organization licensee that
15 conducts a race meet in a county with a population in
16 excess of 230,000 and that borders the Mississippi River
17 shall not divide any remaining retention with that
18 organization licensee.

19 (B) From the sums permitted to be retained pursuant to
20 this Act each inter-track wagering location licensee shall
21 pay (i) the privilege or pari-mutuel tax to the State; (ii)
22 4.75% of the pari-mutuel handle on inter-track ~~intertrack~~
23 wagering at such location on races as purses, except that
24 an inter-track ~~intertrack~~ wagering location licensee that
25 derives its license from a track located in a county with a
26 population in excess of 230,000 and that borders the

1 Mississippi River shall retain all purse moneys for its own
2 purse account consistent with distribution set forth in
3 this subsection (h), and inter-track ~~intertrack~~ wagering
4 location licensees that accept wagers on races conducted by
5 an organization licensee located in a county with a
6 population in excess of 230,000 and that borders the
7 Mississippi River shall distribute all purse moneys to
8 purses at the operating host track; (iii) until January 1,
9 2000, except as provided in subsection (g) of Section 27 of
10 this Act, 1% of the pari-mutuel handle wagered on
11 inter-track wagering and simulcast wagering at each
12 inter-track wagering location licensee facility to the
13 Horse Racing Tax Allocation Fund, provided that, to the
14 extent the total amount collected and distributed to the
15 Horse Racing Tax Allocation Fund under this subsection (h)
16 during any calendar year exceeds the amount collected and
17 distributed to the Horse Racing Tax Allocation Fund during
18 calendar year 1994, that excess amount shall be
19 redistributed (I) to all inter-track wagering location
20 licensees, based on each licensee's pro-rata share of the
21 total handle from inter-track wagering and simulcast
22 wagering for all inter-track wagering location licensees
23 during the calendar year in which this provision is
24 applicable; then (II) the amounts redistributed to each
25 inter-track wagering location licensee as described in
26 subpart (I) shall be further redistributed as provided in

1 subparagraph (B) of paragraph (5) of subsection (g) of this
2 Section 26 provided first, that the shares of those
3 amounts, which are to be redistributed to the host track or
4 to purses at the host track under subparagraph (B) of
5 paragraph (5) of subsection (g) of this Section 26 shall be
6 redistributed based on each host track's pro rata share of
7 the total inter-track wagering and simulcast wagering
8 handle at all host tracks during the calendar year in
9 question, and second, that any amounts redistributed as
10 described in part (I) to an inter-track wagering location
11 licensee that accepts wagers on races conducted by an
12 organization licensee that conducts a race meet in a county
13 with a population in excess of 230,000 and that borders the
14 Mississippi River shall be further redistributed as
15 provided in subparagraphs (D) and (E) of paragraph (7) of
16 subsection (g) of this Section 26, with the portion of that
17 further redistribution allocated to purses at that
18 organization licensee to be divided between standardbred
19 purses and thoroughbred purses based on the amounts
20 otherwise allocated to purses at that organization
21 licensee during the calendar year in question; and (iv) 8%
22 of the pari-mutuel handle on inter-track wagering wagered
23 at such location to satisfy all costs and expenses of
24 conducting its wagering. The remainder of the monies
25 retained by the inter-track wagering location licensee
26 shall be allocated 40% to the location licensee and 60% to

1 the organization licensee which provides the Illinois
2 races to the location, except that an inter-track
3 ~~intertrack~~ wagering location licensee that derives its
4 license from a track located in a county with a population
5 in excess of 230,000 and that borders the Mississippi River
6 shall not divide any remaining retention with the
7 organization licensee that provides the race or races and
8 an inter-track ~~intertrack~~ wagering location licensee that
9 accepts wagers on races conducted by an organization
10 licensee that conducts a race meet in a county with a
11 population in excess of 230,000 and that borders the
12 Mississippi River shall not divide any remaining retention
13 with the organization licensee. Notwithstanding the
14 provisions of clauses (ii) and (iv) of this paragraph, in
15 the case of the additional inter-track wagering location
16 licenses authorized under paragraph (1) of this subsection
17 (h) by Public Act 87-110 ~~this amendatory Act of 1991~~, those
18 licensees shall pay the following amounts as purses: during
19 the first 12 months the licensee is in operation, 5.25% of
20 the pari-mutuel handle wagered at the location on races;
21 during the second 12 months, 5.25%; during the third 12
22 months, 5.75%; during the fourth 12 months, 6.25%; and
23 during the fifth 12 months and thereafter, 6.75%. The
24 following amounts shall be retained by the licensee to
25 satisfy all costs and expenses of conducting its wagering:
26 during the first 12 months the licensee is in operation,

1 8.25% of the pari-mutuel handle wagered at the location;
2 during the second 12 months, 8.25%; during the third 12
3 months, 7.75%; during the fourth 12 months, 7.25%; and
4 during the fifth 12 months and thereafter, 6.75%. For
5 additional inter-track ~~intertrack~~ wagering location
6 licensees authorized under Public Act 89-16 ~~this~~
7 ~~amendatory Act of 1995~~, purses for the first 12 months the
8 licensee is in operation shall be 5.75% of the pari-mutuel
9 wagered at the location, purses for the second 12 months
10 the licensee is in operation shall be 6.25%, and purses
11 thereafter shall be 6.75%. For additional inter-track
12 ~~intertrack~~ location licensees authorized under Public Act
13 89-16 ~~this amendatory Act of 1995~~, the licensee shall be
14 allowed to retain to satisfy all costs and expenses: 7.75%
15 of the pari-mutuel handle wagered at the location during
16 its first 12 months of operation, 7.25% during its second
17 12 months of operation, and 6.75% thereafter.

18 (C) There is hereby created the Horse Racing Tax
19 Allocation Fund which shall remain in existence until
20 December 31, 1999. Moneys remaining in the Fund after
21 December 31, 1999 shall be paid into the General Revenue
22 Fund. Until January 1, 2000, all monies paid into the Horse
23 Racing Tax Allocation Fund pursuant to this paragraph (11)
24 by inter-track wagering location licensees located in park
25 districts of 500,000 population or less, or in a
26 municipality that is not included within any park district

1 but is included within a conservation district and is the
2 county seat of a county that (i) is contiguous to the state
3 of Indiana and (ii) has a 1990 population of 88,257
4 according to the United States Bureau of the Census, and
5 operating on May 1, 1994 shall be allocated by
6 appropriation as follows:

7 Two-sevenths to the Department of Agriculture.
8 Fifty percent of this two-sevenths shall be used to
9 promote the Illinois horse racing and breeding
10 industry, and shall be distributed by the Department of
11 Agriculture upon the advice of a 9-member committee
12 appointed by the Governor consisting of the following
13 members: the Director of Agriculture, who shall serve
14 as chairman; 2 representatives of organization
15 licensees conducting thoroughbred race meetings in
16 this State, recommended by those licensees; 2
17 representatives of organization licensees conducting
18 standardbred race meetings in this State, recommended
19 by those licensees; a representative of the Illinois
20 Thoroughbred Breeders and Owners Foundation,
21 recommended by that Foundation; a representative of
22 the Illinois Standardbred Owners and Breeders
23 Association, recommended by that Association; a
24 representative of the Horsemen's Benevolent and
25 Protective Association or any successor organization
26 thereto established in Illinois comprised of the

1 largest number of owners and trainers, recommended by
2 that Association or that successor organization; and a
3 representative of the Illinois Harness Horsemen's
4 Association, recommended by that Association.
5 Committee members shall serve for terms of 2 years,
6 commencing January 1 of each even-numbered year. If a
7 representative of any of the above-named entities has
8 not been recommended by January 1 of any even-numbered
9 year, the Governor shall appoint a committee member to
10 fill that position. Committee members shall receive no
11 compensation for their services as members but shall be
12 reimbursed for all actual and necessary expenses and
13 disbursements incurred in the performance of their
14 official duties. The remaining 50% of this
15 two-sevenths shall be distributed to county fairs for
16 premiums and rehabilitation as set forth in the
17 Agricultural Fair Act;

18 Four-sevenths to park districts or municipalities
19 that do not have a park district of 500,000 population
20 or less for museum purposes (if an inter-track wagering
21 location licensee is located in such a park district)
22 or to conservation districts for museum purposes (if an
23 inter-track wagering location licensee is located in a
24 municipality that is not included within any park
25 district but is included within a conservation
26 district and is the county seat of a county that (i) is

1 contiguous to the state of Indiana and (ii) has a 1990
2 population of 88,257 according to the United States
3 Bureau of the Census, except that if the conservation
4 district does not maintain a museum, the monies shall
5 be allocated equally between the county and the
6 municipality in which the inter-track wagering
7 location licensee is located for general purposes) or
8 to a municipal recreation board for park purposes (if
9 an inter-track wagering location licensee is located
10 in a municipality that is not included within any park
11 district and park maintenance is the function of the
12 municipal recreation board and the municipality has a
13 1990 population of 9,302 according to the United States
14 Bureau of the Census); provided that the monies are
15 distributed to each park district or conservation
16 district or municipality that does not have a park
17 district in an amount equal to four-sevenths of the
18 amount collected by each inter-track wagering location
19 licensee within the park district or conservation
20 district or municipality for the Fund. Monies that were
21 paid into the Horse Racing Tax Allocation Fund before
22 August 9, 1991 (the effective date of Public Act
23 87-110) ~~this amendatory Act of 1991~~ by an inter-track
24 wagering location licensee located in a municipality
25 that is not included within any park district but is
26 included within a conservation district as provided in

1 this paragraph shall, as soon as practicable after
2 August 9, 1991 (the effective date of Public Act
3 87-110) ~~this amendatory Act of 1991~~, be allocated and
4 paid to that conservation district as provided in this
5 paragraph. Any park district or municipality not
6 maintaining a museum may deposit the monies in the
7 corporate fund of the park district or municipality
8 where the inter-track wagering location is located, to
9 be used for general purposes; and

10 One-seventh to the Agricultural Premium Fund to be
11 used for distribution to agricultural home economics
12 extension councils in accordance with "An Act in
13 relation to additional support and finances for the
14 Agricultural and Home Economic Extension Councils in
15 the several counties of this State and making an
16 appropriation therefor", approved July 24, 1967.

17 Until January 1, 2000, all other monies paid into the
18 Horse Racing Tax Allocation Fund pursuant to this paragraph
19 (11) shall be allocated by appropriation as follows:

20 Two-sevenths to the Department of Agriculture.
21 Fifty percent of this two-sevenths shall be used to
22 promote the Illinois horse racing and breeding
23 industry, and shall be distributed by the Department of
24 Agriculture upon the advice of a 9-member committee
25 appointed by the Governor consisting of the following
26 members: the Director of Agriculture, who shall serve

1 as chairman; 2 representatives of organization
2 licensees conducting thoroughbred race meetings in
3 this State, recommended by those licensees; 2
4 representatives of organization licensees conducting
5 standardbred race meetings in this State, recommended
6 by those licensees; a representative of the Illinois
7 Thoroughbred Breeders and Owners Foundation,
8 recommended by that Foundation; a representative of
9 the Illinois Standardbred Owners and Breeders
10 Association, recommended by that Association; a
11 representative of the Horsemen's Benevolent and
12 Protective Association or any successor organization
13 thereto established in Illinois comprised of the
14 largest number of owners and trainers, recommended by
15 that Association or that successor organization; and a
16 representative of the Illinois Harness Horsemen's
17 Association, recommended by that Association.
18 Committee members shall serve for terms of 2 years,
19 commencing January 1 of each even-numbered year. If a
20 representative of any of the above-named entities has
21 not been recommended by January 1 of any even-numbered
22 year, the Governor shall appoint a committee member to
23 fill that position. Committee members shall receive no
24 compensation for their services as members but shall be
25 reimbursed for all actual and necessary expenses and
26 disbursements incurred in the performance of their

1 official duties. The remaining 50% of this
2 two-sevenths shall be distributed to county fairs for
3 premiums and rehabilitation as set forth in the
4 Agricultural Fair Act;

5 Four-sevenths to museums and aquariums located in
6 park districts of over 500,000 population; provided
7 that the monies are distributed in accordance with the
8 previous year's distribution of the maintenance tax
9 for such museums and aquariums as provided in Section 2
10 of the Park District Aquarium and Museum Act; and

11 One-seventh to the Agricultural Premium Fund to be
12 used for distribution to agricultural home economics
13 extension councils in accordance with "An Act in
14 relation to additional support and finances for the
15 Agricultural and Home Economic Extension Councils in
16 the several counties of this State and making an
17 appropriation therefor", approved July 24, 1967. This
18 subparagraph (C) shall be inoperative and of no force
19 and effect on and after January 1, 2000.

20 (D) Except as provided in paragraph (11) of this
21 subsection (h), with respect to purse allocation from
22 inter-track ~~intertrack~~ wagering, the monies so
23 retained shall be divided as follows:

24 (i) If the inter-track wagering licensee,
25 except an inter-track ~~intertrack~~ wagering licensee
26 that derives its license from an organization

1 licensee located in a county with a population in
2 excess of 230,000 and bounded by the Mississippi
3 River, is not conducting its own race meeting
4 during the same dates, then the entire purse
5 allocation shall be to purses at the track where
6 the races wagered on are being conducted.

7 (ii) If the inter-track wagering licensee,
8 except an inter-track ~~intertrack~~ wagering licensee
9 that derives its license from an organization
10 licensee located in a county with a population in
11 excess of 230,000 and bounded by the Mississippi
12 River, is also conducting its own race meeting
13 during the same dates, then the purse allocation
14 shall be as follows: 50% to purses at the track
15 where the races wagered on are being conducted; 50%
16 to purses at the track where the inter-track
17 wagering licensee is accepting such wagers.

18 (iii) If the inter-track wagering is being
19 conducted by an inter-track wagering location
20 licensee, except an inter-track ~~intertrack~~
21 wagering location licensee that derives its
22 license from an organization licensee located in a
23 county with a population in excess of 230,000 and
24 bounded by the Mississippi River, the entire purse
25 allocation for Illinois races shall be to purses at
26 the track where the race meeting being wagered on

1 is being held.

2 (12) The Board shall have all powers necessary and
3 proper to fully supervise and control the conduct of
4 inter-track wagering and simulcast wagering by inter-track
5 wagering licensees and inter-track wagering location
6 licensees, including, but not limited to the following:

7 (A) The Board is vested with power to promulgate
8 reasonable rules and regulations for the purpose of
9 administering the conduct of this wagering and to
10 prescribe reasonable rules, regulations and conditions
11 under which such wagering shall be held and conducted.
12 Such rules and regulations are to provide for the
13 prevention of practices detrimental to the public
14 interest and for the best interests of said wagering
15 and to impose penalties for violations thereof.

16 (B) The Board, and any person or persons to whom it
17 delegates this power, is vested with the power to enter
18 the facilities of any licensee to determine whether
19 there has been compliance with the provisions of this
20 Act and the rules and regulations relating to the
21 conduct of such wagering.

22 (C) The Board, and any person or persons to whom it
23 delegates this power, may eject or exclude from any
24 licensee's facilities, any person whose conduct or
25 reputation is such that his presence on such premises
26 may, in the opinion of the Board, call into the

1 question the honesty and integrity of, or interfere
2 with the orderly conduct of such wagering; provided,
3 however, that no person shall be excluded or ejected
4 from such premises solely on the grounds of race,
5 color, creed, national origin, ancestry, or sex.

6 (D) (Blank).

7 (E) The Board is vested with the power to appoint
8 delegates to execute any of the powers granted to it
9 under this Section for the purpose of administering
10 this wagering and any rules and regulations
11 promulgated in accordance with this Act.

12 (F) The Board shall name and appoint a State
13 director of this wagering who shall be a representative
14 of the Board and whose duty it shall be to supervise
15 the conduct of inter-track wagering as may be provided
16 for by the rules and regulations of the Board; such
17 rules and regulation shall specify the method of
18 appointment and the Director's powers, authority and
19 duties.

20 (G) The Board is vested with the power to impose
21 civil penalties of up to \$5,000 against individuals and
22 up to \$10,000 against licensees for each violation of
23 any provision of this Act relating to the conduct of
24 this wagering, any rules adopted by the Board, any
25 order of the Board or any other action which in the
26 Board's discretion, is a detriment or impediment to

1 such wagering.

2 (13) The Department of Agriculture may enter into
3 agreements with licensees authorizing such licensees to
4 conduct inter-track wagering on races to be held at the
5 licensed race meetings conducted by the Department of
6 Agriculture. Such agreement shall specify the races of the
7 Department of Agriculture's licensed race meeting upon
8 which the licensees will conduct wagering. In the event
9 that a licensee conducts inter-track pari-mutuel wagering
10 on races from the Illinois State Fair or DuQuoin State Fair
11 which are in addition to the licensee's previously approved
12 racing program, those races shall be considered a separate
13 racing day for the purpose of determining the daily handle
14 and computing the privilege or pari-mutuel tax on that
15 daily handle as provided in Sections 27 and 27.1. Such
16 agreements shall be approved by the Board before such
17 wagering may be conducted. In determining whether to grant
18 approval, the Board shall give due consideration to the
19 best interests of the public and of horse racing. The
20 provisions of paragraphs (1), (8), (8.1), and (8.2) of
21 subsection (h) of this Section which are not specified in
22 this paragraph (13) shall not apply to licensed race
23 meetings conducted by the Department of Agriculture at the
24 Illinois State Fair in Sangamon County or the DuQuoin State
25 Fair in Perry County, or to any wagering conducted on those
26 race meetings.

1 (14) An inter-track wagering location license
2 authorized by the Board in 2016 that is owned and operated
3 by a race track in Rock Island County shall be transferred
4 to a commonly owned race track in Cook County on August 12,
5 2016 (the effective date of Public Act 99-757) ~~this~~
6 ~~amendatory Act of the 99th General Assembly~~. The licensee
7 shall retain its status in relation to purse distribution
8 under paragraph (11) of this subsection (h) following the
9 transfer to the new entity. The pari-mutuel tax credit
10 under Section 32.1 shall not be applied toward any
11 pari-mutuel tax obligation of the inter-track wagering
12 location licensee of the license that is transferred under
13 this paragraph (14).

14 (i) Notwithstanding the other provisions of this Act, the
15 conduct of wagering at wagering facilities is authorized on all
16 days, except as limited by subsection (b) of Section 19 of this
17 Act.

18 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 98-968,
19 eff. 8-15-14; 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;
20 revised 9-14-16.)

21 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

22 Sec. 27. (a) In addition to the organization license fee
23 provided by this Act, until January 1, 2000, a graduated
24 privilege tax is hereby imposed for conducting the pari-mutuel
25 system of wagering permitted under this Act. Until January 1,

1 2000, except as provided in subsection (g) of Section 27 of
2 this Act, all of the breakage of each racing day held by any
3 licensee in the State shall be paid to the State. Until January
4 1, 2000, such daily graduated privilege tax shall be paid by
5 the licensee from the amount permitted to be retained under
6 this Act. Until January 1, 2000, each day's graduated privilege
7 tax, breakage, and Horse Racing Tax Allocation funds shall be
8 remitted to the Department of Revenue within 48 hours after the
9 close of the racing day upon which it is assessed or within
10 such other time as the Board prescribes. The privilege tax
11 hereby imposed, until January 1, 2000, shall be a flat tax at
12 the rate of 2% of the daily pari-mutuel handle except as
13 provided in Section 27.1.

14 In addition, every organization licensee, except as
15 provided in Section 27.1 of this Act, which conducts multiple
16 wagering shall pay, until January 1, 2000, as a privilege tax
17 on multiple wagers an amount equal to 1.25% of all moneys
18 wagered each day on such multiple wagers, plus an additional
19 amount equal to 3.5% of the amount wagered each day on any
20 other multiple wager which involves a single betting interest
21 on 3 or more horses. The licensee shall remit the amount of
22 such taxes to the Department of Revenue within 48 hours after
23 the close of the racing day on which it is assessed or within
24 such other time as the Board prescribes.

25 This subsection (a) shall be inoperative and of no force
26 and effect on and after January 1, 2000.

1 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
2 at the rate of 1.5% of the daily pari-mutuel handle is imposed
3 at all pari-mutuel wagering facilities and on advance deposit
4 wagering from a location other than a wagering facility, except
5 as otherwise provided for in this subsection (a-5). In addition
6 to the pari-mutuel tax imposed on advance deposit wagering
7 pursuant to this subsection (a-5), beginning on August 24, 2012
8 (the effective date of Public Act 97-1060) and through December
9 31, 2018, an additional pari-mutuel tax at the rate of 0.25%
10 shall be imposed on advance deposit wagering. Until August 25,
11 2012, the additional 0.25% pari-mutuel tax imposed on advance
12 deposit wagering by Public Act 96-972 shall be deposited into
13 the Quarter Horse Purse Fund, which shall be created as a
14 non-appropriated trust fund administered by the Board for
15 grants to thoroughbred organization licensees for payment of
16 purses for quarter horse races conducted by the organization
17 licensee. Beginning on August 26, 2012, the additional 0.25%
18 pari-mutuel tax imposed on advance deposit wagering shall be
19 deposited into the Standardbred Purse Fund, which shall be
20 created as a non-appropriated trust fund administered by the
21 Board, for grants to the standardbred organization licensees
22 for payment of purses for standardbred horse races conducted by
23 the organization licensee. Thoroughbred organization licensees
24 may petition the Board to conduct quarter horse racing and
25 receive purse grants from the Quarter Horse Purse Fund. The
26 Board shall have complete discretion in distributing the

1 Quarter Horse Purse Fund to the petitioning organization
2 licensees. Beginning on July 26, 2010 (the effective date of
3 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of
4 the daily pari-mutuel handle is imposed at a pari-mutuel
5 facility whose license is derived from a track located in a
6 county that borders the Mississippi River and conducted live
7 racing in the previous year. The pari-mutuel tax imposed by
8 this subsection (a-5) shall be remitted to the Department of
9 Revenue within 48 hours after the close of the racing day upon
10 which it is assessed or within such other time as the Board
11 prescribes.

12 (a-10) Beginning on the date when an organization licensee
13 begins conducting electronic gaming pursuant to an electronic
14 gaming license, the following pari-mutuel tax is imposed upon
15 an organization licensee on Illinois races at the licensee's
16 race track:

17 1.5% of the pari-mutuel handle at or below the average
18 daily pari-mutuel handle for 2011.

19 2% of the pari-mutuel handle above the average daily
20 pari-mutuel handle for 2011 up to 125% of the average daily
21 pari-mutuel handle for 2011.

22 2.5% of the pari-mutuel handle 125% or more above the
23 average daily pari-mutuel handle for 2011 up to 150% of the
24 average daily pari-mutuel handle for 2011.

25 3% of the pari-mutuel handle 150% or more above the
26 average daily pari-mutuel handle for 2011 up to 175% of the

1 average daily pari-mutuel handle for 2011.

2 3.5% of the pari-mutuel handle 175% or more above the
3 average daily pari-mutuel handle for 2011.

4 The pari-mutuel tax imposed by this subsection (a-10) shall
5 be remitted to the Board within 48 hours after the close of the
6 racing day upon which it is assessed or within such other time
7 as the Board prescribes.

8 (b) On or before December 31, 1999, in the event that any
9 organization licensee conducts 2 separate programs of races on
10 any day, each such program shall be considered a separate
11 racing day for purposes of determining the daily handle and
12 computing the privilege tax on such daily handle as provided in
13 subsection (a) of this Section.

14 (c) Licensees shall at all times keep accurate books and
15 records of all monies wagered on each day of a race meeting and
16 of the taxes paid to the Department of Revenue under the
17 provisions of this Section. The Board or its duly authorized
18 representative or representatives shall at all reasonable
19 times have access to such records for the purpose of examining
20 and checking the same and ascertaining whether the proper
21 amount of taxes is being paid as provided. The Board shall
22 require verified reports and a statement of the total of all
23 monies wagered daily at each wagering facility upon which the
24 taxes are assessed and may prescribe forms upon which such
25 reports and statement shall be made.

26 (d) Before a license is issued or re-issued, the licensee

1 shall post a bond in the sum of \$500,000 to the State of
2 Illinois. The bond shall be used to guarantee that the licensee
3 faithfully makes the payments, keeps the books and records and
4 makes reports, and conducts games of chance in conformity with
5 this Act and the rules adopted by the Board. The bond shall not
6 be canceled by a surety on less than 30 days' notice in writing
7 to the Board. If a bond is canceled and the licensee fails to
8 file a new bond with the Board in the required amount on or
9 before the effective date of cancellation, the licensee's
10 license shall be revoked. The total and aggregate liability of
11 the surety on the bond is limited to the amount specified in
12 the bond. Any licensee failing or refusing to pay the amount of
13 any tax due under this Section shall be guilty of a business
14 offense and upon conviction shall be fined not more than \$5,000
15 in addition to the amount found due as tax under this Section.
16 Each day's violation shall constitute a separate offense. All
17 finances paid into Court by a licensee hereunder shall be
18 transmitted and paid over by the Clerk of the Court to the
19 Board.

20 (e) No other license fee, privilege tax, excise tax, or
21 racing fee, except as provided in this Act, shall be assessed
22 or collected from any such licensee by the State.

23 (f) No other license fee, privilege tax, excise tax or
24 racing fee shall be assessed or collected from any such
25 licensee by units of local government except as provided in
26 paragraph 10.1 of subsection (h) and subsection (f) of Section

1 26 of this Act. However, any municipality that has a Board
2 licensed horse race meeting at a race track wholly within its
3 corporate boundaries or a township that has a Board licensed
4 horse race meeting at a race track wholly within the
5 unincorporated area of the township may charge a local
6 amusement tax not to exceed 10¢ per admission to such horse
7 race meeting by the enactment of an ordinance. However, any
8 municipality or county that has a Board licensed inter-track
9 wagering location facility wholly within its corporate
10 boundaries may each impose an admission fee not to exceed \$1.00
11 per admission to such inter-track wagering location facility,
12 so that a total of not more than \$2.00 per admission may be
13 imposed. Except as provided in subparagraph (g) of Section 27
14 of this Act, the inter-track wagering location licensee shall
15 collect any and all such fees and within 48 hours remit the
16 fees to the Board, which shall, pursuant to rule, cause the
17 fees to be distributed to the county or municipality.

18 (g) Notwithstanding any provision in this Act to the
19 contrary, if in any calendar year the total taxes and fees from
20 wagering on live racing and from inter-track wagering required
21 to be collected from licensees and distributed under this Act
22 to all State and local governmental authorities exceeds the
23 amount of such taxes and fees distributed to each State and
24 local governmental authority to which each State and local
25 governmental authority was entitled under this Act for calendar
26 year 1994, then the first \$11 million of that excess amount

1 shall be allocated at the earliest possible date for
2 distribution as purse money for the succeeding calendar year.
3 Upon reaching the 1994 level, and until the excess amount of
4 taxes and fees exceeds \$11 million, the Board shall direct all
5 licensees to cease paying the subject taxes and fees and the
6 Board shall direct all licensees to allocate any such excess
7 amount for purses as follows:

8 (i) the excess amount shall be initially divided
9 between thoroughbred and standardbred purses based on the
10 thoroughbred's and standardbred's respective percentages
11 of total Illinois live wagering in calendar year 1994;

12 (ii) each thoroughbred and standardbred organization
13 licensee issued an organization licensee in that
14 succeeding allocation year shall be allocated an amount
15 equal to the product of its percentage of total Illinois
16 live thoroughbred or standardbred wagering in calendar
17 year 1994 (the total to be determined based on the sum of
18 1994 on-track wagering for all organization licensees
19 issued organization licenses in both the allocation year
20 and the preceding year) multiplied by the total amount
21 allocated for standardbred or thoroughbred purses,
22 provided that the first \$1,500,000 of the amount allocated
23 to standardbred purses under item (i) shall be allocated to
24 the Department of Agriculture to be expended with the
25 assistance and advice of the Illinois Standardbred
26 Breeders Funds Advisory Board for the purposes listed in

1 subsection (g) of Section 31 of this Act, before the amount
2 allocated to standardbred purses under item (i) is
3 allocated to standardbred organization licensees in the
4 succeeding allocation year.

5 To the extent the excess amount of taxes and fees to be
6 collected and distributed to State and local governmental
7 authorities exceeds \$11 million, that excess amount shall be
8 collected and distributed to State and local authorities as
9 provided for under this Act.

10 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 99-756,
11 eff. 8-12-16.)

12 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

13 Sec. 30. (a) The General Assembly declares that it is the
14 policy of this State to encourage the breeding of thoroughbred
15 horses in this State and the ownership of such horses by
16 residents of this State in order to provide for: sufficient
17 numbers of high quality thoroughbred horses to participate in
18 thoroughbred racing meetings in this State, and to establish
19 and preserve the agricultural and commercial benefits of such
20 breeding and racing industries to the State of Illinois. It is
21 the intent of the General Assembly to further this policy by
22 the provisions of this Act.

23 (b) Each organization licensee conducting a thoroughbred
24 racing meeting pursuant to this Act shall provide at least two
25 races each day limited to Illinois conceived and foaled horses

1 or Illinois foaled horses or both. A minimum of 6 races shall
2 be conducted each week limited to Illinois conceived and foaled
3 or Illinois foaled horses or both. No horses shall be permitted
4 to start in such races unless duly registered under the rules
5 of the Department of Agriculture.

6 (c) Conditions of races under subsection (b) shall be
7 commensurate with past performance, quality, and class of
8 Illinois conceived and foaled and Illinois foaled horses
9 available. If, however, sufficient competition cannot be had
10 among horses of that class on any day, the races may, with
11 consent of the Board, be eliminated for that day and substitute
12 races provided.

13 (d) There is hereby created a special fund of the State
14 Treasury to be known as the Illinois Thoroughbred Breeders
15 Fund.

16 Beginning on the effective date of this amendatory Act of
17 the 100th General Assembly, the Illinois Thoroughbred Breeders
18 Fund shall become a non-appropriated trust fund held separately
19 from State moneys. Expenditures from this Fund shall no longer
20 be subject to appropriation.

21 Except as provided in subsection (g) of Section 27 of this
22 Act, 8.5% of all the monies received by the State as privilege
23 taxes on Thoroughbred racing meetings shall be paid into the
24 Illinois Thoroughbred Breeders Fund.

25 Notwithstanding any provision of law to the contrary,
26 amounts deposited into the Illinois Thoroughbred Breeders Fund

1 from revenues generated by electronic gaming after the
2 effective date of this amendatory Act of the 100th General
3 Assembly shall be in addition to tax and fee amounts paid under
4 this Section for calendar year 2017 and thereafter.

5 (e) The Illinois Thoroughbred Breeders Fund shall be
6 administered by the Department of Agriculture with the advice
7 and assistance of the Advisory Board created in subsection (f)
8 of this Section.

9 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
10 shall consist of the Director of the Department of Agriculture,
11 who shall serve as Chairman; a member of the Illinois Racing
12 Board, designated by it; 2 representatives of the organization
13 licensees conducting thoroughbred racing meetings, recommended
14 by them; 2 representatives of the Illinois Thoroughbred
15 Breeders and Owners Foundation, recommended by it; one
16 representative ~~and 2 representatives~~ of the Horsemen's
17 Benevolent Protective Association; and one representative from
18 the Illinois Thoroughbred Horsemen's Association ~~or any~~
19 ~~successor organization established in Illinois comprised of~~
20 ~~the largest number of owners and trainers, recommended by it,~~
21 ~~with one representative of the Horsemen's Benevolent and~~
22 ~~Protective Association to come from its Illinois Division, and~~
23 ~~one from its Chicago Division.~~ Advisory Board members shall
24 serve for 2 years commencing January 1 of each odd numbered
25 year. If representatives of the organization licensees
26 conducting thoroughbred racing meetings, the Illinois

1 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
2 Horsemen's Benevolent Protection Association, and the Illinois
3 Thoroughbred Horsemen's Association have not been recommended
4 by January 1, of each odd numbered year, the Director of the
5 Department of Agriculture shall make an appointment for the
6 organization failing to so recommend a member of the Advisory
7 Board. Advisory Board members shall receive no compensation for
8 their services as members but shall be reimbursed for all
9 actual and necessary expenses and disbursements incurred in the
10 execution of their official duties.

11 (g) ~~No monies shall be expended from the Illinois~~
12 ~~Thoroughbred Breeders Fund except as appropriated by the~~
13 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
14 Illinois Thoroughbred Breeders Fund shall be expended by the
15 Department of Agriculture, with the advice and assistance of
16 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
17 following purposes only:

18 (1) To provide purse supplements to owners of horses
19 participating in races limited to Illinois conceived and
20 foaled and Illinois foaled horses. Any such purse
21 supplements shall not be included in and shall be paid in
22 addition to any purses, stakes, or breeders' awards offered
23 by each organization licensee as determined by agreement
24 between such organization licensee and an organization
25 representing the horsemen. No monies from the Illinois
26 Thoroughbred Breeders Fund shall be used to provide purse

1 supplements for claiming races in which the minimum
2 claiming price is less than \$7,500.

3 (2) To provide stakes and awards to be paid to the
4 owners of the winning horses in certain races limited to
5 Illinois conceived and foaled and Illinois foaled horses
6 designated as stakes races.

7 (2.5) To provide an award to the owner or owners of an
8 Illinois conceived and foaled or Illinois foaled horse that
9 wins a maiden special weight, an allowance, overnight
10 handicap race, or claiming race with claiming price of
11 \$10,000 or more providing the race is not restricted to
12 Illinois conceived and foaled or Illinois foaled horses.
13 Awards shall also be provided to the owner or owners of
14 Illinois conceived and foaled and Illinois foaled horses
15 that place second or third in those races. To the extent
16 that additional moneys are required to pay the minimum
17 additional awards of 40% of the purse the horse earns for
18 placing first, second or third in those races for Illinois
19 foaled horses and of 60% of the purse the horse earns for
20 placing first, second or third in those races for Illinois
21 conceived and foaled horses, those moneys shall be provided
22 from the purse account at the track where earned.

23 (3) To provide stallion awards to the owner or owners
24 of any stallion that is duly registered with the Illinois
25 Thoroughbred Breeders Fund Program ~~prior to the effective~~
26 ~~date of this amendatory Act of 1995~~ whose duly registered

1 Illinois conceived and foaled offspring wins a race
2 conducted at an Illinois thoroughbred racing meeting other
3 than a claiming race, provided that the stallion stood
4 service within Illinois at the time the offspring was
5 conceived and that the stallion did not stand for service
6 outside of Illinois at any time during the year in which
7 the offspring was conceived. ~~Such award shall not be paid~~
8 ~~to the owner or owners of an Illinois stallion that served~~
9 ~~outside this State at any time during the calendar year in~~
10 ~~which such race was conducted.~~

11 (4) To provide \$75,000 annually for purses to be
12 distributed to county fairs that provide for the running of
13 races during each county fair exclusively for the
14 thoroughbreds conceived and foaled in Illinois. The
15 conditions of the races shall be developed by the county
16 fair association and reviewed by the Department with the
17 advice and assistance of the Illinois Thoroughbred
18 Breeders Fund Advisory Board. There shall be no wagering of
19 any kind on the running of Illinois conceived and foaled
20 races at county fairs.

21 (4.1) To provide purse money for an Illinois stallion
22 stakes program.

23 (5) No less than 90% ~~80%~~ of all monies appropriated
24 from the Illinois Thoroughbred Breeders Fund shall be
25 expended for the purposes in (1), (2), (2.5), (3), (4),
26 (4.1), and (5) as shown above.

1 (6) To provide for educational programs regarding the
2 thoroughbred breeding industry.

3 (7) To provide for research programs concerning the
4 health, development and care of the thoroughbred horse.

5 (8) To provide for a scholarship and training program
6 for students of equine veterinary medicine.

7 (9) To provide for dissemination of public information
8 designed to promote the breeding of thoroughbred horses in
9 Illinois.

10 (10) To provide for all expenses incurred in the
11 administration of the Illinois Thoroughbred Breeders Fund.

12 (h) The Illinois Thoroughbred Breeders Fund is not subject
13 to administrative charges or chargebacks, including, but not
14 limited to, those authorized under Section 8h of the State
15 Finance Act. ~~Whenever the Governor finds that the amount in the~~
16 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~
17 ~~the outstanding appropriations from such fund, the Governor~~
18 ~~shall notify the State Comptroller and the State Treasurer of~~
19 ~~such fact. The Comptroller and the State Treasurer, upon~~
20 ~~receipt of such notification, shall transfer such excess amount~~
21 ~~from the Illinois Thoroughbred Breeders Fund to the General~~
22 ~~Revenue Fund.~~

23 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
24 every purse won by an Illinois foaled or an Illinois conceived
25 and foaled horse in races not limited to Illinois foaled horses
26 or Illinois conceived and foaled horses, or both, shall be paid

1 by the organization licensee conducting the horse race meeting.
2 Such sum shall be paid 50% from the organization licensee's
3 account and 50% from the purse account of the licensee ~~share of~~
4 ~~the money wagered~~ as follows: 11 1/2% to the breeder of the
5 winning horse and 1 1/2% ~~1%~~ to the organization representing
6 thoroughbred breeders and owners whose representative serves
7 on the Illinois Thoroughbred Breeders Fund Advisory Board for
8 verifying the amounts of breeders' awards earned, assuring
9 their distribution in accordance with this Act, and servicing
10 and promoting the Illinois thoroughbred horse racing industry.
11 The organization representing thoroughbred breeders and owners
12 shall cause all expenditures of monies received under this
13 subsection (i) to be audited at least annually by a registered
14 public accountant. The organization shall file copies of each
15 annual audit with the Racing Board, the Clerk of the House of
16 Representatives and the Secretary of the Senate, and shall make
17 copies of each annual audit available to the public upon
18 request and upon payment of the reasonable cost of photocopying
19 the requested number of copies. Such payments shall not reduce
20 any award to the owner of the horse or reduce the taxes payable
21 under this Act. Upon completion of its racing meet, each
22 organization licensee shall deliver to the organization
23 representing thoroughbred breeders and owners whose
24 representative serves on the Illinois Thoroughbred Breeders
25 Fund Advisory Board a listing of all the Illinois foaled and
26 the Illinois conceived and foaled horses which won breeders'

1 awards and the amount of such breeders' awards under this
2 subsection to verify accuracy of payments and assure proper
3 distribution of breeders' awards in accordance with the
4 provisions of this Act. Such payments shall be delivered by the
5 organization licensee within 30 days of the end of each race
6 meeting.

7 (j) A sum equal to 13% ~~12 1/2%~~ of the first prize money won
8 in each race limited to Illinois foaled horses or Illinois
9 conceived and foaled horses, or both, shall be paid in the
10 following manner by the organization licensee conducting the
11 horse race meeting, 50% from the organization licensee's
12 account and 50% from the purse account of the licensee ~~share of~~
13 ~~the money wagered~~: 11 1/2% to the breeders of the horses in
14 each such race which are the official first, second, third and
15 fourth finishers and 1 1/2% ~~1%~~ to the organization representing
16 thoroughbred breeders and owners whose representative serves
17 on the Illinois Thoroughbred Breeders Fund Advisory Board for
18 verifying the amounts of breeders' awards earned, assuring
19 their proper distribution in accordance with this Act, and
20 servicing and promoting the Illinois thoroughbred horse racing
21 industry. The organization representing thoroughbred breeders
22 and owners shall cause all expenditures of monies received
23 under this subsection (j) to be audited at least annually by a
24 registered public accountant. The organization shall file
25 copies of each annual audit with the Racing Board, the Clerk of
26 the House of Representatives and the Secretary of the Senate,

1 and shall make copies of each annual audit available to the
2 public upon request and upon payment of the reasonable cost of
3 photocopying the requested number of copies.

4 The 11 1/2% paid to the breeders in accordance with this
5 subsection shall be distributed as follows:

6 (1) 60% of such sum shall be paid to the breeder of the
7 horse which finishes in the official first position;

8 (2) 20% of such sum shall be paid to the breeder of the
9 horse which finishes in the official second position;

10 (3) 15% of such sum shall be paid to the breeder of the
11 horse which finishes in the official third position; and

12 (4) 5% of such sum shall be paid to the breeder of the
13 horse which finishes in the official fourth position.

14 Such payments shall not reduce any award to the owners of a
15 horse or reduce the taxes payable under this Act. Upon
16 completion of its racing meet, each organization licensee shall
17 deliver to the organization representing thoroughbred breeders
18 and owners whose representative serves on the Illinois
19 Thoroughbred Breeders Fund Advisory Board a listing of all the
20 Illinois foaled and the Illinois conceived and foaled horses
21 which won breeders' awards and the amount of such breeders'
22 awards in accordance with the provisions of this Act. Such
23 payments shall be delivered by the organization licensee within
24 30 days of the end of each race meeting.

25 (k) The term "breeder", as used herein, means the owner of
26 the mare at the time the foal is dropped. An "Illinois foaled

1 horse" is a foal dropped by a mare which enters this State on
2 or before December 1, in the year in which the horse is bred,
3 provided the mare remains continuously in this State until its
4 foal is born. An "Illinois foaled horse" also means a foal born
5 of a mare in the same year as the mare enters this State on or
6 before March 1, and remains in this State at least 30 days
7 after foaling, is bred back during the season of the foaling to
8 an Illinois Registered Stallion (unless a veterinarian
9 certifies that the mare should not be bred for health reasons),
10 and is not bred to a stallion standing in any other state
11 during the season of foaling. An "Illinois foaled horse" also
12 means a foal born in Illinois of a mare purchased at public
13 auction subsequent to the mare entering this State on or before
14 March 1 ~~prior to February 1~~ of the foaling year providing the
15 mare is owned solely by one or more Illinois residents or an
16 Illinois entity that is entirely owned by one or more Illinois
17 residents.

18 (1) The Department of Agriculture shall, by rule, with the
19 advice and assistance of the Illinois Thoroughbred Breeders
20 Fund Advisory Board:

21 (1) Qualify stallions for Illinois breeding; such
22 stallions to stand for service within the State of Illinois
23 at the time of a foal's conception. Such stallion must not
24 stand for service at any place outside the State of
25 Illinois during the calendar year in which the foal is
26 conceived. The Department of Agriculture may assess and

1 collect an application fee of up to \$500 ~~fees~~ for the
2 registration of Illinois-eligible stallions. All fees
3 collected are to be held in trust accounts for the purposes
4 set forth in this Act and in accordance with Section 205-15
5 of the Department of Agriculture Law ~~paid into the Illinois~~
6 ~~Thoroughbred Breeders Fund.~~

7 (2) Provide for the registration of Illinois conceived
8 and foaled horses and Illinois foaled horses. No such horse
9 shall compete in the races limited to Illinois conceived
10 and foaled horses or Illinois foaled horses or both unless
11 registered with the Department of Agriculture. The
12 Department of Agriculture may prescribe such forms as are
13 necessary to determine the eligibility of such horses. The
14 Department of Agriculture may assess and collect
15 application fees for the registration of Illinois-eligible
16 foals. All fees collected are to be held in trust accounts
17 for the purposes set forth in this Act and in accordance
18 with Section 205-15 of the Department of Agriculture Law
19 ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No
20 person shall knowingly prepare or cause preparation of an
21 application for registration of such foals containing
22 false information.

23 (m) The Department of Agriculture, with the advice and
24 assistance of the Illinois Thoroughbred Breeders Fund Advisory
25 Board, shall provide that certain races limited to Illinois
26 conceived and foaled and Illinois foaled horses be stakes races

1 and determine the total amount of stakes and awards to be paid
2 to the owners of the winning horses in such races.

3 In determining the stakes races and the amount of awards
4 for such races, the Department of Agriculture shall consider
5 factors, including but not limited to, the amount of money
6 appropriated for the Illinois Thoroughbred Breeders Fund
7 program, organization licensees' contributions, availability
8 of stakes caliber horses as demonstrated by past performances,
9 whether the race can be coordinated into the proposed racing
10 dates within organization licensees' racing dates, opportunity
11 for colts and fillies and various age groups to race, public
12 wagering on such races, and the previous racing schedule.

13 (n) The Board and the organizational licensee shall notify
14 the Department of the conditions and minimum purses for races
15 limited to Illinois conceived and foaled and Illinois foaled
16 horses conducted for each organizational licensee conducting a
17 thoroughbred racing meeting. The Department of Agriculture
18 with the advice and assistance of the Illinois Thoroughbred
19 Breeders Fund Advisory Board may allocate monies for purse
20 supplements for such races. In determining whether to allocate
21 money and the amount, the Department of Agriculture shall
22 consider factors, including but not limited to, the amount of
23 money appropriated for the Illinois Thoroughbred Breeders Fund
24 program, the number of races that may occur, and the
25 organizational licensee's purse structure.

26 (o) (Blank).

1 (Source: P.A. 98-692, eff. 7-1-14.)

2 (230 ILCS 5/30.5)

3 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

4 (a) The General Assembly declares that it is the policy of
5 this State to encourage the breeding of racing quarter horses
6 in this State and the ownership of such horses by residents of
7 this State in order to provide for sufficient numbers of high
8 quality racing quarter horses in this State and to establish
9 and preserve the agricultural and commercial benefits of such
10 breeding and racing industries to the State of Illinois. It is
11 the intent of the General Assembly to further this policy by
12 the provisions of this Act.

13 (b) There is hereby created non-appropriated trust ~~a~~
14 ~~special fund in the State Treasury~~ to be known as the Illinois
15 Racing Quarter Horse Breeders Fund, which is held separately
16 from State moneys. Except as provided in subsection (g) of
17 Section 27 of this Act, 8.5% of all the moneys received by the
18 State as pari-mutuel taxes on quarter horse racing shall be
19 paid into the Illinois Racing Quarter Horse Breeders Fund. The
20 Illinois Racing Quarter Horse Breeders Fund shall not be
21 subject to administrative charges or chargebacks, including,
22 but not limited to, those authorized under Section 8h of the
23 State Finance Act.

24 (c) The Illinois Racing Quarter Horse Breeders Fund shall
25 be administered by the Department of Agriculture with the

1 advice and assistance of the Advisory Board created in
2 subsection (d) of this Section.

3 (d) The Illinois Racing Quarter Horse Breeders Fund
4 Advisory Board shall consist of the Director of the Department
5 of Agriculture, who shall serve as Chairman; a member of the
6 Illinois Racing Board, designated by it; one representative of
7 the organization licensees conducting pari-mutuel quarter
8 horse racing meetings, recommended by them; 2 representatives
9 of the Illinois Running Quarter Horse Association, recommended
10 by it; and the Superintendent of Fairs and Promotions from the
11 Department of Agriculture. Advisory Board members shall serve
12 for 2 years commencing January 1 of each odd numbered year. If
13 representatives have not been recommended by January 1 of each
14 odd numbered year, the Director of the Department of
15 Agriculture may make an appointment for the organization
16 failing to so recommend a member of the Advisory Board.
17 Advisory Board members shall receive no compensation for their
18 services as members but may be reimbursed for all actual and
19 necessary expenses and disbursements incurred in the execution
20 of their official duties.

21 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
22 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
23 ~~the General Assembly. Moneys appropriated from the Illinois~~
24 Racing Quarter Horse Breeders Fund shall be expended by the
25 Department of Agriculture, with the advice and assistance of
26 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,

1 for the following purposes only:

2 (1) To provide stakes and awards to be paid to the
3 owners of the winning horses in certain races. This
4 provision is limited to Illinois conceived and foaled
5 horses.

6 (2) To provide an award to the owner or owners of an
7 Illinois conceived and foaled horse that wins a race when
8 pari-mutuel wagering is conducted; providing the race is
9 not restricted to Illinois conceived and foaled horses.

10 (3) To provide purse money for an Illinois stallion
11 stakes program.

12 (4) To provide for purses to be distributed for the
13 running of races during the Illinois State Fair and the
14 DuQuoin State Fair exclusively for quarter horses
15 conceived and foaled in Illinois.

16 (5) To provide for purses to be distributed for the
17 running of races at Illinois county fairs exclusively for
18 quarter horses conceived and foaled in Illinois.

19 (6) To provide for purses to be distributed for running
20 races exclusively for quarter horses conceived and foaled
21 in Illinois at locations in Illinois determined by the
22 Department of Agriculture with advice and consent of the
23 Illinois Racing Quarter Horse Breeders Fund Advisory
24 Board.

25 (7) No less than 90% of all moneys appropriated from
26 the Illinois Racing Quarter Horse Breeders Fund shall be

1 expended for the purposes in items (1), (2), (3), (4), and
2 (5) of this subsection (e).

3 (8) To provide for research programs concerning the
4 health, development, and care of racing quarter horses.

5 (9) To provide for dissemination of public information
6 designed to promote the breeding of racing quarter horses
7 in Illinois.

8 (10) To provide for expenses incurred in the
9 administration of the Illinois Racing Quarter Horse
10 Breeders Fund.

11 (f) The Department of Agriculture shall, by rule, with the
12 advice and assistance of the Illinois Racing Quarter Horse
13 Breeders Fund Advisory Board:

14 (1) Qualify stallions for Illinois breeding; such
15 stallions to stand for service within the State of
16 Illinois, at the time of a foal's conception. Such stallion
17 must not stand for service at any place outside the State
18 of Illinois during the calendar year in which the foal is
19 conceived. The Department of Agriculture may assess and
20 collect application fees for the registration of
21 Illinois-eligible stallions. All fees collected are to be
22 paid into the Illinois Racing Quarter Horse Breeders Fund.

23 (2) Provide for the registration of Illinois conceived
24 and foaled horses. No such horse shall compete in the races
25 limited to Illinois conceived and foaled horses unless it
26 is registered with the Department of Agriculture. The

1 Department of Agriculture may prescribe such forms as are
2 necessary to determine the eligibility of such horses. The
3 Department of Agriculture may assess and collect
4 application fees for the registration of Illinois-eligible
5 foals. All fees collected are to be paid into the Illinois
6 Racing Quarter Horse Breeders Fund. No person shall
7 knowingly prepare or cause preparation of an application
8 for registration of such foals that contains false
9 information.

10 (g) The Department of Agriculture, with the advice and
11 assistance of the Illinois Racing Quarter Horse Breeders Fund
12 Advisory Board, shall provide that certain races limited to
13 Illinois conceived and foaled be stakes races and determine the
14 total amount of stakes and awards to be paid to the owners of
15 the winning horses in such races.

16 (Source: P.A. 98-463, eff. 8-16-13.)

17 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

18 Sec. 31. (a) The General Assembly declares that it is the
19 policy of this State to encourage the breeding of standardbred
20 horses in this State and the ownership of such horses by
21 residents of this State in order to provide for: sufficient
22 numbers of high quality standardbred horses to participate in
23 harness racing meetings in this State, and to establish and
24 preserve the agricultural and commercial benefits of such
25 breeding and racing industries to the State of Illinois. It is

1 the intent of the General Assembly to further this policy by
2 the provisions of this Section of this Act.

3 (b) Each organization licensee conducting a harness racing
4 meeting pursuant to this Act shall provide for at least two
5 races each race program limited to Illinois conceived and
6 foaled horses. A minimum of 6 races shall be conducted each
7 week limited to Illinois conceived and foaled horses. No horses
8 shall be permitted to start in such races unless duly
9 registered under the rules of the Department of Agriculture.

10 (b-5) Organization licensees, not including the Illinois
11 State Fair or the DuQuoin State Fair, shall provide stake races
12 and early closer races for Illinois conceived and foaled horses
13 so that purses distributed for such races shall be no less than
14 17% of total purses distributed for harness racing in that
15 calendar year in addition to any stakes payments and starting
16 fees contributed by horse owners.

17 (b-10) Each organization licensee conducting a harness
18 racing meeting pursuant to this Act shall provide an owner
19 award to be paid from the purse account equal to 25% of the
20 amount earned by Illinois conceived and foaled horses in races
21 that are not restricted to Illinois conceived and foaled
22 horses. The owner awards shall not be paid on races below the
23 \$10,000 claiming class.

24 (c) Conditions of races under subsection (b) shall be
25 commensurate with past performance, quality and class of
26 Illinois conceived and foaled horses available. If, however,

1 sufficient competition cannot be had among horses of that class
2 on any day, the races may, with consent of the Board, be
3 eliminated for that day and substitute races provided.

4 (d) There is hereby created a special fund of the State
5 Treasury to be known as the Illinois Standardbred Breeders
6 Fund.

7 During the calendar year 1981, and each year thereafter,
8 except as provided in subsection (g) of Section 27 of this Act,
9 eight and one-half per cent of all the monies received by the
10 State as privilege taxes on harness racing meetings shall be
11 paid into the Illinois Standardbred Breeders Fund.

12 (e) The Illinois Standardbred Breeders Fund shall be
13 administered by the Department of Agriculture with the
14 assistance and advice of the Advisory Board created in
15 subsection (f) of this Section.

16 (f) The Illinois Standardbred Breeders Fund Advisory Board
17 is hereby created. The Advisory Board shall consist of the
18 Director of the Department of Agriculture, who shall serve as
19 Chairman; the Superintendent of the Illinois State Fair; a
20 member of the Illinois Racing Board, designated by it; a
21 representative of the largest association of Illinois
22 standardbred owners and breeders, recommended by it; a
23 representative of a statewide association representing
24 agricultural fairs in Illinois, recommended by it, such
25 representative to be from a fair at which Illinois conceived
26 and foaled racing is conducted; a representative of the

1 organization licensees conducting harness racing meetings,
2 recommended by them; a representative of the Breeder's
3 Committee of the association representing the largest number of
4 standardbred owners, breeders, trainers, caretakers, and
5 drivers, recommended by it; and a representative of the
6 association representing the largest number of standardbred
7 owners, breeders, trainers, caretakers, and drivers,
8 recommended by it. Advisory Board members shall serve for 2
9 years commencing January 1 of each odd numbered year. If
10 representatives of the largest association of Illinois
11 standardbred owners and breeders, a statewide association of
12 agricultural fairs in Illinois, the association representing
13 the largest number of standardbred owners, breeders, trainers,
14 caretakers, and drivers, a member of the Breeder's Committee of
15 the association representing the largest number of
16 standardbred owners, breeders, trainers, caretakers, and
17 drivers, and the organization licensees conducting harness
18 racing meetings have not been recommended by January 1 of each
19 odd numbered year, the Director of the Department of
20 Agriculture shall make an appointment for the organization
21 failing to so recommend a member of the Advisory Board.
22 Advisory Board members shall receive no compensation for their
23 services as members but shall be reimbursed for all actual and
24 necessary expenses and disbursements incurred in the execution
25 of their official duties.

26 (g) No monies shall be expended from the Illinois

1 Standardbred Breeders Fund except as appropriated by the
2 General Assembly. Monies appropriated from the Illinois
3 Standardbred Breeders Fund shall be expended by the Department
4 of Agriculture, with the assistance and advice of the Illinois
5 Standardbred Breeders Fund Advisory Board for the following
6 purposes only:

7 1. To provide purses for races limited to Illinois
8 conceived and foaled horses at the State Fair and the
9 DuQuoin State Fair.

10 2. To provide purses for races limited to Illinois
11 conceived and foaled horses at county fairs.

12 3. To provide purse supplements for races limited to
13 Illinois conceived and foaled horses conducted by
14 associations conducting harness racing meetings.

15 4. No less than 75% of all monies in the Illinois
16 Standardbred Breeders Fund shall be expended for purses in
17 1, 2 and 3 as shown above.

18 5. In the discretion of the Department of Agriculture
19 to provide awards to harness breeders of Illinois conceived
20 and foaled horses which win races conducted by organization
21 licensees conducting harness racing meetings. A breeder is
22 the owner of a mare at the time of conception. No more than
23 10% of all monies appropriated from the Illinois
24 Standardbred Breeders Fund shall be expended for such
25 harness breeders awards. No more than 25% of the amount
26 expended for harness breeders awards shall be expended for

1 expenses incurred in the administration of such harness
2 breeders awards.

3 6. To pay for the improvement of racing facilities
4 located at the State Fair and County fairs.

5 7. To pay the expenses incurred in the administration
6 of the Illinois Standardbred Breeders Fund.

7 8. To promote the sport of harness racing, including
8 grants up to a maximum of \$7,500 per fair per year for
9 conducting pari-mutuel wagering during the advertised
10 dates of a county fair.

11 9. To pay up to \$50,000 annually for the Department of
12 Agriculture to conduct drug testing at county fairs racing
13 standardbred horses.

14 10. To pay up to \$100,000 annually for distribution to
15 Illinois county fairs to supplement premiums offered in
16 junior classes.

17 11. To pay up to \$100,000 annually for division and
18 equal distribution to the animal sciences department of
19 each Illinois public university system engaged in equine
20 research and education on or before the effective date of
21 this amendatory Act of the 100th General Assembly for
22 equine research and education.

23 (h) (Blank) ~~Whenever the Governor finds that the amount in~~
24 ~~the Illinois Standardbred Breeders Fund is more than the total~~
25 ~~of the outstanding appropriations from such fund, the Governor~~
26 ~~shall notify the State Comptroller and the State Treasurer of~~

1 ~~such fact. The Comptroller and the State Treasurer, upon~~
2 ~~receipt of such notification, shall transfer such excess amount~~
3 ~~from the Illinois Standardbred Breeders Fund to the General~~
4 ~~Revenue Fund.~~

5 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
6 the gross ~~every~~ purse won by an Illinois conceived and foaled
7 horse shall be paid 50% by the organization licensee conducting
8 the horse race meeting to the breeder of such winning horse
9 from the organization licensee's account and 50% from the purse
10 account of the licensee ~~share of the money wagered~~. Such
11 payment shall not reduce any award to the owner of the horse or
12 reduce the taxes payable under this Act. Such payment shall be
13 delivered by the organization licensee at the end of each
14 quarter ~~race meeting~~.

15 (j) The Department of Agriculture shall, by rule, with the
16 assistance and advice of the Illinois Standardbred Breeders
17 Fund Advisory Board:

18 1. Qualify stallions for Illinois Standardbred
19 Breeders Fund breeding; ~~such stallion shall be owned by a~~
20 ~~resident of the State of Illinois or by an Illinois~~
21 ~~corporation all of whose shareholders, directors, officers~~
22 ~~and incorporators are residents of the State of Illinois.~~

23 Such stallion shall stand for service at and within the
24 State of Illinois at the time of a foal's conception, and
25 such stallion must not stand for service at any place, ~~nor~~
26 ~~may semen from such stallion be transported,~~ outside the

1 State of Illinois during that calendar year in which the
2 foal is conceived ~~and that the owner of the stallion was~~
3 ~~for the 12 months prior, a resident of Illinois. Foals~~
4 ~~conceived outside the State of Illinois from shipped semen~~
5 ~~from a stallion qualified for breeders' awards under this~~
6 ~~Section are not eligible to participate in the Illinois~~
7 ~~conceived and foaled program. The articles of agreement of~~
8 ~~any partnership, joint venture, limited partnership,~~
9 ~~syndicate, association or corporation and any bylaws and~~
10 ~~stock certificates must contain a restriction that~~
11 ~~provides that the ownership or transfer of interest by any~~
12 ~~one of the persons a party to the agreement can only be~~
13 ~~made to a person who qualifies as an Illinois resident.~~

14 2. Provide for the registration of Illinois conceived
15 and foaled horses and no such horse shall compete in the
16 races limited to Illinois conceived and foaled horses
17 unless registered with the Department of Agriculture. The
18 Department of Agriculture may prescribe such forms as may
19 be necessary to determine the eligibility of such horses.
20 No person shall knowingly prepare or cause preparation of
21 an application for registration of such foals containing
22 false information. A mare (dam) must be in the state at
23 least 180 ~~30~~ days prior to foaling or remain in the State
24 at least 30 days at the time of foaling. Beginning with the
25 1996 breeding season and for foals of 1997 and thereafter,
26 a foal conceived in the State of Illinois by transported

1 fresh semen may be eligible for Illinois conceived and
2 foaled registration provided all breeding and foaling
3 requirements are met. The stallion must be qualified for
4 Illinois Standardbred Breeders Fund breeding at the time of
5 conception and the mare must be inseminated within the
6 State of Illinois. The foal must be dropped in Illinois and
7 properly registered with the Department of Agriculture in
8 accordance with this Act.

9 3. Provide that at least a 5 day racing program shall
10 be conducted at the State Fair each year, which program
11 shall include at least the following races limited to
12 Illinois conceived and foaled horses: (a) a two year old
13 Trot and Pace, and Filly Division of each; (b) a three year
14 old Trot and Pace, and Filly Division of each; (c) an aged
15 Trot and Pace, and Mare Division of each.

16 4. Provide for the payment of nominating, sustaining
17 and starting fees for races promoting the sport of harness
18 racing and for the races to be conducted at the State Fair
19 as provided in subsection (j) 3 of this Section provided
20 that the nominating, sustaining and starting payment
21 required from an entrant shall not exceed 2% of the purse
22 of such race. All nominating, sustaining and starting
23 payments shall be held for the benefit of entrants and
24 shall be paid out as part of the respective purses for such
25 races. Nominating, sustaining and starting fees shall be
26 held in trust accounts for the purposes as set forth in

1 this Act and in accordance with Section 205-15 of the
2 Department of Agriculture Law (20 ILCS 205/205-15).

3 5. Provide for the registration with the Department of
4 Agriculture of Colt Associations or county fairs desiring
5 to sponsor races at county fairs.

6 6. Provide for the promotion of producing standardbred
7 racehorses by providing a bonus award program for owners of
8 2-year-old horses that win multiple major stakes races that
9 are limited to Illinois conceived and foaled horses.

10 (k) The Department of Agriculture, with the advice and
11 assistance of the Illinois Standardbred Breeders Fund Advisory
12 Board, may allocate monies for purse supplements for such
13 races. In determining whether to allocate money and the amount,
14 the Department of Agriculture shall consider factors,
15 including but not limited to, the amount of money appropriated
16 for the Illinois Standardbred Breeders Fund program, the number
17 of races that may occur, and an organizational licensee's purse
18 structure. The organizational licensee shall notify the
19 Department of Agriculture of the conditions and minimum purses
20 for races limited to Illinois conceived and foaled horses to be
21 conducted by each organizational licensee conducting a harness
22 racing meeting for which purse supplements have been
23 negotiated.

24 (1) All races held at county fairs and the State Fair which
25 receive funds from the Illinois Standardbred Breeders Fund
26 shall be conducted in accordance with the rules of the United

1 States Trotting Association unless otherwise modified by the
2 Department of Agriculture.

3 (m) At all standardbred race meetings held or conducted
4 under authority of a license granted by the Board, and at all
5 standardbred races held at county fairs which are approved by
6 the Department of Agriculture or at the Illinois or DuQuoin
7 State Fairs, no one shall jog, train, warm up or drive a
8 standardbred horse unless he or she is wearing a protective
9 safety helmet, with the chin strap fastened and in place, which
10 meets the standards and requirements as set forth in the 1984
11 Standard for Protective Headgear for Use in Harness Racing and
12 Other Equestrian Sports published by the Snell Memorial
13 Foundation, or any standards and requirements for headgear the
14 Illinois Racing Board may approve. Any other standards and
15 requirements so approved by the Board shall equal or exceed
16 those published by the Snell Memorial Foundation. Any
17 equestrian helmet bearing the Snell label shall be deemed to
18 have met those standards and requirements.

19 (Source: P.A. 99-756, eff. 8-12-16.)

20 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

21 Sec. 31.1. (a) Organization licensees collectively shall
22 contribute annually to charity the sum of \$1,000,000 ~~\$750,000~~
23 to non-profit organizations that provide medical and family,
24 counseling, and similar services to persons who reside or work
25 on the backstretch of Illinois racetracks. These contributions

1 shall be collected as follows: (i) no later than July 1st of
2 each year the Board shall assess each organization licensee,
3 except those tracks which are not within 100 miles of each
4 other which tracks shall pay \$40,000 ~~\$30,000~~ annually apiece
5 into the Board charity fund, that amount which equals \$920,000
6 ~~\$690,000~~ multiplied by the amount of pari-mutuel wagering
7 handled by the organization licensee in the year preceding
8 assessment and divided by the total pari-mutuel wagering
9 handled by all Illinois organization licensees, except those
10 tracks which are not within 100 miles of each other, in the
11 year preceding assessment; (ii) notice of the assessed
12 contribution shall be mailed to each organization licensee;
13 (iii) within thirty days of its receipt of such notice, each
14 organization licensee shall remit the assessed contribution to
15 the Board. If an organization licensee wilfully fails to so
16 remit the contribution, the Board may revoke its license to
17 conduct horse racing.

18 (b) No later than October 1st of each year, any qualified
19 charitable organization seeking an allotment of contributed
20 funds shall submit to the Board an application for those funds,
21 using the Board's approved form. No later than December 31st of
22 each year, the Board shall distribute all such amounts
23 collected that year to such charitable organization
24 applicants.

25 (Source: P.A. 87-110.)

1 (230 ILCS 5/32.1)

2 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
3 real estate equalization.

4 (a) In order to encourage new investment in Illinois
5 racetrack facilities and mitigate differing real estate tax
6 burdens among all racetracks, the licensees affiliated or
7 associated with each racetrack that has been awarded live
8 racing dates in the current year shall receive an immediate
9 pari-mutuel tax credit in an amount equal to the greater of (i)
10 50% of the amount of the real estate taxes paid in the prior
11 year attributable to that racetrack, or (ii) the amount by
12 which the real estate taxes paid in the prior year attributable
13 to that racetrack exceeds 60% of the average real estate taxes
14 paid in the prior year for all racetracks awarded live horse
15 racing meets in the current year.

16 Each year, regardless of whether the organization licensee
17 conducted live racing in the year of certification, the Board
18 shall certify in writing, prior to December 31, the real estate
19 taxes paid in that year for each racetrack and the amount of
20 the pari-mutuel tax credit that each organization licensee,
21 inter-track ~~intertrack~~ wagering licensee, and inter-track
22 ~~intertrack~~ wagering location licensee that derives its license
23 from such racetrack is entitled in the succeeding calendar
24 year. The real estate taxes considered under this Section for
25 any racetrack shall be those taxes on the real estate parcels
26 and related facilities used to conduct a horse race meeting and

1 inter-track wagering at such racetrack under this Act. In no
2 event shall the amount of the tax credit under this Section
3 exceed the amount of pari-mutuel taxes otherwise calculated
4 under this Act. The amount of the tax credit under this Section
5 shall be retained by each licensee and shall not be subject to
6 any reallocation or further distribution under this Act. The
7 Board may promulgate emergency rules to implement this Section.

8 (b) Beginning on January 1 following the calendar year
9 during which an organization licensee begins conducting
10 electronic gaming operations pursuant to an electronic gaming
11 license issued under the Illinois Gambling Act, the
12 organization licensee shall be ineligible to receive a tax
13 credit under this Section.

14 (Source: P.A. 91-40, eff. 6-25-99; revised 9-2-16.)

15 (230 ILCS 5/34.3 new)

16 Sec. 34.3. Drug testing. The Illinois Racing Board and the
17 Department of Agriculture shall jointly establish a program for
18 the purpose of conducting drug testing of horses at county
19 fairs and shall adopt any rules necessary for enforcement of
20 the program. The rules shall include appropriate penalties for
21 violations.

22 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

23 Sec. 36. (a) Whoever administers or conspires to administer
24 to any horse a hypnotic, narcotic, stimulant, depressant or any

1 chemical substance which may affect the speed of a horse at any
2 time in any race where the purse or any part of the purse is
3 made of money authorized by any Section of this Act, except
4 those chemical substances permitted by ruling of the Board,
5 internally, externally or by hypodermic method in a race or
6 prior thereto, or whoever knowingly enters a horse in any race
7 within a period of 24 hours after any hypnotic, narcotic,
8 stimulant, depressant or any other chemical substance which may
9 affect the speed of a horse at any time, except those chemical
10 substances permitted by ruling of the Board, has been
11 administered to such horse either internally or externally or
12 by hypodermic method for the purpose of increasing or retarding
13 the speed of such horse shall be guilty of a Class 4 felony.
14 The Board shall suspend or revoke such violator's license.

15 (b) The term "hypnotic" as used in this Section includes
16 all barbituric acid preparations and derivatives.

17 (c) The term "narcotic" as used in this Section includes
18 opium and all its alkaloids, salts, preparations and
19 derivatives, cocaine and all its salts, preparations and
20 derivatives and substitutes.

21 (d) The provisions of this Section 36 and the treatment
22 authorized herein apply to horses entered in and competing in
23 race meetings as defined in Section 3.07 of this Act and to
24 horses entered in and competing at any county fair.

25 (Source: P.A. 79-1185.)

1 (230 ILCS 5/39.2 new)

2 Sec. 39.2. Prohibition of political contributions from
3 certain licensees and applicants.

4 (a) The General Assembly has a compelling interest in
5 protecting the integrity of both the electoral process and the
6 legislative process by preventing corruption and the
7 appearance of corruption which may arise through permitting
8 certain political campaign contributions by certain persons
9 involved in the horse racing industry and regulated by the
10 State. Unlike most other regulated industries, horse racing is
11 especially susceptible to corruption and potential criminal
12 influence. In Illinois, only licensed horse racing is legal and
13 all other such activities are strictly prohibited. Given these
14 circumstances, it is imperative to eliminate any potential
15 corrupt influence in the horse racing industry and the
16 electoral process.

17 Banning political campaign contributions by certain
18 persons subject to this Section to State officeholders and
19 candidates for such offices and to county and municipal
20 officeholders and candidates for such offices in counties and
21 municipalities that receive financial benefits from horse
22 racing is necessary to prevent corruption and the appearance of
23 corruption that may arise when political campaign
24 contributions and horse racing that is regulated by the State
25 and that confers benefits on counties and municipalities are
26 intermingled.

1 (b) As used in this Section:

2 "Affiliated entity" means (i) any corporate parent and each
3 operating subsidiary of the business entity applying for or
4 holding a license, (ii) each operating subsidiary of the
5 corporate parent of the business entity applying for or holding
6 a license, (iii) any organization recognized by the United
7 States Internal Revenue Service as a tax-exempt organization
8 described in Section 501(c) of the Internal Revenue Code of
9 1986 (or any successor provision of federal tax law)
10 established by one or more business entities seeking or holding
11 a license, any affiliated entity of such business entity, or
12 any affiliated person of such business entity, and (iv) any
13 political committee for which the business entity applying for
14 or holding a license, or any 501(c) organization described in
15 item (iii) related to that business entity, is the sponsoring
16 entity, as defined in Section 9-3 of the Election Code. For
17 purposes of item (iv), the funding of all business entities
18 applying for or holding a license shall be aggregated in
19 determining whether such political committee is an affiliated
20 entity.

21 "Affiliated person" means (i) any person with any ownership
22 interest or distributive share in excess of 7.5% of any
23 business entity applying for or holding a license, (ii)
24 executive employees of any such business entity, and (iii) the
25 spouse of the persons described in items (i) and (ii).

26 "Business entity" means any entity doing business for

1 profit, whether organized as a corporation, partnership, sole
2 proprietorship, limited liability company, or otherwise.

3 "Contribution" means a contribution as defined in Section
4 9-1.4 of the Election Code.

5 "Declared candidate" means a person who has filed a
6 statement of candidacy and petition for nomination or election
7 in the principal office of the State Board of Elections, or in
8 the office of the appropriate election authority for any county
9 or municipality in which a race track is located.

10 "Executive employee" means (i) any person who is an officer
11 or director or who fulfills duties equivalent to those of an
12 officer or director of a business entity applying for or
13 holding a license and (ii) any employee of such business entity
14 who is required to register under the Lobbyist Registration
15 Act.

16 "License" means any organization, inter-track wagering,
17 inter-track wagering location, advance deposit wagering or
18 concessionaire license issued pursuant to this Act.

19 "Officeholder" means the Governor, Lieutenant Governor,
20 Attorney General, Secretary of State, Comptroller, Treasurer,
21 member of the General Assembly, or any officeholder in any
22 county or municipality in which a race track is located.

23 (c) Any person or business entity applying for or holding a
24 license, any affiliated entities or persons of such business
25 entity, any horsemen's association, and any entities or persons
26 soliciting a contribution or causing a contribution to be made

1 on behalf of such person, business entity, or horsemen's
2 association, are prohibited from making any contribution to any
3 officeholder or declared candidate or any political committee
4 affiliated with any officeholder or declared candidate, as
5 defined in Section 9-1.8 of the Election Code. This prohibition
6 shall commence upon filing of an application for a license and
7 shall continue for a period of 2 years after termination,
8 suspension or revocation of the license.

9 The Board shall have authority to suspend, revoke, or
10 restrict the license and to impose civil penalties of up to
11 \$100,000 for each violation of this subsection (c). A notice of
12 each such violation and the penalty imposed shall be published
13 on the Board's Internet website and in the Illinois Register.
14 Payments received by the State pursuant to this subsection
15 shall be deposited into the General Revenue Fund.

16 Any officeholder or declared candidate or any political
17 committee affiliated with any officeholder or declared
18 candidate that has received a contribution in violation of this
19 subsection (c) shall pay an amount equal to the value of the
20 contribution to the State no more than 30 days after notice of
21 the violation concerning the contribution appears in the
22 Illinois Register. Payments received by the State pursuant to
23 this subsection (c) shall be deposited into the General Revenue
24 Fund.

25 (d) The Board shall post on its website a list of all
26 persons, business entities, horsemen's associations, and

1 affiliated entities prohibited from making contributions to
2 any officeholder or declared candidate political committee
3 pursuant to subsection (c), which list shall be updated and
4 published, at a minimum, every 6 months.

5 Any person, business entity, horsemen's association, or
6 affiliated entity prohibited from making contributions to any
7 officeholder or declared candidate political committee
8 pursuant to subsection (c) shall notify the Board within 7 days
9 after discovering any necessary change or addition to the
10 information relating to that person, business entity,
11 horsemen's association, or affiliated entity contained in the
12 list.

13 An individual who acts in good faith and in reliance on any
14 information contained in the list shall not be subject to any
15 penalties or liability imposed for a violation of this Section.

16 (e) If any provision of this Section is held invalid or its
17 application to any person or circumstance is held invalid, the
18 invalidity of that provision or application does not affect the
19 other provisions or applications of this Section that can be
20 given effect without the invalid application or provision.

21 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

22 Sec. 40. (a) The imposition of any fine or penalty provided
23 in this Act shall not preclude the Board in its rules and
24 regulations from imposing a fine or penalty for any other
25 action which, in the Board's discretion, is a detriment or

1 impediment to horse racing.

2 (b) The Director of Agriculture or his or her authorized
3 representative shall impose the following monetary penalties
4 and hold administrative hearings as required for failure to
5 submit the following applications, lists, or reports within the
6 time period, date or manner required by statute or rule or for
7 removing a foal from Illinois prior to inspection:

8 (1) late filing of a renewal application for offering
9 or standing stallion for service:

10 (A) if an application is submitted no more than 30
11 days late, \$50;

12 (B) if an application is submitted no more than 45
13 days late, \$150; or

14 (C) if an application is submitted more than 45
15 days late, if filing of the application is allowed
16 under an administrative hearing, \$250;

17 (2) late filing of list or report of mares bred:

18 (A) if a list or report is submitted no more than
19 30 days late, \$50;

20 (B) if a list or report is submitted no more than
21 60 days late, \$150; or

22 (C) if a list or report is submitted more than 60
23 days late, if filing of the list or report is allowed
24 under an administrative hearing, \$250;

25 (3) filing an Illinois foaled thoroughbred mare status
26 report after the statutory deadline as provided in

1 subsection (k) of Section 30 of this Act ~~December 31:~~

2 (A) if a report is submitted no more than 30 days
3 late, \$50;

4 (B) if a report is submitted no more than 90 days
5 late, \$150;

6 (C) if a report is submitted no more than 150 days
7 late, \$250; or

8 (D) if a report is submitted more than 150 days
9 late, if filing of the report is allowed under an
10 administrative hearing, \$500;

11 (4) late filing of application for foal eligibility
12 certificate:

13 (A) if an application is submitted no more than 30
14 days late, \$50;

15 (B) if an application is submitted no more than 90
16 days late, \$150;

17 (C) if an application is submitted no more than 150
18 days late, \$250; or

19 (D) if an application is submitted more than 150
20 days late, if filing of the application is allowed
21 under an administrative hearing, \$500;

22 (5) failure to report the intent to remove a foal from
23 Illinois prior to inspection, identification and
24 certification by a Department of Agriculture investigator,
25 \$50; and

26 (6) if a list or report of mares bred is incomplete,

1 \$50 per mare not included on the list or report.

2 Any person upon whom monetary penalties are imposed under
3 this Section 3 times within a 5-year ~~5-year~~ period shall have
4 any further monetary penalties imposed at double the amounts
5 set forth above. All monies assessed and collected for
6 violations relating to thoroughbreds shall be paid into the
7 Illinois Thoroughbred Breeders Fund. All monies assessed and
8 collected for violations relating to standardbreds shall be
9 paid into the Illinois Standardbred Breeders Fund.

10 (Source: P.A. 87-397; revised 9-2-16.)

11 (230 ILCS 5/54.75)

12 Sec. 54.75. Horse Racing Equity Trust Fund.

13 (a) There is created a Fund to be known as the Horse Racing
14 Equity Trust Fund, which is a non-appropriated trust fund held
15 separate and apart from State moneys. The Fund shall consist of
16 moneys paid into it by owners licensees under the Illinois
17 ~~Riverboat~~ Gambling Act for the purposes described in this
18 Section. The Fund shall be administered by the Board. Moneys in
19 the Fund shall be distributed as directed and certified by the
20 Board in accordance with the provisions of subsection (b).

21 (b) The moneys deposited into the Fund, plus any accrued
22 interest on those moneys, shall be distributed within 10 days
23 after those moneys are deposited into the Fund as follows:

24 (1) Sixty percent of all moneys distributed under this
25 subsection shall be distributed to organization licensees

1 to be distributed at their race meetings as purses.
2 Fifty-seven percent of the amount distributed under this
3 paragraph (1) shall be distributed for thoroughbred race
4 meetings and 43% shall be distributed for standardbred race
5 meetings. Within each breed, moneys shall be allocated to
6 each organization licensee's purse fund in accordance with
7 the ratio between the purses generated for that breed by
8 that licensee during the prior calendar year and the total
9 purses generated throughout the State for that breed during
10 the prior calendar year by licensees in the current
11 calendar year.

12 (2) The remaining 40% of the moneys distributed under
13 this subsection (b) shall be distributed as follows:

14 (A) 11% shall be distributed to any person (or its
15 successors or assigns) who had operating control of a
16 racetrack that conducted live racing in 2002 at a
17 racetrack in a county with at least 230,000 inhabitants
18 that borders the Mississippi River and is a licensee in
19 the current year; and

20 (B) the remaining 89% shall be distributed pro rata
21 according to the aggregate proportion of total handle
22 from wagering on live races conducted in Illinois
23 (irrespective of where the wagers are placed) for
24 calendar years 2004 and 2005 to any person (or its
25 successors or assigns) who (i) had majority operating
26 control of a racing facility at which live racing was

1 conducted in calendar year 2002, (ii) is a licensee in
2 the current year, and (iii) is not eligible to receive
3 moneys under subparagraph (A) of this paragraph (2).

4 The moneys received by an organization licensee
5 under this paragraph (2) shall be used by each
6 organization licensee to improve, maintain, market,
7 and otherwise operate its racing facilities to conduct
8 live racing, which shall include backstretch services
9 and capital improvements related to live racing and the
10 backstretch. Any organization licensees sharing common
11 ownership may pool the moneys received and spent at all
12 racing facilities commonly owned in order to meet these
13 requirements.

14 If any person identified in this paragraph (2) becomes
15 ineligible to receive moneys from the Fund, such amount
16 shall be redistributed among the remaining persons in
17 proportion to their percentages otherwise calculated.

18 (c) The Board shall monitor organization licensees to
19 ensure that moneys paid to organization licensees under this
20 Section are distributed by the organization licensees as
21 provided in subsection (b).

22 (Source: P.A. 95-1008, eff. 12-15-08.)

23 (230 ILCS 5/56 new)

24 Sec. 56. Electronic gaming.

25 (a) A person, firm, corporation, or limited liability

1 company having operating control of a race track may apply to
2 the Gaming Board for an electronic gaming license. An
3 electronic gaming license shall authorize its holder to conduct
4 electronic gaming on the grounds of the race track controlled
5 by the licensee's race track. Only one electronic gaming
6 license may be awarded for any race track. A holder of an
7 electronic gaming license shall be subject to the Illinois
8 Gambling Act and rules of the Illinois Gaming Board concerning
9 electronic gaming. If the person, firm, corporation, or limited
10 liability company having operating control of a race track is
11 found by the Illinois Gaming Board to be unsuitable for an
12 electronic gaming license under the Illinois Gambling Act and
13 rules of the Gaming Board, that person, firm, corporation, or
14 limited liability company shall not be granted an electronic
15 gaming license. Each license shall specify the number of gaming
16 positions that its holder may operate.

17 An electronic gaming licensee may not permit persons under
18 21 years of age to be present in its electronic gaming
19 facility, but the licensee may accept wagers on live racing and
20 inter-track wagers at its electronic gaming facility.

21 (b) For purposes of this subsection, "adjusted gross
22 receipts" means an electronic gaming licensee's gross receipts
23 less winnings paid to wagerers and shall also include any
24 amounts that would otherwise be deducted pursuant to subsection
25 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted
26 gross receipts by an electronic gaming licensee from electronic

1 gaming remaining after the payment of taxes under Section 13 of
2 the Illinois Gambling Act shall be distributed as follows:

3 (1) Amounts shall be paid to the purse account at the
4 track at which the organization licensee is conducting
5 racing equal to the following:

6 12.75% of annual adjusted gross receipts up to and
7 including \$75,000,000;

8 20% of annual adjusted gross receipts in excess of
9 \$75,000,000 but not exceeding \$100,000,000;

10 26.5% of annual adjusted gross receipts in excess
11 of \$100,000,000 but not exceeding \$125,000,000; and

12 20.5% of annual adjusted gross receipts in excess
13 of \$125,000,000.

14 (2) The remainder shall be retained by the electronic
15 gaming licensee.

16 (c) Electronic gaming receipts placed into the purse
17 account of an organization licensee racing thoroughbred horses
18 shall be used for purses, for health care services or worker's
19 compensation for racing industry workers, for equine research,
20 for programs to care for and transition injured and retired
21 thoroughbred horses that race at the race track, or for horse
22 ownership promotion, in accordance with the agreement of the
23 horsemen's association representing the largest number of
24 owners and trainers who race at that organization licensee's
25 race meetings.

26 Annually, from the purse account of an organization

1 licensee racing thoroughbred horses in this State, except for
2 in Madison County, an amount equal to 12% of the electronic
3 gaming receipts placed into the purse accounts shall be paid to
4 the Illinois Thoroughbred Breeders Fund and shall be used for
5 owner awards; a stallion program pursuant to paragraph (3) of
6 subsection (g) of Section 30 of this Act; and Illinois
7 conceived and foaled stakes races pursuant to paragraph (2) of
8 subsection (g) of Section 30 of this Act, as specifically
9 designated by the horsemen's association representing the
10 largest number of owners and trainers who race at the
11 organization licensee's race meetings.

12 Annually, from the purse account of an organization
13 licensee racing thoroughbred horses in Madison County, an
14 amount equal to 10% of the electronic gaming receipts placed
15 into the purse accounts shall be paid to the Illinois
16 Thoroughbred Breeders Fund and shall be used for owner awards;
17 a stallion program pursuant to paragraph (3) of subsection (g)
18 of Section 30 of this Act; and Illinois conceived and foaled
19 stakes races pursuant to paragraph (2) of subsection (g) of
20 Section 30 of this Act, as specifically designated by the
21 horsemen's association representing the largest number of
22 owners and trainers who race at the organization licensee's
23 race meetings.

24 Annually, from the purse account of an organization
25 licensee conducting thoroughbred races at a race track in
26 Madison County, an amount equal to 1% of the electronic gaming

1 receipts distributed to purses per subsection (b) of this
2 Section 56 shall be paid as follows: 0.33 1/3% to Southern
3 Illinois University Department of Animal Sciences for equine
4 research and education, an amount equal to 0.33 1/3% of the
5 electronic gaming receipts shall be used to operate laundry
6 facilities or a kitchen for backstretch workers at that race
7 track, and an amount equal to 0.33 1/3% of the electronic
8 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
9 non-profit organization that cares for injured and unwanted
10 horses that race at that race track.

11 Annually, from the purse account of organization licensees
12 conducting thoroughbred races at race tracks in Cook County,
13 \$100,000 shall be paid for division and equal distribution to
14 the animal sciences department of each Illinois public
15 university system engaged in equine research and education on
16 or before the effective date of this amendatory Act of the
17 100th General Assembly for equine research and education.

18 (d) Annually, from the purse account of an organization
19 licensee racing standardbred horses, an amount equal to 15% of
20 the electronic gaming receipts placed into that purse account
21 shall be paid to the Illinois Colt Stakes Purse Distribution
22 Fund. Moneys deposited into the Illinois Colt Stakes Purse
23 Distribution Fund shall be used for standardbred racing as
24 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of
25 subsection (g) of Section 31 of this Act and for bonus awards
26 as authorized under paragraph 6 of subsection (j) of Section 31

1 of this Act.

2 (e) The Illinois Gaming Board shall submit a report to the
3 General Assembly on or before December 31, 2018 that examines
4 the feasibility of conducting electronic gaming at the Illinois
5 State Fairgrounds in Sangamon County. At a minimum, this report
6 shall analyze the projected revenues that will be generated,
7 the potential for cannibalization of existing riverboats,
8 casinos, or other electronic gaming facilities, and the
9 potential detriment to the surrounding area and its population.
10 The report shall include the Illinois Gaming Board's findings
11 together with appropriate recommendations for legislative
12 action.

13 Section 90-40. The Riverboat Gambling Act is amended by
14 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
15 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
16 and 24 and by adding Sections 5.3, 7.7, 7.8, 7.9, 7.10, 7.11,
17 7.12, 7.13, and 18.2 as follows:

18 (230 ILCS 10/1) (from Ch. 120, par. 2401)

19 Sec. 1. Short title. This Act shall be known and may be
20 cited as the Illinois Riverboat Gambling Act.

21 (Source: P.A. 86-1029.)

22 (230 ILCS 10/2) (from Ch. 120, par. 2402)

23 Sec. 2. Legislative Intent.

1 (a) This Act is intended to benefit the people of the State
2 of Illinois by assisting economic development, ~~and~~ promoting
3 Illinois tourism, ~~and by~~ increasing the amount of revenues
4 available to the State to assist and support education, and to
5 defray State expenses, including unpaid bills.

6 (b) While authorization of riverboat and casino gambling
7 will enhance investment, beautification, development and
8 tourism in Illinois, it is recognized that it will do so
9 successfully only if public confidence and trust in the
10 credibility and integrity of the gambling operations and the
11 regulatory process is maintained. Therefore, regulatory
12 provisions of this Act are designed to strictly regulate the
13 facilities, persons, associations and practices related to
14 gambling operations pursuant to the police powers of the State,
15 including comprehensive law enforcement supervision.

16 (c) The Illinois Gaming Board established under this Act
17 should, as soon as possible, inform each applicant for an
18 owners license of the Board's intent to grant or deny a
19 license.

20 (Source: P.A. 93-28, eff. 6-20-03.)

21 (230 ILCS 10/3) (from Ch. 120, par. 2403)

22 Sec. 3. ~~Riverboat~~ Gambling Authorized.

23 (a) Riverboat and casino gambling operations and
24 electronic gaming operations ~~and the system of wagering~~
25 ~~incorporated therein~~, as defined in this Act, are hereby

1 authorized to the extent that they are carried out in
2 accordance with the provisions of this Act.

3 (b) This Act does not apply to the pari-mutuel system of
4 wagering used or intended to be used in connection with the
5 horse-race meetings as authorized under the Illinois Horse
6 Racing Act of 1975, lottery games authorized under the Illinois
7 Lottery Law, bingo authorized under the Bingo License and Tax
8 Act, charitable games authorized under the Charitable Games Act
9 or pull tabs and jar games conducted under the Illinois Pull
10 Tabs and Jar Games Act. This Act applies to electronic gaming
11 authorized under the Illinois Horse Racing Act of 1975 to the
12 extent provided in that Act and in this Act.

13 (c) Riverboat gambling conducted pursuant to this Act may
14 be authorized upon any water within the State of Illinois or
15 any water other than Lake Michigan which constitutes a boundary
16 of the State of Illinois. Notwithstanding any provision in this
17 subsection (c) to the contrary, a licensee that receives its
18 license pursuant to subsection (e-5) of Section 7 may conduct
19 riverboat gambling on Lake Michigan from a home dock located on
20 Lake Michigan subject to any limitations contained in Section
21 7. Notwithstanding any provision in this subsection (c) to the
22 contrary, a licensee may conduct gambling at its home dock
23 facility as provided in Sections 7 and 11. A licensee may
24 conduct riverboat gambling authorized under this Act
25 regardless of whether it conducts excursion cruises. A licensee
26 may permit the continuous ingress and egress of passengers for

1 the purpose of gambling.

2 (d) Gambling that is conducted in accordance with this Act
3 using slot machines and video games of chance and other
4 electronic gambling games as defined in both this Act and the
5 Illinois Horse Racing Act of 1975 is authorized.

6 (Source: P.A. 91-40, eff. 6-25-99.)

7 (230 ILCS 10/4) (from Ch. 120, par. 2404)

8 Sec. 4. Definitions. As used in this Act:

9 ~~(a)~~ "Board" means the Illinois Gaming Board.

10 ~~(b)~~ "Occupational license" means a license issued by the
11 Board to a person or entity to perform an occupation which the
12 Board has identified as requiring a license to engage in
13 riverboat gambling, casino gambling, or electronic gaming in
14 Illinois.

15 ~~(c)~~ "Gambling game" includes, but is not limited to,
16 baccarat, twenty-one, poker, craps, slot machine, video game of
17 chance, roulette wheel, klondike table, punchboard, faro
18 layout, keno layout, numbers ticket, push card, jar ticket, or
19 pull tab which is authorized by the Board as a wagering device
20 under this Act.

21 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
22 permanently moored barge, or permanently moored barges that are
23 permanently fixed together to operate as one vessel, on which
24 lawful gambling is authorized and licensed as provided in this
25 Act.

1 "Slot machine" means any mechanical, electrical, or other
2 device, contrivance, or machine that is authorized by the Board
3 as a wagering device under this Act which, upon insertion of a
4 coin, currency, token, or similar object therein, or upon
5 payment of any consideration whatsoever, is available to play
6 or operate, the play or operation of which may deliver or
7 entitle the person playing or operating the machine to receive
8 cash, premiums, merchandise, tokens, or anything of value
9 whatsoever, whether the payoff is made automatically from the
10 machine or in any other manner whatsoever. A slot machine:

11 (1) may utilize spinning reels or video displays or
12 both;

13 (2) may or may not dispense coins, tickets, or tokens
14 to winning patrons;

15 (3) may use an electronic credit system for receiving
16 wagers and making payouts; and

17 (4) may simulate a table game.

18 "Slot machine" does not include table games authorized by
19 the Board as a wagering device under this Act.

20 ~~(e)~~ "Managers license" means a license issued by the Board
21 to a person or entity to manage gambling operations conducted
22 by the State pursuant to Section 7.3.

23 ~~(f)~~ "Dock" means the location where a riverboat moors for
24 the purpose of embarking passengers for and disembarking
25 passengers from the riverboat.

26 ~~(g)~~ "Gross receipts" means the total amount of money

1 exchanged for the purchase of chips, tokens, or electronic
2 cards by riverboat patrons.

3 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
4 winnings paid to wagerers.

5 ~~(i)~~ "Cheat" means to alter the selection of criteria which
6 determine the result of a gambling game or the amount or
7 frequency of payment in a gambling game.

8 ~~(j)~~ ~~(Blank)~~.

9 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
10 gambling games authorized under this Act upon a riverboat or in
11 a casino or authorized under this Act and the Illinois Horse
12 Racing Act of 1975 at an electronic gaming facility.

13 ~~(l)~~ "License bid" means the lump sum amount of money that
14 an applicant bids and agrees to pay the State in return for an
15 owners license that is issued or re-issued on or after July 1,
16 2003.

17 "Table game" means a live gaming apparatus upon which
18 gaming is conducted or that determines an outcome that is the
19 object of a wager, including, but not limited to, baccarat,
20 twenty-one, blackjack, poker, craps, roulette wheel, klondike
21 table, punchboard, faro layout, keno layout, numbers ticket,
22 push card, jar ticket, pull tab, or other similar games that
23 are authorized by the Board as a wagering device under this
24 Act. "Table game" does not include slot machines or video games
25 of chance.

26 ~~(m)~~ The terms "minority person", "female", and "person with

1 a disability" shall have the same meaning as defined in Section
2 of the Business Enterprise for Minorities, Females, and
3 Persons with Disabilities Act.

4 "Authority" means the Chicago Casino Development
5 Authority.

6 "Casino" means a facility at which lawful gambling is
7 authorized as provided in this Act.

8 "Owners license" means a license to conduct riverboat or
9 casino gambling operations, but does not include an electronic
10 gaming license.

11 "Licensed owner" means a person who holds an owners
12 license.

13 "Electronic gaming" means slot machine gambling, video
14 game of chance gambling, or gambling with electronic gambling
15 games as defined in this Act or defined by the Board that is
16 conducted at a race track pursuant to an electronic gaming
17 license.

18 "Electronic gaming facility" means the area where the Board
19 has authorized electronic gaming at a race track of an
20 organization licensee under the Illinois Horse Racing Act of
21 1975 that holds an electronic gaming license.

22 "Electronic gaming license" means a license issued by the
23 Board under Section 7.7 of this Act authorizing electronic
24 gaming at an electronic gaming facility.

25 "Electronic gaming licensee" means an entity that holds an
26 electronic gaming license.

1 "Organization licensee" means an entity authorized by the
2 Illinois Racing Board to conduct pari-mutuel wagering in
3 accordance with the Illinois Horse Racing Act of 1975. With
4 respect only to electronic gaming, "organization licensee"
5 includes the authorization for electronic gaming created under
6 subsection (a) of Section 56 of the Illinois Horse Racing Act
7 of 1975.

8 "Casino operator license" means the license held by the
9 person or entity selected by the Authority to manage and
10 operate a riverboat or casino within the geographic area of the
11 authorized municipality pursuant to this Act and the Chicago
12 Casino Development Authority Act.

13 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

14 (230 ILCS 10/5) (from Ch. 120, par. 2405)

15 Sec. 5. Gaming Board.

16 (a) (1) There is hereby established the Illinois Gaming
17 Board, which shall have the powers and duties specified in this
18 Act and in the Chicago Casino Development Authority Act, and
19 all other powers necessary and proper to fully and effectively
20 execute this Act for the purpose of administering, regulating,
21 and enforcing the system of riverboat and casino gambling and
22 electronic gaming established by this Act and by the Chicago
23 Casino Development Authority Act. Its jurisdiction shall
24 extend under this Act and the Chicago Casino Development
25 Authority Act to every person, association, corporation,

1 partnership and trust involved in riverboat and casino gambling
2 operations and electronic gaming in the State of Illinois.

3 (2) The Board shall consist of 5 members to be appointed by
4 the Governor with the advice and consent of the Senate, one of
5 whom shall be designated by the Governor to be chairperson
6 ~~chairman~~. Each member shall have a reasonable knowledge of the
7 practice, procedure and principles of gambling operations.
8 Each member shall either be a resident of Illinois or shall
9 certify that he or she will become a resident of Illinois
10 before taking office.

11 On and after the effective date of this amendatory Act of
12 the 100th General Assembly, new appointees to the Board must
13 include the following:

14 (A) One member who has received, at a minimum, a
15 bachelor's degree from an accredited school and at least 10
16 years of verifiable training and experience in the fields
17 of investigation and law enforcement.

18 (B) One member who is a certified public accountant
19 with experience in auditing and with knowledge of complex
20 corporate structures and transactions.

21 (C) One member who has 5 years' experience as a
22 principal, senior officer, or director of a company or
23 business with either material responsibility for the daily
24 operations and management of the overall company or
25 business or material responsibility for the policy making
26 of the company or business.

1 (D) One member who is a lawyer licensed to practice law
2 in Illinois.

3 Notwithstanding any provision of this subsection (a), the
4 requirements of subparagraphs (A) through (D) of this paragraph
5 (2) shall not apply to any person reappointed pursuant to
6 paragraph (3).

7 No more than 3 members of the Board may be from the same
8 political party. The Board should reflect the ethnic, cultural,
9 and geographic diversity of the State. No Board member shall,
10 within a period of one year immediately preceding nomination,
11 have been employed or received compensation or fees for
12 services from a person or entity, or its parent or affiliate,
13 that has engaged in business with the Board, a licensee, or a
14 licensee under the Illinois Horse Racing Act of 1975. Board
15 members must publicly disclose all prior affiliations with
16 gaming interests, including any compensation, fees, bonuses,
17 salaries, and other reimbursement received from a person or
18 entity, or its parent or affiliate, that has engaged in
19 business with the Board, a licensee, or a licensee under the
20 Illinois Horse Racing Act of 1975. This disclosure must be made
21 within 30 days after nomination but prior to confirmation by
22 the Senate and must be made available to the members of the
23 Senate. ~~At least one member shall be experienced in law~~
24 ~~enforcement and criminal investigation, at least one member~~
25 ~~shall be a certified public accountant experienced in~~
26 ~~accounting and auditing, and at least one member shall be a~~

1 ~~lawyer licensed to practice law in Illinois.~~

2 (3) The terms of office of the Board members shall be 3
3 years, except that the terms of office of the initial Board
4 members appointed pursuant to this Act will commence from the
5 effective date of this Act and run as follows: one for a term
6 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
7 a term ending July 1, 1993. Upon the expiration of the
8 foregoing terms, the successors of such members shall serve a
9 term for 3 years and until their successors are appointed and
10 qualified for like terms. Vacancies in the Board shall be
11 filled for the unexpired term in like manner as original
12 appointments. Each member of the Board shall be eligible for
13 reappointment at the discretion of the Governor with the advice
14 and consent of the Senate.

15 (4) Each member of the Board shall receive \$300 for each
16 day the Board meets and for each day the member conducts any
17 hearing pursuant to this Act. Each member of the Board shall
18 also be reimbursed for all actual and necessary expenses and
19 disbursements incurred in the execution of official duties.

20 (5) No person shall be appointed a member of the Board or
21 continue to be a member of the Board who is, or whose spouse,
22 child or parent is, a member of the board of directors of, or a
23 person financially interested in, any gambling operation
24 subject to the jurisdiction of this Board, or any race track,
25 race meeting, racing association or the operations thereof
26 subject to the jurisdiction of the Illinois Racing Board. No

1 Board member shall hold any other public office. No person
2 shall be a member of the Board who is not of good moral
3 character or who has been convicted of, or is under indictment
4 for, a felony under the laws of Illinois or any other state, or
5 the United States.

6 (5.5) No member of the Board shall engage in any political
7 activity. For the purposes of this Section, "political" means
8 any activity in support of or in connection with any campaign
9 for federal, State, or local elective office or any political
10 organization, but does not include activities (i) relating to
11 the support or opposition of any executive, legislative, or
12 administrative action (as those terms are defined in Section 2
13 of the Lobbyist Registration Act), (ii) relating to collective
14 bargaining, or (iii) that are otherwise in furtherance of the
15 person's official State duties or governmental and public
16 service functions.

17 (6) Any member of the Board may be removed by the Governor
18 for neglect of duty, misfeasance, malfeasance, or nonfeasance
19 in office or for engaging in any political activity.

20 (7) Before entering upon the discharge of the duties of his
21 office, each member of the Board shall take an oath that he
22 will faithfully execute the duties of his office according to
23 the laws of the State and the rules and regulations adopted
24 therewith and shall give bond to the State of Illinois,
25 approved by the Governor, in the sum of \$25,000. Every such
26 bond, when duly executed and approved, shall be recorded in the

1 office of the Secretary of State. Whenever the Governor
2 determines that the bond of any member of the Board has become
3 or is likely to become invalid or insufficient, he shall
4 require such member forthwith to renew his bond, which is to be
5 approved by the Governor. Any member of the Board who fails to
6 take oath and give bond within 30 days from the date of his
7 appointment, or who fails to renew his bond within 30 days
8 after it is demanded by the Governor, shall be guilty of
9 neglect of duty and may be removed by the Governor. The cost of
10 any bond given by any member of the Board under this Section
11 shall be taken to be a part of the necessary expenses of the
12 Board.

13 (7.5) For the examination of all mechanical,
14 electromechanical, or electronic table games, slot machines,
15 slot accounting systems, and other electronic gaming equipment
16 for compliance with this Act, the Board may utilize the
17 services of one or more independent outside testing
18 laboratories that have been accredited by a national
19 accreditation body and that, in the judgment of the Board, are
20 qualified to perform such examinations.

21 (8) The Board shall employ such personnel as may be
22 necessary to carry out its functions and shall determine the
23 salaries of all personnel, except those personnel whose
24 salaries are determined under the terms of a collective
25 bargaining agreement. No person shall be employed to serve the
26 Board who is, or whose spouse, parent or child is, an official

1 of, or has a financial interest in or financial relation with,
2 any operator engaged in gambling operations within this State
3 or any organization engaged in conducting horse racing within
4 this State. For the one year immediately preceding employment,
5 an employee shall not have been employed or received
6 compensation or fees for services from a person or entity, or
7 its parent or affiliate, that has engaged in business with the
8 Board, a licensee, or a licensee under the Illinois Horse
9 Racing Act of 1975. Any employee violating these prohibitions
10 shall be subject to termination of employment. In addition, all
11 Board members and employees are subject to the restrictions set
12 forth in Section 5-45 of the State Officials and Employees
13 Ethics Act.

14 (9) An Administrator shall perform any and all duties that
15 the Board shall assign him. The salary of the Administrator
16 shall be determined by the Board and, in addition, he shall be
17 reimbursed for all actual and necessary expenses incurred by
18 him in discharge of his official duties. The Administrator
19 shall keep records of all proceedings of the Board and shall
20 preserve all records, books, documents and other papers
21 belonging to the Board or entrusted to its care. The
22 Administrator shall devote his full time to the duties of the
23 office and shall not hold any other office or employment.

24 (b) The Board shall have general responsibility for the
25 implementation of this Act. Its duties include, without
26 limitation, the following:

1 (1) To decide promptly and in reasonable order all
2 license applications. Any party aggrieved by an action of
3 the Board denying, suspending, revoking, restricting or
4 refusing to renew a license may request a hearing before
5 the Board. A request for a hearing must be made to the
6 Board in writing within 5 days after service of notice of
7 the action of the Board. Notice of the action of the Board
8 shall be served either by personal delivery or by certified
9 mail, postage prepaid, to the aggrieved party. Notice
10 served by certified mail shall be deemed complete on the
11 business day following the date of such mailing. The Board
12 shall conduct all requested hearings promptly and in
13 reasonable order;

14 (2) To conduct all hearings pertaining to civil
15 violations of this Act or rules and regulations promulgated
16 hereunder;

17 (3) To promulgate such rules and regulations as in its
18 judgment may be necessary to protect or enhance the
19 credibility and integrity of gambling operations
20 authorized by this Act and the regulatory process
21 hereunder;

22 (4) To provide for the establishment and collection of
23 all license and registration fees and taxes imposed by this
24 Act and the rules and regulations issued pursuant hereto.
25 All such fees and taxes shall be deposited into the State
26 Gaming Fund;

1 (5) To provide for the levy and collection of penalties
2 and fines for the violation of provisions of this Act and
3 the rules and regulations promulgated hereunder. All such
4 fines and penalties shall be deposited into the Education
5 Assistance Fund, created by Public Act 86-0018, of the
6 State of Illinois;

7 (6) To be present through its inspectors and agents any
8 time gambling operations are conducted on any riverboat, in
9 any casino, or at any electronic gaming facility for the
10 purpose of certifying the revenue thereof, receiving
11 complaints from the public, and conducting such other
12 investigations into the conduct of the gambling games and
13 the maintenance of the equipment as from time to time the
14 Board may deem necessary and proper;

15 (7) To review and rule upon any complaint by a licensee
16 regarding any investigative procedures of the State which
17 are unnecessarily disruptive of gambling operations. The
18 need to inspect and investigate shall be presumed at all
19 times. The disruption of a licensee's operations shall be
20 proved by clear and convincing evidence, and establish
21 that: (A) the procedures had no reasonable law enforcement
22 purposes, and (B) the procedures were so disruptive as to
23 unreasonably inhibit gambling operations;

24 (8) To hold at least one meeting each quarter of the
25 fiscal year. In addition, special meetings may be called by
26 the Chairman or any 2 Board members upon 72 hours written

1 notice to each member. All Board meetings shall be subject
2 to the Open Meetings Act. Three members of the Board shall
3 constitute a quorum, and 3 votes shall be required for any
4 final determination by the Board. The Board shall keep a
5 complete and accurate record of all its meetings. A
6 majority of the members of the Board shall constitute a
7 quorum for the transaction of any business, for the
8 performance of any duty, or for the exercise of any power
9 which this Act requires the Board members to transact,
10 perform or exercise en banc, except that, upon order of the
11 Board, one of the Board members or an administrative law
12 judge designated by the Board may conduct any hearing
13 provided for under this Act or by Board rule and may
14 recommend findings and decisions to the Board. The Board
15 member or administrative law judge conducting such hearing
16 shall have all powers and rights granted to the Board in
17 this Act. The record made at the time of the hearing shall
18 be reviewed by the Board, or a majority thereof, and the
19 findings and decision of the majority of the Board shall
20 constitute the order of the Board in such case;

21 (9) To maintain records which are separate and distinct
22 from the records of any other State board or commission.
23 Such records shall be available for public inspection and
24 shall accurately reflect all Board proceedings;

25 (10) To file a written annual report with the Governor
26 on or before March 1 each year and such additional reports

1 as the Governor may request. The annual report shall
2 include a statement of receipts and disbursements by the
3 Board, actions taken by the Board, and any additional
4 information and recommendations which the Board may deem
5 valuable or which the Governor may request;

6 (11) (Blank);

7 (12) (Blank);

8 (13) To assume responsibility for administration and
9 enforcement of the Video Gaming Act; ~~and~~

10 (13.1) To assume responsibility for the administration
11 and enforcement of operations at electronic gaming
12 facilities pursuant to this Act and the Illinois Horse
13 Racing Act of 1975;

14 (13.2) To assume responsibility for the administration
15 and enforcement of gambling operations at the Chicago
16 Casino Development Authority's casino pursuant to this Act
17 and the Chicago Casino Development Authority Act; and

18 (14) To adopt, by rule, a code of conduct governing
19 Board members and employees that ensure, to the maximum
20 extent possible, that persons subject to this Code avoid
21 situations, relationships, or associations that may
22 represent or lead to a conflict of interest.

23 Internal controls and changes submitted by licensees must
24 be reviewed and either approved or denied with cause within 90
25 days after receipt of submission is deemed final by the
26 Illinois Gaming Board. In the event an internal control

1 submission or change does not meet the standards set by the
2 Board, staff of the Board must provide technical assistance to
3 the licensee to rectify such deficiencies within 90 days after
4 the initial submission and the revised submission must be
5 reviewed and approved or denied with cause within 90 days after
6 the date the revised submission is deemed final by the Board.
7 For the purposes of this paragraph, "with cause" means that the
8 approval of the submission would jeopardize the integrity of
9 gaming. In the event the Board staff has not acted within the
10 timeframe, the submission shall be deemed approved.

11 (c) The Board shall have jurisdiction over and shall
12 supervise all gambling operations governed by this Act and the
13 Chicago Casino Development Authority Act. The Board shall have
14 all powers necessary and proper to fully and effectively
15 execute the provisions of this Act and the Chicago Casino
16 Development Authority Act, including, but not limited to, the
17 following:

18 (1) To investigate applicants and determine the
19 eligibility of applicants for licenses and to select among
20 competing applicants the applicants which best serve the
21 interests of the citizens of Illinois.

22 (2) To have jurisdiction and supervision over all
23 ~~riverboat~~ gambling operations authorized under this Act
24 and the Chicago Casino Development Authority Act ~~in this~~
25 ~~State~~ and all persons in places ~~on riverboats~~ where
26 gambling operations are conducted.

1 (3) To promulgate rules and regulations for the purpose
2 of administering the provisions of this Act and the Chicago
3 Casino Development Authority Act and to prescribe rules,
4 regulations and conditions under which all ~~riverboat~~
5 gambling operations subject to this Act and the Chicago
6 Casino Development Authority Act ~~in the State~~ shall be
7 conducted. Such rules and regulations are to provide for
8 the prevention of practices detrimental to the public
9 interest and for the best interests of ~~riverboat~~ gambling,
10 including rules and regulations regarding the inspection
11 of electronic gaming facilities, casinos, and ~~such~~
12 ~~riverboats,~~ and the review of any permits or licenses
13 necessary to operate a riverboat, casino, or electronic
14 gaming facilities under any laws or regulations applicable
15 to riverboats, casinos, or electronic gaming facilities
16 and to impose penalties for violations thereof.

17 (4) To enter the office, riverboats, casinos,
18 electronic gaming facilities, and other facilities, or
19 other places of business of a licensee, where evidence of
20 the compliance or noncompliance with the provisions of this
21 Act and the Chicago Casino Development Authority Act is
22 likely to be found.

23 (5) To investigate alleged violations of this Act, the
24 Chicago Casino Development Authority Act, or the rules of
25 the Board and to take appropriate disciplinary action
26 against a licensee or a holder of an occupational license

1 for a violation, or institute appropriate legal action for
2 enforcement, or both.

3 (6) To adopt standards for the licensing of all persons
4 and entities under this Act and the Chicago Casino
5 Development Authority Act, as well as for electronic or
6 mechanical gambling games, and to establish fees for such
7 licenses.

8 (7) To adopt appropriate standards for all electronic
9 gaming facilities, riverboats, casinos, and other
10 facilities authorized under this Act and the Chicago Casino
11 Development Authority Act.

12 (8) To require that the records, including financial or
13 other statements of any licensee under this Act and the
14 Chicago Casino Development Authority Act, shall be kept in
15 such manner as prescribed by the Board and that any such
16 licensee involved in the ownership or management of
17 gambling operations submit to the Board an annual balance
18 sheet and profit and loss statement, list of the
19 stockholders or other persons having a 1% or greater
20 beneficial interest in the gambling activities of each
21 licensee, and any other information the Board deems
22 necessary in order to effectively administer this Act and
23 the Chicago Casino Development Authority Act and all rules,
24 regulations, orders and final decisions promulgated under
25 this Act and the Chicago Casino Development Authority Act.

26 (9) To conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the
2 production of books, records and other pertinent documents
3 in accordance with the Illinois Administrative Procedure
4 Act, and to administer oaths and affirmations to the
5 witnesses, when, in the judgment of the Board, it is
6 necessary to administer or enforce this Act, the Chicago
7 Casino Development Authority Act, or the Board rules.

8 (10) To prescribe a form to be used by any licensee
9 involved in the ownership or management of gambling
10 operations as an application for employment for their
11 employees.

12 (11) To revoke or suspend licenses, other than the
13 license issued to the Chicago Casino Development
14 Authority, as the Board may see fit and in compliance with
15 applicable laws of the State regarding administrative
16 procedures, and to review applications for the renewal of
17 licenses. The Board may suspend an owners license (other
18 than the license issued to the Chicago Casino Development
19 Authority), electronic gaming license, or casino operator
20 license, without notice or hearing upon a determination
21 that the safety or health of patrons or employees is
22 jeopardized by continuing a gambling operation conducted
23 under that license ~~riverboat's operation~~. The suspension
24 may remain in effect until the Board determines that the
25 cause for suspension has been abated. The Board may revoke
26 an ~~the~~ owners license (other than the license issued to the

1 Chicago Casino Development Authority), electronic gaming
2 license, or casino operator license upon a determination
3 that the licensee ~~owner~~ has not made satisfactory progress
4 toward abating the hazard.

5 (12) To eject or exclude or authorize the ejection or
6 exclusion of, any person from ~~riverboat~~ gambling
7 facilities where that ~~such~~ person is in violation of this
8 Act or the Chicago Casino Development Authority Act, rules
9 and regulations thereunder, or final orders of the Board,
10 or where such person's conduct or reputation is such that
11 his or her presence within the ~~riverboat~~ gambling
12 facilities may, in the opinion of the Board, call into
13 question the honesty and integrity of the gambling
14 operations or interfere with the orderly conduct thereof;
15 provided that the propriety of such ejection or exclusion
16 is subject to subsequent hearing by the Board.

17 (13) To require all licensees of gambling operations to
18 utilize a cashless wagering system whereby all players'
19 money is converted to tokens, electronic cards, or chips
20 which shall be used only for wagering in the gambling
21 establishment.

22 (14) (Blank).

23 (15) To suspend, revoke or restrict licenses, other
24 than the license issued to the Chicago Casino Development
25 Authority, to require the removal of a licensee or an
26 employee of a licensee for a violation of this Act, the

1 Chicago Casino Development Authority Act, or a Board rule
2 or for engaging in a fraudulent practice, and to impose
3 civil penalties of up to \$5,000 against individuals and up
4 to \$10,000 or an amount equal to the daily gross receipts,
5 whichever is larger, against licensees for each violation
6 of any provision of the Act, the Chicago Casino Development
7 Authority Act, any rules adopted by the Board, any order of
8 the Board or any other action which, in the Board's
9 discretion, is a detriment or impediment to ~~riverboat~~
10 gambling operations.

11 (16) To hire employees to gather information, conduct
12 investigations and carry out any other tasks contemplated
13 under this Act or the Chicago Casino Development Authority
14 Act.

15 (17) To establish minimum levels of insurance to be
16 maintained by licensees.

17 (18) To authorize a licensee to sell or serve alcoholic
18 liquors, wine or beer as defined in the Liquor Control Act
19 of 1934 on board a riverboat or in a casino and to have
20 exclusive authority to establish the hours for sale and
21 consumption of alcoholic liquor on board a riverboat or in
22 a casino, notwithstanding any provision of the Liquor
23 Control Act of 1934 or any local ordinance, and regardless
24 of whether the riverboat makes excursions. The
25 establishment of the hours for sale and consumption of
26 alcoholic liquor on board a riverboat or in a casino is an

1 exclusive power and function of the State. A home rule unit
2 may not establish the hours for sale and consumption of
3 alcoholic liquor on board a riverboat or in a casino. This
4 subdivision (18) amendatory Act of 1991 is a denial and
5 limitation of home rule powers and functions under
6 subsection (h) of Section 6 of Article VII of the Illinois
7 Constitution.

8 (19) After consultation with the U.S. Army Corps of
9 Engineers, to establish binding emergency orders upon the
10 concurrence of a majority of the members of the Board
11 regarding the navigability of water, relative to
12 excursions, in the event of extreme weather conditions,
13 acts of God or other extreme circumstances.

14 (20) To delegate the execution of any of its powers
15 under this Act or the Chicago Casino Development Authority
16 Act for the purpose of administering and enforcing this
17 Act, the Chicago Casino Development Authority Act, and the
18 its rules adopted by the Board under both Acts and
19 regulations hereunder.

20 (20.5) To approve any contract entered into on its
21 behalf.

22 (20.6) To appoint investigators to conduct
23 investigations, searches, seizures, arrests, and other
24 duties imposed under this Act, as deemed necessary by the
25 Board. These investigators have and may exercise all of the
26 rights and powers of peace officers, provided that these

1 powers shall be limited to offenses or violations occurring
2 or committed in a casino, in an electronic gaming facility,
3 or on a riverboat or dock, as defined in subsections (d)
4 and (f) of Section 4, or as otherwise provided by this Act,
5 the Chicago Casino Development Authority Act, or any other
6 law.

7 (20.7) To contract with the Department of State Police
8 for the use of trained and qualified State police officers
9 and with the Department of Revenue for the use of trained
10 and qualified Department of Revenue investigators to
11 conduct investigations, searches, seizures, arrests, and
12 other duties imposed under this Act or the Chicago Casino
13 Development Authority Act and to exercise all of the rights
14 and powers of peace officers, provided that the powers of
15 Department of Revenue investigators under this subdivision
16 (20.7) shall be limited to offenses or violations occurring
17 or committed in a casino, in an electronic gaming facility,
18 or on a riverboat or dock, as defined in subsections (d)
19 and (f) of Section 4, or as otherwise provided by this Act
20 or any other law. In the event the Department of State
21 Police or the Department of Revenue is unable to fill
22 contracted police or investigative positions, the Board
23 may appoint investigators to fill those positions pursuant
24 to subdivision (20.6).

25 (21) To adopt rules concerning the conduct of
26 electronic gaming.

1 (22) To have the same jurisdiction and supervision over
2 casinos and electronic gaming facilities as the Board has
3 over riverboats, including, but not limited to, the power
4 to (i) investigate, review, and approve contracts as that
5 power is applied to riverboats, (ii) adopt rules for
6 administering the provisions of this Act or the Chicago
7 Casino Development Authority Act, (iii) adopt standards
8 for the licensing of all persons involved with a casino or
9 electronic gaming facility, (iv) investigate alleged
10 violations of this Act by any person involved with a casino
11 or electronic gaming facility, and (v) require that
12 records, including financial or other statements of any
13 casino or electronic gaming facility, shall be kept in such
14 manner as prescribed by the Board.

15 (23) To supervise and regulate the Chicago Casino
16 Development Authority in accordance with the Chicago
17 Casino Development Authority Act and the provisions of this
18 Act.

19 (24) ~~(21)~~ To take any other action as may be reasonable
20 or appropriate to enforce this Act, the Chicago Casino
21 Development Authority Act, and the rules adopted by the
22 Board under both Acts ~~and regulations hereunder.~~

23 All Board powers enumerated in this Section in relation to
24 licensees shall apply equally to the holder of any casino
25 management contract entered into pursuant to the Chicago Casino
26 Development Authority Act.

1 (d) The Board may seek and shall receive the cooperation of
2 the Department of State Police in conducting background
3 investigations of applicants and in fulfilling its
4 responsibilities under this Section. Costs incurred by the
5 Department of State Police as a result of such cooperation
6 shall be paid by the Board in conformance with the requirements
7 of Section 2605-400 of the Department of State Police Law (20
8 ILCS 2605/2605-400).

9 (e) The Board must authorize to each investigator and to
10 any other employee of the Board exercising the powers of a
11 peace officer a distinct badge that, on its face, (i) clearly
12 states that the badge is authorized by the Board and (ii)
13 contains a unique identifying number. No other badge shall be
14 authorized by the Board.

15 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

16 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

17 Sec. 5.1. Disclosure of records.

18 (a) Notwithstanding any applicable statutory provision to
19 the contrary, the Board shall, on written request from any
20 person, provide information furnished by an applicant or
21 licensee concerning the applicant or licensee, his products,
22 services or gambling enterprises and his business holdings, as
23 follows:

24 (1) The name, business address and business telephone
25 number of any applicant or licensee.

1 (2) An identification of any applicant or licensee
2 including, if an applicant or licensee is not an
3 individual, the names and addresses of all stockholders and
4 directors, if the entity is a corporation; the names and
5 addresses of all members, if the entity is a limited
6 liability company; the names and addresses of all partners,
7 both general and limited, if the entity is a partnership;
8 and the names and addresses of all beneficiaries, if the
9 entity is a trust ~~the state of incorporation or~~
10 ~~registration, the corporate officers, and the identity of~~
11 ~~all shareholders or participants.~~ If an applicant or
12 licensee has a pending registration statement filed with
13 the Securities and Exchange Commission, only the names of
14 those persons or entities holding interest of 5% or more
15 must be provided.

16 (3) An identification of any business, including, if
17 applicable, the state of incorporation or registration, in
18 which an applicant or licensee or an applicant's or
19 licensee's spouse or children has an equity interest of
20 more than 1%. If an applicant or licensee is a corporation,
21 partnership or other business entity, the applicant or
22 licensee shall identify any other corporation, partnership
23 or business entity in which it has an equity interest of 1%
24 or more, including, if applicable, the state of
25 incorporation or registration. This information need not
26 be provided by a corporation, partnership or other business

1 entity that has a pending registration statement filed with
2 the Securities and Exchange Commission.

3 (4) Whether an applicant or licensee has been indicted,
4 convicted, pleaded guilty or nolo contendere, or forfeited
5 bail concerning any criminal offense under the laws of any
6 jurisdiction, either felony or misdemeanor (except for
7 traffic violations), including the date, the name and
8 location of the court, arresting agency and prosecuting
9 agency, the case number, the offense, the disposition and
10 the location and length of incarceration.

11 (5) Whether an applicant or licensee has had any
12 license or certificate issued by a licensing authority in
13 Illinois or any other jurisdiction denied, restricted,
14 suspended, revoked or not renewed and a statement
15 describing the facts and circumstances concerning the
16 denial, restriction, suspension, revocation or
17 non-renewal, including the licensing authority, the date
18 each such action was taken, and the reason for each such
19 action.

20 (6) Whether an applicant or licensee has ever filed or
21 had filed against it a proceeding in bankruptcy or has ever
22 been involved in any formal process to adjust, defer,
23 suspend or otherwise work out the payment of any debt
24 including the date of filing, the name and location of the
25 court, the case and number of the disposition.

26 (7) Whether an applicant or licensee has filed, or been

1 served with a complaint or other notice filed with any
2 public body, regarding the delinquency in the payment of,
3 or a dispute over the filings concerning the payment of,
4 any tax required under federal, State or local law,
5 including the amount, type of tax, the taxing agency and
6 time periods involved.

7 (8) A statement listing the names and titles of all
8 public officials or officers of any unit of government, and
9 relatives of said public officials or officers who,
10 directly or indirectly, own any financial interest in, have
11 any beneficial interest in, are the creditors of or hold
12 any debt instrument issued by, or hold or have any interest
13 in any contractual or service relationship with, an
14 applicant or licensee.

15 (9) Whether an applicant or licensee has made, directly
16 or indirectly, any political contribution, or any loans,
17 donations or other payments, to any candidate or office
18 holder, within 5 years from the date of filing the
19 application, including the amount and the method of
20 payment.

21 (10) The name and business telephone number of the
22 counsel representing an applicant or licensee in matters
23 before the Board.

24 (11) A description of any proposed or approved
25 riverboat or casino gaming or electronic gaming operation,
26 including the type of boat, home dock or casino or

1 electronic gaming location, expected economic benefit to
2 the community, anticipated or actual number of employees,
3 any statement from an applicant or licensee regarding
4 compliance with federal and State affirmative action
5 guidelines, projected or actual admissions and projected
6 or actual adjusted gross gaming receipts.

7 (12) A description of the product or service to be
8 supplied by an applicant for a supplier's license.

9 (b) Notwithstanding any applicable statutory provision to
10 the contrary, the Board shall, on written request from any
11 person, also provide the following information:

12 (1) The amount of the wagering tax and admission tax
13 paid daily to the State of Illinois by the holder of an
14 owner's license.

15 (2) Whenever the Board finds an applicant for an
16 owner's license unsuitable for licensing, a copy of the
17 written letter outlining the reasons for the denial.

18 (3) Whenever the Board has refused to grant leave for
19 an applicant to withdraw his application, a copy of the
20 letter outlining the reasons for the refusal.

21 (c) Subject to the above provisions, the Board shall not
22 disclose any information which would be barred by:

23 (1) Section 7 of the Freedom of Information Act; or

24 (2) The statutes, rules, regulations or
25 intergovernmental agreements of any jurisdiction.

26 (d) The Board may assess fees for the copying of

1 information in accordance with Section 6 of the Freedom of
2 Information Act.

3 (Source: P.A. 96-1392, eff. 1-1-11.)

4 (230 ILCS 10/5.3 new)

5 Sec. 5.3. Ethical conduct.

6 (a) Officials and employees of the corporate authority of a
7 host community must carry out their duties and responsibilities
8 in such a manner as to promote and preserve public trust and
9 confidence in the integrity and conduct of gaming.

10 (b) Officials and employees of the corporate authority of a
11 host community shall not use or attempt to use his or her
12 official position to secure or attempt to secure any privilege,
13 advantage, favor, or influence for himself or herself or
14 others.

15 (c) Officials and employees of the corporate authority of a
16 host community may not have a financial interest, directly or
17 indirectly, in his or her own name or in the name of any other
18 person, partnership, association, trust, corporation, or other
19 entity in any contract or subcontract for the performance of
20 any work for a riverboat or casino that is located in the host
21 community. This prohibition shall extend to the holding or
22 acquisition of an interest in any entity identified by Board
23 action that, in the Board's judgment, could represent the
24 potential for or the appearance of a financial interest. The
25 holding or acquisition of an interest in such entities through

1 an indirect means, such as through a mutual fund, shall not be
2 prohibited, except that the Board may identify specific
3 investments or funds that, in its judgment, are so influenced
4 by gaming holdings as to represent the potential for or the
5 appearance of a conflict of interest.

6 (d) Officials and employees of the corporate authority of a
7 host community may not accept any gift, gratuity, service,
8 compensation, travel, lodging, or thing of value, with the
9 exception of unsolicited items of an incidental nature, from
10 any person, corporation, or entity doing business with the
11 riverboat or casino that is located in the host community.

12 (e) Officials and employees of the corporate authority of a
13 host community shall not, during the period that the person is
14 an official or employee of the corporate authority or for a
15 period of 2 years immediately after leaving such office,
16 knowingly accept employment or receive compensation or fees for
17 services from a person or entity, or its parent or affiliate,
18 that has engaged in business with the riverboat or casino that
19 is located in the host community that resulted in contracts
20 with an aggregate value of at least \$25,000 or if that official
21 or employee has made a decision that directly applied to the
22 person or entity, or its parent or affiliate.

23 (f) A spouse, child, or parent of an official or employee
24 of the corporate authority of a host community may not have a
25 financial interest, directly or indirectly, in his or her own
26 name or in the name of any other person, partnership,

1 association, trust, corporation, or other entity in any
2 contract or subcontract for the performance of any work for a
3 riverboat or casino in the host community. This prohibition
4 shall extend to the holding or acquisition of an interest in
5 any entity identified by Board action that, in the judgment of
6 the Board, could represent the potential for or the appearance
7 of a conflict of interest. The holding or acquisition of an
8 interest in such entities through an indirect means, such as
9 through a mutual fund, shall not be prohibited, except that the
10 Board may identify specific investments or funds that, in its
11 judgment, are so influenced by gaming holdings as to represent
12 the potential for or the appearance of a conflict of interest.

13 (g) A spouse, child, or parent of an official or employee
14 of the corporate authority of a host community may not accept
15 any gift, gratuity, service, compensation, travel, lodging, or
16 thing of value, with the exception of unsolicited items of an
17 incidental nature, from any person, corporation, or entity
18 doing business with the riverboat or casino that is located in
19 the host community.

20 (h) A spouse, child, or parent of an official or employee
21 of the corporate authority of a host community may not, during
22 the period that the person is an official of the corporate
23 authority or for a period of 2 years immediately after leaving
24 such office or employment, knowingly accept employment or
25 receive compensation or fees for services from a person or
26 entity, or its parent or affiliate, that has engaged in

1 business with the riverboat or casino that is located in the
2 host community that resulted in contracts with an aggregate
3 value of at least \$25,000 or if that official or employee has
4 made a decision that directly applied to the person or entity,
5 or its parent or affiliate.

6 (i) Officials and employees of the corporate authority of a
7 host community shall not attempt, in any way, to influence any
8 person or entity doing business with the riverboat or casino
9 that is located in the host community or any officer, agent, or
10 employee thereof to hire or contract with any person or entity
11 for any compensated work.

12 (j) Any communication between an official of the corporate
13 authority of a host community and any applicant for an owners
14 license in the host community, or an officer, director, or
15 employee of a riverboat or casino in the host community,
16 concerning any matter relating in any way to gaming shall be
17 disclosed to the Board. Such disclosure shall be in writing by
18 the official within 30 days after the communication and shall
19 be filed with the Board. Disclosure must consist of the date of
20 the communication, the identity and job title of the person
21 with whom the communication was made, a brief summary of the
22 communication, the action requested or recommended, all
23 responses made, the identity and job title of the person making
24 the response, and any other pertinent information. Public
25 disclosure of the written summary provided to the Board and the
26 Gaming Board shall be subject to the exemptions provided under

1 the Freedom of Information Act.

2 This subsection (j) shall not apply to communications
3 regarding traffic, law enforcement, security, environmental
4 issues, city services, transportation, or other routine
5 matters concerning the ordinary operations of the riverboat or
6 casino. For purposes of this subsection (j), "ordinary
7 operations" means operations relating to the casino or
8 riverboat facility other than the conduct of gambling
9 activities, and "routine matters" includes the application
10 for, issuance of, renewal of, and other processes associated
11 with municipal permits and licenses.

12 (k) Any official or employee who violates any provision of
13 this Section is guilty of a Class 4 felony.

14 (l) For purposes of this Section, "host community" or "host
15 municipality" means a unit of local government that contains a
16 riverboat or casino within its borders, but does not include
17 the City of Chicago or the Chicago Casino Development
18 Authority.

19 (230 ILCS 10/6) (from Ch. 120, par. 2406)

20 Sec. 6. Application for Owners License.

21 (a) A qualified person may apply to the Board for an owners
22 license to conduct a riverboat gambling operation as provided
23 in this Act. The application shall be made on forms provided by
24 the Board and shall contain such information as the Board
25 prescribes, including but not limited to the identity of the

1 riverboat on which such gambling operation is to be conducted,
2 if applicable, and the exact location where such riverboat or
3 casino will be located ~~docked~~, a certification that the
4 riverboat will be registered under this Act at all times during
5 which gambling operations are conducted on board, detailed
6 information regarding the ownership and management of the
7 applicant, and detailed personal information regarding the
8 applicant. Any application for an owners license to be
9 re-issued on or after June 1, 2003 shall also include the
10 applicant's license bid in a form prescribed by the Board.
11 Information provided on the application shall be used as a
12 basis for a thorough background investigation which the Board
13 shall conduct with respect to each applicant. An incomplete
14 application shall be cause for denial of a license by the
15 Board.

16 (a-5) In addition to any other information required under
17 this Section, each application for an owners license must
18 include the following information:

19 (1) The history and success of the applicant and each
20 person and entity disclosed under subsection (c) of this
21 Section in developing tourism facilities ancillary to
22 gaming, if applicable.

23 (2) The likelihood that granting a license to the
24 applicant will lead to the creation of quality, living wage
25 jobs and permanent, full-time jobs for residents of the
26 State and residents of the unit of local government that is

1 designated as the home dock of the proposed facility where
2 gambling is to be conducted by the applicant.

3 (3) The projected number of jobs that would be created
4 if the license is granted and the projected number of new
5 employees at the proposed facility where gambling is to be
6 conducted by the applicant.

7 (4) The record, if any, of the applicant and its
8 developer in meeting commitments to local agencies,
9 community-based organizations, and employees at other
10 locations where the applicant or its developer has
11 performed similar functions as they would perform if the
12 applicant were granted a license.

13 (5) Identification of adverse effects that might be
14 caused by the proposed facility where gambling is to be
15 conducted by the applicant, including the costs of meeting
16 increased demand for public health care, child care, public
17 transportation, affordable housing, and social services,
18 and a plan to mitigate those adverse effects.

19 (6) The record, if any, of the applicant and its
20 developer regarding compliance with:

21 (A) federal, state, and local discrimination, wage
22 and hour, disability, and occupational and
23 environmental health and safety laws; and

24 (B) state and local labor relations and employment
25 laws.

26 (7) The applicant's record, if any, in dealing with its

1 employees and their representatives at other locations.

2 (8) A plan concerning the utilization of
3 minority-owned and female-owned businesses and concerning
4 the hiring of minorities and females.

5 (9) Evidence the applicant used its best efforts to
6 reach a goal of 25% ownership representation by minority
7 persons and 5% ownership representation by females.

8 (b) Applicants shall submit with their application all
9 documents, resolutions, and letters of support from the
10 governing body that represents the municipality or county
11 wherein the licensee will be located ~~dock~~.

12 (c) Each applicant shall disclose the identity of every
13 person or entity ~~, association, trust or corporation~~ having a
14 greater than 1% direct or indirect pecuniary interest in the
15 ~~riverboat~~ gambling operation with respect to which the license
16 is sought. If the disclosed entity is a trust, the application
17 shall disclose the names and addresses of all ~~the~~
18 beneficiaries; if a corporation, the names and addresses of all
19 stockholders and directors; if a partnership, the names and
20 addresses of all partners, both general and limited.

21 (d) An application shall be filed and considered in
22 accordance with the rules of the Board. Each application shall
23 be accompanied by a non-refundable ~~An~~ application fee of
24 \$100,000. In addition, a non-refundable fee of \$50,000 shall be
25 paid at the time of filing to defray the costs associated with
26 the background investigation conducted by the Board. If the

1 costs of the investigation exceed \$50,000, the applicant shall
2 pay the additional amount to the Board within 7 days after
3 requested by the Board. If the costs of the investigation are
4 less than \$50,000, the applicant shall receive a refund of the
5 remaining amount. All information, records, interviews,
6 reports, statements, memoranda or other data supplied to or
7 used by the Board in the course of its review or investigation
8 of an application for a license or a renewal under this Act
9 shall be privileged, strictly confidential and shall be used
10 only for the purpose of evaluating an applicant for a license
11 or a renewal. Such information, records, interviews, reports,
12 statements, memoranda or other data shall not be admissible as
13 evidence, nor discoverable in any action of any kind in any
14 court or before any tribunal, board, agency or person, except
15 for any action deemed necessary by the Board. The application
16 fee shall be deposited into the Gaming Facilities Fee Revenue
17 Fund.

18 (e) The Board shall charge each applicant a fee set by the
19 Department of State Police to defray the costs associated with
20 the search and classification of fingerprints obtained by the
21 Board with respect to the applicant's application. These fees
22 shall be paid into the State Police Services Fund.

23 (f) The licensed owner shall be the person primarily
24 responsible for the boat or casino itself. Only one ~~riverboat~~
25 gambling operation may be authorized by the Board on any
26 riverboat or in any casino. The applicant must identify the

1 ~~each~~ riverboat or premises it intends to use and certify that
2 the riverboat or premises: (1) has the authorized capacity
3 required in this Act; (2) is accessible to persons with
4 disabilities; and (3) is fully registered and licensed in
5 accordance with any applicable laws.

6 (g) A person who knowingly makes a false statement on an
7 application is guilty of a Class A misdemeanor.

8 (Source: P.A. 99-143, eff. 7-27-15.)

9 (230 ILCS 10/7) (from Ch. 120, par. 2407)

10 Sec. 7. Owners Licenses.

11 (a) The Board shall issue owners licenses to persons or
12 entities, ~~, firms or corporations~~ which apply for such licenses
13 upon payment to the Board of the non-refundable license fee as
14 provided in subsection (e) or (e-5) ~~set by the Board, upon~~
15 ~~payment of a \$25,000 license fee for the first year of~~
16 ~~operation and a \$5,000 license fee for each succeeding year~~ and
17 upon a determination by the Board that the applicant is
18 eligible for an owners license pursuant to this Act, the
19 Chicago Casino Development Authority Act, and the rules of the
20 Board. From the effective date of this amendatory Act of the
21 95th General Assembly until (i) 3 years after the effective
22 date of this amendatory Act of the 95th General Assembly, (ii)
23 the date any organization licensee begins to operate a slot
24 machine or video game of chance under the Illinois Horse Racing
25 Act of 1975 or this Act, (iii) the date that payments begin

1 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
2 wagering tax imposed under Section 13 of this Act is increased
3 by law to reflect a tax rate that is at least as stringent or
4 more stringent than the tax rate contained in subsection (a-3)
5 of Section 13, or (v) when an owners licensee holding a license
6 issued pursuant to Section 7.1 of this Act begins conducting
7 gaming, whichever occurs first, as a condition of licensure and
8 as an alternative source of payment for those funds payable
9 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
10 ~~Gambling~~ Act, any owners licensee that holds or receives its
11 owners license on or after the effective date of this
12 amendatory Act of the 94th General Assembly, other than an
13 owners licensee operating a riverboat with adjusted gross
14 receipts in calendar year 2004 of less than \$200,000,000, must
15 pay into the Horse Racing Equity Trust Fund, in addition to any
16 other payments required under this Act, an amount equal to 3%
17 of the adjusted gross receipts received by the owners licensee.
18 The payments required under this Section shall be made by the
19 owners licensee to the State Treasurer no later than 3:00
20 o'clock p.m. of the day after the day when the adjusted gross
21 receipts were received by the owners licensee. A person, ~~firm~~
22 or entity ~~corporation~~ is ineligible to receive an owners
23 license if:

24 (1) the person has been convicted of a felony under the
25 laws of this State, any other state, or the United States;

26 (2) the person has been convicted of any violation of

1 Article 28 of the Criminal Code of 1961 or the Criminal
2 Code of 2012, or substantially similar laws of any other
3 jurisdiction;

4 (3) the person has submitted an application for a
5 license under this Act or the Chicago Casino Development
6 Authority Act which contains false information;

7 (4) the person is a member of the Board;

8 (5) a person defined in (1), (2), (3) or (4) is an
9 officer, director or managerial employee of the entity ~~firm~~
10 ~~or corporation~~;

11 (6) the entity ~~firm or corporation~~ employs a person
12 defined in (1), (2), (3) or (4) who participates in the
13 management or operation of gambling operations authorized
14 under this Act or the Chicago Casino Development Authority
15 Act;

16 (7) (blank); or

17 (8) a license of the person or entity , ~~firm or~~
18 ~~corporation~~ issued under this Act or the Chicago Casino
19 Development Authority Act, or a license to own or operate
20 gambling facilities in any other jurisdiction, has been
21 revoked.

22 The Board is expressly prohibited from making changes to
23 the requirement that licensees make payment into the Horse
24 Racing Equity Trust Fund without the express authority of the
25 Illinois General Assembly and making any other rule to
26 implement or interpret this amendatory Act of the 95th General

1 Assembly. For the purposes of this paragraph, "rules" is given
2 the meaning given to that term in Section 1-70 of the Illinois
3 Administrative Procedure Act.

4 (a-1) Upon approval of the members of the Chicago Casino
5 Development Board, the Chicago Casino Development Authority's
6 executive director, and the Chicago casino operator licensee,
7 the Board shall issue an owners license to the Chicago Casino
8 Development Authority that authorizes the conduct of gambling
9 operations in a casino or in an airport located in the City of
10 Chicago.

11 (b) In determining whether to grant an owners license to an
12 applicant other than the Chicago Casino Development Authority,
13 the Board shall consider:

14 (1) the character, reputation, experience and
15 financial integrity of the applicants and of any other or
16 separate person that either:

17 (A) controls, directly or indirectly, such
18 applicant, or

19 (B) is controlled, directly or indirectly, by such
20 applicant or by a person which controls, directly or
21 indirectly, such applicant;

22 (2) the facilities or proposed facilities for the
23 conduct of ~~riverboat~~ gambling;

24 (3) the highest prospective total revenue to be derived
25 by the State from the conduct of ~~riverboat~~ gambling;

26 (4) the extent to which the ownership of the applicant

1 reflects the diversity of the State by including minority
2 persons, females, and persons with a disability and the
3 good faith affirmative action plan of each applicant to
4 recruit, train and upgrade minority persons, females, and
5 persons with a disability in all employment
6 classifications;

7 (5) the financial ability of the applicant to purchase
8 and maintain adequate liability and casualty insurance;

9 (6) whether the applicant has adequate capitalization
10 to provide and maintain, for the duration of a license, a
11 riverboat or casino;

12 (7) the extent to which the applicant exceeds or meets
13 other standards for the issuance of an owners license which
14 the Board may adopt by rule; ~~and~~

15 (8) ~~the~~ The amount of the applicant's license bid;~~;~~

16 (9) the extent to which the applicant or the proposed
17 host municipality plans to enter into revenue sharing
18 agreements with communities other than the host
19 municipality; and

20 (10) the extent to which the ownership of an applicant
21 includes the most qualified number of minority persons,
22 females, and persons with a disability.

23 (c) Each owners license shall specify the place where the
24 casino ~~riverboats~~ shall operate or the riverboat shall operate
25 and dock.

26 (d) Each applicant shall submit with his application, on

1 forms provided by the Board, 2 sets of his fingerprints.

2 (e) In addition to any licenses authorized under subsection
3 (e-5) of this Section, the ~~The~~ Board may issue up to 10
4 licenses authorizing the holders of such licenses to own
5 riverboats. In the application for an owners license, the
6 applicant shall state the dock at which the riverboat is based
7 and the water on which the riverboat will be located. The Board
8 shall issue 5 licenses to become effective not earlier than
9 January 1, 1991. Three of such licenses shall authorize
10 riverboat gambling on the Mississippi River, or, with approval
11 by the municipality in which the riverboat was docked on August
12 7, 2003 and with Board approval, be authorized to relocate to a
13 new location, in a municipality that (1) borders on the
14 Mississippi River or is within 5 miles of the city limits of a
15 municipality that borders on the Mississippi River and (2), on
16 August 7, 2003, had a riverboat conducting riverboat gambling
17 operations pursuant to a license issued under this Act; one of
18 which shall authorize riverboat gambling from a home dock in
19 the city of East St. Louis. One other license shall authorize
20 riverboat gambling on the Illinois River in Tazewell County or,
21 with Board approval, shall authorize the riverboat to relocate
22 to a new location that is no more than 10 miles away from its
23 original location, in a municipality that borders on the
24 Illinois River or is within 5 miles of the city limits of a
25 municipality that borders on the Illinois River ~~south of~~
26 ~~Marshall County~~. The Board shall issue one additional license

1 to become effective not earlier than March 1, 1992, which shall
2 authorize riverboat gambling on the Des Plaines River in Will
3 County. The Board may issue 4 additional licenses to become
4 effective not earlier than March 1, 1992. In determining the
5 water upon which riverboats will operate, the Board shall
6 consider the economic benefit which riverboat gambling confers
7 on the State, and shall seek to assure that all regions of the
8 State share in the economic benefits of riverboat gambling.

9 In granting all licenses, the Board may give favorable
10 consideration to economically depressed areas of the State, to
11 applicants presenting plans which provide for significant
12 economic development over a large geographic area, and to
13 applicants who currently operate non-gambling riverboats in
14 Illinois. The Board shall review all applications for owners
15 licenses, and shall inform each applicant of the Board's
16 decision. The Board may grant an owners license to an applicant
17 that has not submitted the highest license bid, but if it does
18 not select the highest bidder, the Board shall issue a written
19 decision explaining why another applicant was selected and
20 identifying the factors set forth in this Section that favored
21 the winning bidder. The fee for issuance or renewal of a
22 license pursuant to this subsection (e) shall be \$100,000.

23 (e-5) In addition to licenses authorized under subsection
24 (e) of this Section:

25 (1) the Board shall issue one owners license
26 authorizing the conduct of casino gambling in the City of

1 Chicago;

2 (2) the Board may issue one owners license authorizing
3 the conduct of riverboat gambling in the City of Danville;

4 (3) the Board may issue one owners license authorizing
5 the conduct of riverboat gambling located in one of the
6 following municipalities in Lake County: Park City, North
7 Chicago, or Waukegan;

8 (4) the Board may issue one owners license authorizing
9 the conduct of riverboat gambling in the City of Rockford;

10 and

11 (5) the Board may issue one owners license authorizing
12 the conduct of riverboat gambling in a municipality that is
13 located in one of the following townships of Cook County:
14 Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township.

15 Each application for a license pursuant to this subsection
16 (e-5) shall be submitted to the Board no later than 6 months
17 after the effective date of this amendatory Act of the 100th
18 General Assembly and shall include the non-refundable
19 application fee and the non-refundable background
20 investigation fee as provided in subsection (d) of Section 6 of
21 this Act. In the event that an applicant submits an application
22 for a license pursuant to this subsection (e-5) prior to the
23 effective date of this amendatory Act of the 100th General
24 Assembly, such applicant shall submit the non-refundable
25 application fee and background investigation fee as provided in
26 subsection (d) of Section 6 of this Act no later than 6 months

1 after the effective date of this amendatory Act of the 100th
2 General Assembly.

3 The Board shall consider issuing a license pursuant to
4 paragraphs (2) through (5) of this subsection only after the
5 corporate authority of the municipality in which the riverboat
6 shall be located has certified to the Board the following:

7 (i) that the applicant has negotiated with the
8 corporate authority in good faith;

9 (ii) that the applicant and the corporate authority
10 have mutually agreed on the permanent location of the
11 riverboat;

12 (iii) that the applicant and the corporate authority
13 have mutually agreed on the temporary location of the
14 riverboat;

15 (iv) that the applicant and the corporate authority
16 have mutually agreed on the percentage of revenues that
17 will be shared with the municipality, if any; and

18 (v) that the applicant and the corporate authority have
19 mutually agreed on any zoning, licensing, public health, or
20 other issues that are within the jurisdiction of the
21 municipality.

22 At least 7 days before the corporate authority of a
23 municipality submits a certification to the Board concerning
24 items (i) through (v) of this subsection, it shall hold a
25 public hearing to discuss items (i) through (v), as well as any
26 other details concerning the proposed riverboat in the

1 municipality. The corporate authority must subsequently
2 memorialize the details concerning the proposed riverboat or
3 casino in a resolution that must be adopted by a majority of
4 the corporate authority before any certification is sent to the
5 Board. The Board shall not alter, amend, change, or otherwise
6 interfere with any agreement between the applicant and the
7 corporate authority of the municipality regarding the location
8 of any temporary or permanent facility.

9 (e-10) The licenses authorized under subsection (e-5) of
10 this Section shall be issued within 12 months after the date
11 the license application is submitted. If the Board does not
12 issue the licenses within that time period, then the Board
13 shall give a written explanation to the applicant as to why it
14 has not reached a determination and when it reasonably expects
15 to make a determination. The fee for the issuance or renewal of
16 a license issued pursuant to this subsection (e-10) shall be
17 \$100,000. Additionally, a licensee located outside of Cook
18 County shall pay a minimum initial fee of \$17,500 per gaming
19 position, and a licensee located in Cook County shall pay a
20 minimum initial fee of \$30,000 per gaming position. The initial
21 fees payable under this subsection (e-10) shall be deposited
22 into the Gaming Facilities Fee Revenue Fund.

23 (e-15) Each licensee of a license authorized under
24 subsection (e-5) of this Section shall make a reconciliation
25 payment 3 years after the date the licensee begins operating in
26 an amount equal to 75% of the adjusted gross receipts for the

1 most lucrative 12-month period of operations, minus an amount
2 equal to the initial payment per gaming position paid by the
3 specific licensee. If this calculation results in a negative
4 amount, then the licensee is not entitled to any reimbursement
5 of fees previously paid. This reconciliation payment may be
6 made in installments over a period of no more than 2 years,
7 subject to Board approval. Any installment payments shall
8 include an annual market interest rate as determined by the
9 Board. All payments by licensees under this subsection (e-15)
10 shall be deposited into the Gaming Facilities Fee Revenue Fund.

11 (e-20) In addition to any other revocation powers granted
12 to the Board under this Act, the Board may revoke the owners
13 license of a licensee, other than the Chicago Casino
14 Development Authority, which fails to begin conducting
15 gambling within 15 months of receipt of the Board's approval of
16 the application if the Board determines that license revocation
17 is in the best interests of the State.

18 (f) The first 10 owners licenses issued under this Act
19 shall permit the holder to own up to 2 riverboats and equipment
20 thereon for a period of 3 years after the effective date of the
21 license. Holders of the first 10 owners licenses must pay the
22 annual license fee for each of the 3 years during which they
23 are authorized to own riverboats.

24 (g) Upon the termination, expiration, or revocation of each
25 of the first 10 licenses, which shall be issued for a 3 year
26 period, all licenses are renewable annually upon payment of the

1 fee and a determination by the Board that the licensee
2 continues to meet all of the requirements of this Act and the
3 Board's rules. However, for licenses renewed on or after May 1,
4 1998, including casino operator licenses, renewal shall be for
5 a period of 4 years, unless the Board sets a shorter period.
6 Notwithstanding any provision in this subsection (g) to the
7 contrary, any license that is awarded to the Chicago Casino
8 Development Authority shall not expire, but it shall be subject
9 to the provisions of this Act and the rules of the Board.

10 (h) An owners license, except for an owners license issued
11 under subsection (e-5) of this Section, shall entitle the
12 licensee to own up to 2 riverboats.

13 An owners licensee of a casino or riverboat that is located
14 in the City of Chicago pursuant to paragraph (1) of subsection
15 (e-5) of this Section shall limit the number of gaming
16 positions to 4,000 for such owner. All other owners licensees ~~A~~
17 ~~licensee~~ shall limit the number of gaming positions ~~gambling~~
18 ~~participants~~ to 1,600 ~~1,200~~ for any such owners license, except
19 as further provided in subsection (h-10) of this Section. The
20 initial fee for each gaming position obtained on or after the
21 effective date of this amendatory Act of the 100th General
22 Assembly shall be a minimum of \$17,500 for licensees not
23 located in Cook County and a minimum of \$30,000 for licensees
24 located in Cook County, in addition to the reconciliation
25 payment, as set forth in subsections (e-15) or (h-5) of this
26 Section.

1 Each owners licensee shall reserve its gaming positions
2 within 90 days after issuance of its owners license. The Board
3 may grant an extension to this 90-day period, provided that the
4 owners licensee submits a written request and explanation as to
5 why it is unable to reserve its positions within the 90-day
6 period.

7 A licensee may operate both of its riverboats concurrently,
8 provided that the total number of gaming positions ~~gambling~~
9 ~~participants~~ on both riverboats does not exceed the limit
10 established pursuant to this subsection and subsection (h-10)
11 of this Section 1,200. Riverboats licensed to operate on the
12 Mississippi River and the Illinois River south of Marshall
13 County shall have an authorized capacity of at least 500
14 persons. Any other riverboat licensed under this Act shall have
15 an authorized capacity of at least 400 persons.

16 (h-5) An owners licensee who conducted gambling operations
17 prior to January 1, 2012 and purchases positions pursuant to
18 subsection (h-10) of this Section on or after the effective
19 date of this amendatory Act of the 100th General Assembly must
20 pay a minimum initial fee of \$17,500 per gaming position if the
21 licensee is located outside Cook County and a minimum initial
22 fee of \$30,000 per gaming position if the licensee is located
23 in Cook County, as stated in subsection (h) of this Section.
24 These initial fees shall be deposited into the Gaming
25 Facilities Fee Revenue Fund. Additionally, that owners
26 licensee shall make a reconciliation payment 3 years after any

1 additional gaming positions obtained pursuant to subsection
2 (h-10) begin operating in an amount equal to 75% of the owners
3 licensee's average gross receipts for the most lucrative
4 12-month period of operations minus an amount equal to the
5 initial fee that the owners licensee paid per additional gaming
6 position. For purposes of this subsection (h-5), "average gross
7 receipts" means (i) the increase in adjusted gross receipts for
8 the most lucrative 12-month period of operations over the
9 adjusted gross receipts for 2017, multiplied by (ii) the
10 percentage derived by dividing the number of additional gaming
11 positions that an owners licensee had obtained pursuant to
12 subsection (h-10) by the total number of gaming positions
13 operated by the owners licensee. If this calculation results in
14 a negative amount, then the owners licensee is not entitled to
15 any reimbursement of fees previously paid. This reconciliation
16 payment may be made in installments over a period of no more
17 than 2 years, subject to Board approval. Any installment
18 payments shall include an annual market interest rate as
19 determined by the Board. These reconciliation payments shall be
20 deposited into the Gaming Facilities Fee Revenue Fund.

21 (h-10) For owners licensees authorized under paragraphs
22 (2) through (5) of subsection (e-5) of this Section, the
23 application for such new owners licenses shall ask the
24 applicants to stipulate in their applications the number of
25 gaming positions each applicant would like to reserve, up to
26 1,600 gaming positions. Once the last winning applicant for

1 each of these owners licenses has been selected by the Board,
2 the Board shall publish the number of gaming positions reserved
3 and unreserved by each winning applicant, shall accept requests
4 for additional gaming positions from any winning applicants or
5 owners licensee who initially reserved 1,600 gaming positions,
6 and shall allocate expeditiously the unreserved gaming
7 positions to such requesting winning applicants or owners
8 licensees in a manner to maximize revenue to the State;
9 provided, however, that no owners licensee (other than the
10 Chicago Casino Development Authority) shall obtain more than
11 2,000 positions total. The Board may allocate any such unused
12 gaming positions through a competitive bidding process
13 pursuant to Section 7.5 of this Act.

14 In the event that not all of the unreserved gaming
15 positions described in the first and second paragraphs of this
16 subsection (h-10) were requested by owners licensees and
17 applicants, then until there are no longer unreserved gaming
18 positions, the Board periodically shall govern a process to
19 allocate the unreserved gaming positions in a manner to
20 maximize revenue to the State.

21 Unreserved gaming positions retained from and allocated to
22 owners licensees by the Board pursuant to this subsection
23 (h-10) shall not be allocated to electronic gaming licensees
24 pursuant to subsection (e) of Section 7.7 of this Act.

25 (i) A licensed owner is authorized to apply to the Board
26 for and, if approved therefor, to receive all licenses from the

1 Board necessary for the operation of a riverboat or a casino,
2 including a liquor license, a license to prepare and serve food
3 for human consumption, and other necessary licenses. All use,
4 occupation and excise taxes which apply to the sale of food and
5 beverages in this State and all taxes imposed on the sale or
6 use of tangible personal property apply to such sales aboard
7 the riverboat or in the casino.

8 (j) The Board may issue or re-issue a license authorizing a
9 riverboat to dock in a municipality or approve a relocation
10 under Section 11.2 only if, prior to the issuance or
11 re-issuance of the license or approval, the governing body of
12 the municipality in which the riverboat will dock has by a
13 majority vote approved the docking of riverboats in the
14 municipality. The Board may issue or re-issue a license
15 authorizing a riverboat to dock in areas of a county outside
16 any municipality or approve a relocation under Section 11.2
17 only if, prior to the issuance or re-issuance of the license or
18 approval, the governing body of the county has by a majority
19 vote approved of the docking of riverboats within such areas.

20 (k) An owners licensee may conduct land-based gambling
21 operations upon approval by the Board.

22 (l) An owners licensee may conduct gaming at a temporary
23 facility pending the construction of a permanent facility or
24 the remodeling or relocation of an existing facility to
25 accommodate gaming participants for up to 24 months after the
26 temporary facility begins to conduct gaming. Upon request by an

1 owners licensee and upon a showing of good cause by the owners
2 licensee, the Board shall extend the period during which the
3 licensee may conduct gaming at a temporary facility by up to 12
4 months. The Board shall make rules concerning the conduct of
5 gaming from temporary facilities.

6 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

7 (230 ILCS 10/7.3)

8 Sec. 7.3. State conduct of gambling operations.

9 (a) If, after reviewing each application for a re-issued
10 license, the Board determines that the highest prospective
11 total revenue to the State would be derived from State conduct
12 of the gambling operation in lieu of re-issuing the license,
13 the Board shall inform each applicant of its decision. The
14 Board shall thereafter have the authority, without obtaining an
15 owners license, to conduct casino or riverboat gambling
16 operations as previously authorized by the terminated,
17 expired, revoked, or nonrenewed license through a licensed
18 manager selected pursuant to an open and competitive bidding
19 process as set forth in Section 7.5 and as provided in Section
20 7.4.

21 (b) The Board may locate any casino or riverboat on which a
22 gambling operation is conducted by the State in any home dock
23 or other location authorized by Section 3(c) upon receipt of
24 approval from a majority vote of the governing body of the
25 municipality or county, as the case may be, in which the

1 riverboat will dock.

2 (c) The Board shall have jurisdiction over and shall
3 supervise all gambling operations conducted by the State
4 provided for in this Act and the Chicago Casino Development
5 Authority Act and shall have all powers necessary and proper to
6 fully and effectively execute the provisions of this Act and
7 the Chicago Casino Development Authority Act relating to
8 gambling operations conducted by the State.

9 (d) The maximum number of owners licenses authorized under
10 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
11 which the Board authorizes the State to conduct a casino or
12 riverboat gambling operation under subsection (a) in lieu of
13 re-issuing a license to an applicant under Section 7.1.

14 (Source: P.A. 93-28, eff. 6-20-03.)

15 (230 ILCS 10/7.5)

16 Sec. 7.5. Competitive Bidding. When the Board determines
17 that (i) it will re-issue an owners license pursuant to an open
18 and competitive bidding process, as set forth in Section 7.1,
19 (ii) ~~or that~~ it will issue a managers license pursuant to an
20 open and competitive bidding process, as set forth in Section
21 7.4, (iii) it will issue an owners license pursuant to an open
22 and competitive bidding process, as set forth in Section 7.11,
23 or (iv) it will allocate unused gaming positions pursuant to an
24 open and competitive bidding process, as set forth in
25 subsection (h-10) of Section 7, the open and competitive

1 bidding process shall adhere to the following procedures:

2 (1) The Board shall make applications for owners and
3 managers licenses available to the public and allow a
4 reasonable time for applicants to submit applications to the
5 Board.

6 (2) During the filing period for owners or managers license
7 applications, the Board may retain the services of an
8 investment banking firm to assist the Board in conducting the
9 open and competitive bidding process.

10 (3) After receiving all of the bid proposals, the Board
11 shall open all of the proposals in a public forum and disclose
12 the prospective owners or managers names, venture partners, if
13 any, and, in the case of applicants for owners licenses, the
14 locations of the proposed development sites.

15 (4) The Board shall summarize the terms of the proposals
16 and may make this summary available to the public.

17 (5) The Board shall evaluate the proposals within a
18 reasonable time and select no more than 3 final applicants to
19 make presentations of their proposals to the Board.

20 (6) The final applicants shall make their presentations to
21 the Board on the same day during an open session of the Board.

22 (7) As soon as practicable after the public presentations
23 by the final applicants, the Board, in its discretion, may
24 conduct further negotiations among the 3 final applicants.
25 During such negotiations, each final applicant may increase its
26 license bid or otherwise enhance its bid proposal. At the

1 conclusion of such negotiations, the Board shall select the
2 winning proposal. In the case of negotiations for an owners
3 license, the Board may, at the conclusion of such negotiations,
4 make the determination allowed under Section 7.3(a).

5 (8) Upon selection of a winning bid, the Board shall
6 evaluate the winning bid within a reasonable period of time for
7 licensee suitability in accordance with all applicable
8 statutory and regulatory criteria.

9 (9) If the winning bidder is unable or otherwise fails to
10 consummate the transaction, (including if the Board determines
11 that the winning bidder does not satisfy the suitability
12 requirements), the Board may, on the same criteria, select from
13 the remaining bidders or make the determination allowed under
14 Section 7.3(a).

15 (Source: P.A. 93-28, eff. 6-20-03.)

16 (230 ILCS 10/7.7 new)

17 Sec. 7.7. Electronic gaming.

18 (a) The General Assembly finds that the horse racing and
19 riverboat gambling industries share many similarities and
20 collectively comprise the bulk of the State's gaming industry.
21 One feature common to both industries is that each is highly
22 regulated by the State of Illinois. The General Assembly
23 further finds, however, that despite their shared features each
24 industry is distinct from the other in that horse racing is and
25 continues to be intimately tied to Illinois' agricultural

1 economy and is, at its core, a spectator sport. This
2 distinction requires the General Assembly to utilize different
3 methods to regulate and promote the horse racing industry
4 throughout the State. The General Assembly finds that in order
5 to promote live horse racing as a spectator sport in Illinois
6 and the agricultural economy of this State, it is necessary to
7 allow electronic gaming at Illinois race tracks as an ancillary
8 use given the success of other states in increasing live racing
9 purse accounts and improving the quality of horses
10 participating in horse race meetings.

11 (b) The Illinois Gaming Board shall award one electronic
12 gaming license to each person or entity having operating
13 control of a race track that applies under Section 56 of the
14 Illinois Horse Racing Act of 1975, subject to the application
15 and eligibility requirements of this Section. Within 60 days
16 after the effective date of this amendatory Act of the 100th
17 General Assembly, a person or entity having operating control
18 of a race track may submit an application for an electronic
19 gaming license. The application shall be made on such forms as
20 provided by the Board and shall contain such information as the
21 Board prescribes, including, but not limited to, the identity
22 of any race track at which electronic gaming will be conducted,
23 detailed information regarding the ownership and management of
24 the applicant, and detailed personal information regarding the
25 applicant. The application shall specify the number of gaming
26 positions the applicant intends to use and the place where the

1 electronic gaming facility will operate. A person who knowingly
2 makes a false statement on an application is guilty of a Class
3 A misdemeanor.

4 Each applicant shall disclose the identity of every person
5 or entity having a direct or indirect pecuniary interest
6 greater than 1% in any race track with respect to which the
7 license is sought. If the disclosed entity is a corporation,
8 the applicant shall disclose the names and addresses of all
9 stockholders and directors. If the disclosed entity is a
10 limited liability company, the applicant shall disclose the
11 names and addresses of all members and managers. If the
12 disclosed entity is a partnership, the applicant shall disclose
13 the names and addresses of all partners, both general and
14 limited. If the disclosed entity is a trust, the applicant
15 shall disclose the names and addresses of all beneficiaries.

16 An application shall be filed and considered in accordance
17 with the rules of the Board. Each application for an electronic
18 gaming license shall include a non-refundable application fee
19 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
20 be paid at the time of filing to defray the costs associated
21 with background investigations conducted by the Board. If the
22 costs of the background investigation exceed \$50,000, the
23 applicant shall pay the additional amount to the Board within 7
24 days after a request by the Board. If the costs of the
25 investigation are less than \$50,000, the applicant shall
26 receive a refund of the remaining amount. All information,

1 records, interviews, reports, statements, memoranda, or other
2 data supplied to or used by the Board in the course of this
3 review or investigation of an applicant for an electronic
4 gaming license under this Act shall be privileged and strictly
5 confidential and shall be used only for the purpose of
6 evaluating an applicant for an electronic gaming license or a
7 renewal. Such information, records, interviews, reports,
8 statements, memoranda, or other data shall not be admissible as
9 evidence nor discoverable in any action of any kind in any
10 court or before any tribunal, board, agency or person, except
11 for any action deemed necessary by the Board. The application
12 fee shall be deposited into the Gaming Facilities Fee Revenue
13 Fund.

14 Each applicant shall submit with his or her application, on
15 forms provided by the Board, 2 sets of his or her fingerprints.
16 The Board shall charge each applicant a fee set by the
17 Department of State Police to defray the costs associated with
18 the search and classification of fingerprints obtained by the
19 Board with respect to the applicant's application. This fee
20 shall be paid into the State Police Services Fund.

21 (c) The Board shall determine within 120 days after
22 receiving an application for an electronic gaming license
23 whether to grant an electronic gaming license to the applicant.
24 If the Board does not make a determination within that time
25 period, then the Board shall give a written explanation to the
26 applicant as to why it has not reached a determination and when

1 it reasonably expects to make a determination.

2 The electronic gaming licensee shall purchase up to the
3 amount of electronic gaming positions authorized under this Act
4 within 120 days after receiving its electronic gaming license.
5 If an electronic gaming licensee is prepared to purchase the
6 electronic gaming positions, but is temporarily prohibited
7 from doing so by order of a court of competent jurisdiction or
8 the Board, then the 120-day period is tolled until a resolution
9 is reached.

10 An electronic gaming license shall authorize its holder to
11 conduct electronic gaming at its race track at the following
12 times:

13 (1) On days when it conducts live racing at the track
14 where its electronic gaming facility is located, from 8:00
15 a.m. until 3:00 a.m. on the following day.

16 (2) On days when it is scheduled to conduct simulcast
17 wagering on races run in the United States, from 8:00 a.m.
18 until 3:00 a.m. on the following day.

19 Additionally, the Board may extend these days of operation
20 and hours upon request by an organization licensee as the Board
21 sees fit.

22 A license to conduct electronic gaming and any renewal of
23 an electronic gaming license shall authorize electronic gaming
24 for a period of 4 years. The fee for the issuance or renewal of
25 an electronic gaming license shall be \$100,000.

26 (d) To be eligible to conduct electronic gaming, a person

1 or entity having operating control of a race track must (i)
2 obtain an electronic gaming license, (ii) hold an organization
3 license under the Illinois Horse Racing Act of 1975, (iii) hold
4 an inter-track wagering license, (iv) pay an initial fee of
5 \$30,000 per gaming position from electronic gaming licensees
6 where electronic gaming is conducted in Cook County and \$17,500
7 for electronic gaming licensees where electronic gaming is
8 located outside of Cook County before beginning to conduct
9 electronic gaming plus make the reconciliation payment
10 required under subsection (i), (v) conduct at least 240 live
11 races at each track per year or for a licensee that is only
12 authorized 350 gaming positions pursuant to subsection (d) of
13 Section 7.7 of this Act, have a fully operational facility
14 running at least 96 live races over a period of at least 15
15 days per year until such time as the total number of gaming
16 positions is increased to 900, (vi) meet the requirements of
17 subsection (a) of Section 56 of the Illinois Horse Racing Act
18 of 1975, (vii) for organization licensees conducting
19 standardbred race meetings that had an open backstretch in
20 2009, keep backstretch barns and dormitories open and
21 operational year-round unless a lesser schedule is mutually
22 agreed to by the organization licensee and the horsemen's
23 association racing at that organization licensee's race
24 meeting, (viii) for organization licensees conducting
25 thoroughbred race meetings, the organization licensee must
26 maintain accident medical expense liability insurance coverage

1 of \$1,000,000 for jockeys, and (ix) meet all other requirements
2 of this Act that apply to owners licensees. Only those persons
3 or entities (or its successors or assigns) that had operating
4 control of a race track and held an inter-track wagering
5 license authorized by the Illinois Racing Board in 2009 are
6 eligible.

7 An electronic gaming licensee may enter into a joint
8 venture with a licensed owner to own, manage, conduct, or
9 otherwise operate the electronic gaming licensee's electronic
10 gaming facilities, unless the electronic gaming licensee has a
11 parent company or other affiliated company that is, directly or
12 indirectly, wholly owned by a parent company that is also
13 licensed to conduct electronic gaming, casino gaming, or their
14 equivalent in another state.

15 All payments by licensees under this subsection (c) shall
16 be deposited into the Gaming Facilities Fee Revenue Fund.

17 (e) A person or entity is ineligible to receive an
18 electronic gaming license if:

19 (1) the person or entity has been convicted of a felony
20 under the laws of this State, any other state, or the
21 United States, including a conviction under the Racketeer
22 Influenced and Corrupt Organizations Act;

23 (2) the person or entity has been convicted of any
24 violation of Article 28 of the Criminal Code of 2012, or
25 substantially similar laws of any other jurisdiction;

26 (3) the person or entity has submitted an application

1 for a license under this Act that contains false
2 information;

3 (4) the person is a member of the Board;

4 (5) a person defined in (1), (2), (3), or (4) of this
5 subsection (e) is an officer, director, or managerial
6 employee of the entity;

7 (6) the person or entity employs a person defined in
8 (1), (2), (3), or (4) of this subsection (e) who
9 participates in the management or operation of gambling
10 operations authorized under this Act; or

11 (7) a license of the person or entity issued under this
12 Act or a license to own or operate gambling facilities in
13 any other jurisdiction has been revoked.

14 (f) The Board may approve electronic gaming positions
15 statewide as provided in this Section. The authority to operate
16 electronic gaming positions under this Section shall be
17 allocated as follows: up to 1,200 gaming positions for any
18 electronic gaming licensee in Cook County whose electronic
19 gaming license originates with an organization licensee that
20 conducted live racing in calendar year 2010; up to 900 gaming
21 positions for any electronic gaming licensee outside of Cook
22 County whose electronic gaming license originates with an
23 organization licensee that conducted live racing in calendar
24 year 2010; and up to 350 gaming positions for any electronic
25 gaming licensee whose electronic gaming license originates
26 with an organization licensee that did not conduct live racing

1 in calendar year 2010, which shall increase to 900 gaming
2 positions in the calendar year following the year in which the
3 electronic gaming licensee conducts 96 live races.

4 (g) Each applicant for an electronic gaming license shall
5 specify in its application for licensure the number of gaming
6 positions it will operate, up to the applicable limitation set
7 forth in subsection (f) of this Section. Any unreserved gaming
8 positions that are not specified shall be forfeited and
9 retained by the Board. For the purposes of this subsection (g),
10 an electronic gaming licensee that did not conduct live racing
11 in 2010 may reserve up to 900 positions and shall not be
12 penalized under this Section for not operating those positions
13 until it meets the requirements of subsection (f) of this
14 Section, but such licensee shall not request unreserved gaming
15 positions under this subsection (g) until its 900 positions are
16 all operational.

17 Thereafter, the Board shall publish the number of
18 unreserved electronic gaming positions and shall accept
19 requests for additional positions from any electronic gaming
20 licensee that initially reserved all of the positions that were
21 offered. The Board shall allocate expeditiously the unreserved
22 electronic gaming positions to requesting electronic gaming
23 licensees in a manner that maximizes revenue to the State. The
24 Board may allocate any such unused electronic gaming positions
25 pursuant to an open and competitive bidding process, as
26 provided under Section 7.5 of this Act. This process shall

1 continue until all unreserved gaming positions have been
2 purchased. All positions obtained pursuant to this process and
3 all positions the electronic gaming licensee specified it would
4 operate in its application must be in operation within 18
5 months after they were obtained or the electronic gaming
6 licensee forfeits the right to operate those positions, but is
7 not entitled to a refund of any fees paid. The Board may, after
8 holding a public hearing, grant extensions so long as the
9 electronic gaming licensee is working in good faith to make the
10 positions operational. The extension may be for a period of 6
11 months. If, after the period of the extension, the electronic
12 gaming licensee has not made the positions operational, then
13 another public hearing must be held by the Board before it may
14 grant another extension.

15 Unreserved gaming positions retained from and allocated to
16 electronic gaming licensees by the Board pursuant to this
17 subsection (g) shall not be allocated to owners licensees
18 pursuant to subsection (h-10) of Section 7 of this Act.

19 For the purpose of this subsection (g), the unreserved
20 gaming positions for each electronic gaming licensee shall be
21 the applicable limitation set forth in subsection (f) of this
22 Section, less the number of reserved gaming positions by such
23 electronic gaming licensee, and the total unreserved gaming
24 positions shall be the aggregate of the unreserved gaming
25 positions for all electronic gaming licensees.

26 (h) Subject to the approval of the Illinois Gaming Board,

1 an electronic gaming licensee may make modification or
2 additions to any existing buildings and structures to comply
3 with the requirements of this Act. The Illinois Gaming Board
4 shall make its decision after consulting with the Illinois
5 Racing Board. In no case, however, shall the Illinois Gaming
6 Board approve any modification or addition that alters the
7 grounds of the organizational licensee such that the act of
8 live racing is an ancillary activity to electronic gaming.
9 Electronic gaming may take place in existing structures where
10 inter-track wagering is conducted at the race track or a
11 facility within 300 yards of the race track in accordance with
12 the provisions of this Act and the Illinois Horse Racing Act of
13 1975.

14 (i) An electronic gaming licensee may conduct electronic
15 gaming at a temporary facility pending the construction of a
16 permanent facility or the remodeling or relocation of an
17 existing facility to accommodate electronic gaming
18 participants for up to 24 months after the temporary facility
19 begins to conduct electronic gaming. Upon request by an
20 electronic gaming licensee and upon a showing of good cause by
21 the electronic gaming licensee, the Board shall extend the
22 period during which the licensee may conduct electronic gaming
23 at a temporary facility by up to 12 months. The Board shall
24 make rules concerning the conduct of electronic gaming from
25 temporary facilities.

26 Electronic gaming may take place in existing structures

1 where inter-track wagering is conducted at the race track or a
2 facility within 300 yards of the race track in accordance with
3 the provisions of this Act and the Illinois Horse Racing Act of
4 1975. Any electronic gaming conducted at a permanent facility
5 within 300 yards of the race track in accordance with this Act
6 and the Illinois Horse Racing Act of 1975 shall have an
7 all-weather egress connecting the electronic gaming facility
8 and the race track facility or, on days and hours of live
9 racing, a complimentary shuttle service between the permanent
10 electronic gaming facility and the race track facility and
11 shall not charge electronic gaming participants an additional
12 admission fee to the race track facility.

13 (j) The Illinois Gaming Board must adopt emergency rules in
14 accordance with Section 5-45 of the Illinois Administrative
15 Procedure Act as necessary to ensure compliance with the
16 provisions of this amendatory Act of the 100th General Assembly
17 concerning electronic gaming. The adoption of emergency rules
18 authorized by this subsection (j) shall be deemed to be
19 necessary for the public interest, safety, and welfare.

20 (k) Each electronic gaming licensee who obtains electronic
21 gaming positions must make a reconciliation payment 3 years
22 after the date the electronic gaming licensee begins operating
23 the positions in an amount equal to 75% of the difference
24 between its adjusted gross receipts from electronic gaming and
25 amounts paid to its purse accounts pursuant to item (1) of
26 subsection (b) of Section 56 of the Illinois Horse Racing Act

1 of 1975 for the 12-month period for which such difference was
2 the largest, minus an amount equal to the initial per position
3 fee paid by the electronic gaming licensee. If this calculation
4 results in a negative amount, then the electronic gaming
5 licensee is not entitled to any reimbursement of fees
6 previously paid. This reconciliation payment may be made in
7 installments over a period of no more than 2 years, subject to
8 Board approval. Any installment payments shall include an
9 annual market interest rate as determined by the Board.

10 All payments by licensees under this subsection (i) shall
11 be deposited into the Gaming Facilities Fee Revenue Fund.

12 (l) As soon as practical after a request is made by the
13 Illinois Gaming Board, to minimize duplicate submissions by the
14 applicant, the Illinois Racing Board must provide information
15 on an applicant for an electronic gaming license to the
16 Illinois Gaming Board.

17 (m) Subject to the approval of the Illinois Gaming Board,
18 an organization licensee that has received an electronic gaming
19 license under this Act and has operating control of a race
20 track facility located in Cook County may relocate its race
21 track facility as follows:

22 (1) the organization licensee may relocate within a
23 3-mile radius of its existing race track facility so long
24 as the organization licensee remains in Cook County and
25 submits its plan to construct a new structure to conduct
26 electronic gaming operations; and

1 (2) the organization licensee may not relocate within a
2 5-mile radius of a riverboat if the owners license was
3 issued prior to December 31, 2011.

4 The relocation must include the race track facility, including
5 the race track operations used to conduct live racing and the
6 electronic gaming facility in its entirety. For the purposes of
7 this subsection (m), "race track facility" means all operations
8 conducted on the race track property for which it was awarded a
9 license for pari-mutuel wagering and live racing in the year
10 2010, except for the real estate itself. The Illinois Gaming
11 Board shall make its decision after consulting with the
12 Illinois Racing Board, and any relocation application shall be
13 subject to all of the provisions of this Act and the Illinois
14 Horse Racing Act of 1975.

15 (230 ILCS 10/7.8 new)

16 Sec. 7.8. Home rule. The regulation and licensing of
17 electronic gaming and electronic gaming licensees are
18 exclusive powers and functions of the State. A home rule unit
19 may not regulate or license electronic gaming or electronic
20 gaming licensees. This Section is a denial and limitation of
21 home rule powers and functions under subsection (h) of Section
22 6 of Article VII of the Illinois Constitution.

23 (230 ILCS 10/7.9 new)

24 Sec. 7.9. Casino operator license.

1 (a) A qualified person may apply to the Board for a casino
2 operator license to operate and manage any gambling operation
3 conducted by the Authority. The application shall be made on
4 forms provided by the Board and shall contain such information
5 as the Board prescribes, including but not limited to
6 information required in Sections 6(a), (b), and (c) and
7 information relating to the applicant's proposed price to
8 manage the Authority's gambling operations and to provide the
9 casino, gambling equipment, and supplies necessary to conduct
10 Authority gambling operations. The application shall also
11 include a non-refundable application fee of \$100,000. This
12 application fee shall be deposited into the Gaming Facilities
13 Fee Revenue Fund.

14 (b) A person or entity is ineligible to receive a casino
15 operator license if:

16 (1) the person has been convicted of a felony under the
17 laws of this State, any other state, or the United States;

18 (2) the person has been convicted of any violation of
19 Article 28 of the Criminal Code of 2012, or substantially
20 similar laws of any other jurisdiction;

21 (3) the person has submitted an application for a
22 license under this Act or the Chicago Casino Development
23 Authority Act which contains false information;

24 (4) the person is a member of the Board or the Chicago
25 Casino Development Board or the person is an official or
26 employee of the Chicago Casino Development Authority or the

1 City of Chicago;

2 (5) a person defined in (1), (2), (3), or (4) is an
3 officer, director, or managerial employee of the entity;

4 (6) the entity employs a person defined in (1), (2),
5 (3), or (4) who participates in the management or operation
6 of gambling operations authorized under this Act; or

7 (7) a license of the person or entity issued under this
8 Act, or a license to own or operate gambling facilities in
9 any other jurisdiction, has been revoked.

10 (c) In determining whether to grant a casino operator
11 license, the Board shall consider:

12 (1) the character, reputation, experience and
13 financial integrity of the applicants and of any other or
14 separate person that either:

15 (A) controls, directly or indirectly, such
16 applicant, or

17 (B) is controlled, directly or indirectly, by such
18 applicant or by a person which controls, directly or
19 indirectly, such applicant;

20 (2) the facilities or proposed facilities for the
21 conduct of gambling;

22 (3) the preference of the municipality in which the
23 licensee will operate;

24 (4) the extent to which the ownership of the applicant
25 reflects the diversity of the State by including minority
26 persons and females and the good faith affirmative action

1 plan of each applicant to recruit, train, and upgrade
2 minority persons and females in all employment
3 classifications;

4 (5) the financial ability of the applicant to purchase
5 and maintain adequate liability and casualty insurance;

6 (6) whether the applicant has adequate capitalization
7 to provide and maintain, for the duration of a license, a
8 casino; and

9 (7) the extent to which the applicant exceeds or meets
10 other standards for the issuance of a casino operator
11 license that the Board may adopt by rule.

12 (d) Each applicant shall submit with his or her
13 application, on forms prescribed by the Board, 2 sets of his or
14 her fingerprints. The Board shall charge each applicant a fee
15 set by the Department of State Police to defray the costs
16 associated with the search and classification of fingerprints
17 obtained by the Board with respect to the applicant's
18 application. This fee shall be paid into the State Police
19 Services Fund.

20 (e) A person who knowingly makes a false statement on an
21 application is guilty of a Class A misdemeanor.

22 (f) The Board shall charge each applicant a non-refundable
23 fee of \$50,000 to defray the costs associated with the
24 background investigation conducted by the Board. This fee shall
25 be exclusive of any other fee or fees charged in connection
26 with an application for and, if applicable, the issuance of, a

1 casino operator license. If the costs of the investigation
2 exceed \$50,000, the Board shall immediately notify the
3 applicant of the additional amount owed, payment of which must
4 be submitted to the Board within 7 days after such
5 notification. All information, records, interviews, reports,
6 statements, memoranda, or other data supplied to or used by the
7 Board in the course of its review or investigation of an
8 application for a license or a renewal under this Act shall be
9 privileged and strictly confidential and shall be used only for
10 the purpose of evaluating an applicant for a license or a
11 renewal. Such information, records, interviews, reports,
12 statements, memoranda, or other data shall not be admissible as
13 evidence, nor discoverable in any action of any kind in any
14 court or before any tribunal, board, agency, or person, except
15 for any action deemed necessary by the Board.

16 (g) The casino operator license shall be issued only upon
17 proof that the applicant has entered into a labor peace
18 agreement with each labor organization that is actively engaged
19 in representing and attempting to represent casino and
20 hospitality industry workers in this State. The labor peace
21 agreement must be a valid and enforceable agreement under 29
22 U.S.C. 185 that protects the city's and State's revenues from
23 the operation of the casino facility by prohibiting the labor
24 organization and its members from engaging in any picketing,
25 work stoppages, boycotts, or any other economic interference
26 with the casino facility for at least the first 5 years of the

1 casino license and must cover all operations at the casino
2 facility that are conducted by lessees or tenants or under
3 management agreements.

4 (h) The casino operator license shall be for a term of 4
5 years, shall be renewable by the Board, and shall contain such
6 terms and provisions as the Board deems necessary to protect or
7 enhance the credibility and integrity of State gambling
8 operations, achieve the highest prospective total revenue to
9 the State, and otherwise serve the interests of the citizens of
10 Illinois. The Board may suspend, restrict, or revoke the
11 license:

12 (1) for violation of any provision of this Act;

13 (2) for violation of any rules of the Board;

14 (3) for any cause which, if known to the Board, would
15 have disqualified the applicant from receiving the
16 license; or

17 (4) for any other just cause.

18 (230 ILCS 10/7.10 new)

19 Sec. 7.10. Diversity program.

20 (a) Each owners licensee, electronic gaming licensee,
21 casino operator licensee, and suppliers licensee shall
22 establish and maintain a diversity program to ensure
23 non-discrimination in the award and administration of
24 contracts. The programs shall establish goals of awarding not
25 less than 20% of the annual dollar value of all contracts,

1 purchase orders, or other agreements to minority-owned
2 businesses and 5% of the annual dollar value of all contracts
3 to female-owned businesses.

4 (b) Each owners licensee, electronic gaming licensee,
5 casino operator licensee, and suppliers licensee shall
6 establish and maintain a diversity program designed to promote
7 equal opportunity for employment. The program shall establish
8 hiring goals as the Board and each licensee determines
9 appropriate. The Board shall monitor the progress of the gaming
10 licensee's progress with respect to the program's goals.

11 (c) No later than May 31 of each year, each licensee shall
12 report to the Board the number of respective employees and the
13 number of their respective employees who have designated
14 themselves as members of a minority group and gender. In
15 addition, all licensees shall submit a report with respect to
16 the minority-owned and female-owned businesses program created
17 in this Section to the Board.

18 (230 ILCS 10/7.11 new)

19 Sec. 7.11. Annual report on diversity.

20 (a) Each licensee that receives a license under Sections 7,
21 7.1, and 7.7 shall execute and file a report with the Board no
22 later than December 31 of each year that shall contain, but not
23 be limited to, the following information:

24 (i) a good faith affirmative action plan to recruit,
25 train, and upgrade minority persons, females, and persons

1 with a disability in all employment classifications;

2 (ii) the total dollar amount of contracts that were
3 awarded to businesses owned by minority persons, females,
4 and persons with a disability;

5 (iii) the total number of businesses owned by minority
6 persons, females, and persons with a disability that were
7 utilized by the licensee;

8 (iv) the utilization of businesses owned by minority
9 persons, females, and persons with disabilities during the
10 preceding year; and

11 (v) the outreach efforts used by the licensee to
12 attract investors and businesses consisting of minority
13 persons, females, and persons with a disability.

14 (b) The Board shall forward a copy of each licensee's
15 annual reports to the General Assembly no later than February 1
16 of each year.

17 (230 ILCS 10/7.12 new)

18 Sec. 7.12. Issuance of new owners licenses.

19 (a) Except for the owners license issued to the Chicago
20 Casino Development Authority, owners licenses newly authorized
21 pursuant to this amendatory Act of the 100th General Assembly
22 may be issued by the Board to a qualified applicant pursuant to
23 an open and competitive bidding process, as set forth in
24 Section 7.5, and subject to the maximum number of authorized
25 licenses set forth in subsection (e-5) of Section 7 of this

1 Act.

2 (b) To be a qualified applicant, a person or entity may not
3 be ineligible to receive an owners license under subsection (a)
4 of Section 7 of this Act and must submit an application for an
5 owners license that complies with Section 6 of this Act.

6 (c) In determining whether to grant an owners license to an
7 applicant, the Board shall consider all of the factors set
8 forth in subsections (b) and (e-10) of Section 7 of this Act,
9 as well as the amount of the applicant's license bid. The Board
10 may grant the owners license to an applicant that has not
11 submitted the highest license bid, but if it does not select
12 the highest bidder, the Board shall issue a written decision
13 explaining why another applicant was selected and identifying
14 the factors set forth in subsections (b) and (e-10) of Section
15 7 of this Act that favored the winning bidder.

16 (230 ILCS 10/7.13 new)

17 Sec. 7.13. Environmental standards. All permanent
18 casinos, riverboats, and electronic gaming facilities shall
19 consist of buildings that are certified as meeting the U.S.
20 Green Building Council's Leadership in Energy and
21 Environmental Design standards. The provisions of this Section
22 apply to a holder of an owners license, casino operator
23 license, or electronic gaming license that (i) begins
24 operations on or after January 1, 2017 or (ii) relocates its
25 facilities on or after the effective date of this amendatory

1 Act of the 100th General Assembly.

2 (230 ILCS 10/8) (from Ch. 120, par. 2408)

3 Sec. 8. Suppliers licenses.

4 (a) The Board may issue a suppliers license to such
5 persons, firms or corporations which apply therefor upon the
6 payment of a non-refundable application fee set by the Board,
7 upon a determination by the Board that the applicant is
8 eligible for a suppliers license and upon payment of a \$5,000
9 annual license fee.

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

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

17 (d) A person, firm or corporation is ineligible to receive
18 a suppliers license if:

19 (1) the person has been convicted of a felony under the
20 laws of this State, any other state, or the United States;

21 (2) the person has been convicted of any violation of
22 Article 28 of the Criminal Code of 1961 or the Criminal
23 Code of 2012, or substantially similar laws of any other
24 jurisdiction;

25 (3) the person has submitted an application for a

1 license under this Act which contains false information;

2 (4) the person is a member of the Board;

3 (5) the entity ~~firm or corporation~~ is one in which a
4 person defined in (1), (2), (3) or (4), is an officer,
5 director or managerial employee;

6 (6) the firm or corporation employs a person who
7 participates in the management or operation of riverboat
8 gambling authorized under this Act or the Chicago Casino
9 Development Authority Act;

10 (7) the license of the person, firm or corporation
11 issued under this Act or the Chicago Casino Development
12 Authority Act, or a license to own or operate gambling
13 facilities in any other jurisdiction, has been revoked.

14 (e) Any person that supplies any equipment, devices, or
15 supplies to a licensed riverboat gambling operation or casino
16 or electronic gaming operation must first obtain a suppliers
17 license. A supplier shall furnish to the Board a list of all
18 equipment, devices and supplies offered for sale or lease in
19 connection with gambling games authorized under this Act. A
20 supplier shall keep books and records for the furnishing of
21 equipment, devices and supplies to gambling operations
22 separate and distinct from any other business that the supplier
23 might operate. A supplier shall file a quarterly return with
24 the Board listing all sales and leases. A supplier shall
25 permanently affix its name or a distinctive logo or other mark
26 or design element identifying the manufacturer or supplier to

1 all its equipment, devices, and supplies, except gaming chips
2 without a value impressed, engraved, or imprinted on it, for
3 gambling operations. The Board may waive this requirement for
4 any specific product or products if it determines that the
5 requirement is not necessary to protect the integrity of the
6 game. Items purchased from a licensed supplier may continue to
7 be used even though the supplier subsequently changes its name,
8 distinctive logo, or other mark or design element; undergoes a
9 change in ownership; or ceases to be licensed as a supplier for
10 any reason. Any supplier's equipment, devices or supplies which
11 are used by any person in an unauthorized gambling operation
12 shall be forfeited to the State. A holder of an owners license
13 or an electronic gaming license ~~A licensed owner~~ may own its
14 own equipment, devices and supplies. Each holder of an owners
15 license or an electronic gaming license under the Act shall
16 file an annual report listing its inventories of gambling
17 equipment, devices and supplies.

18 (f) Any person who knowingly makes a false statement on an
19 application is guilty of a Class A misdemeanor.

20 (g) Any gambling equipment, devices and supplies provided
21 by any licensed supplier may either be repaired on the
22 riverboat, in the casino, or at the electronic gaming facility
23 or removed from the riverboat, casino, or electronic gaming
24 facility to a ~~an on-shore~~ facility owned by the holder of an
25 owners license or electronic gaming license for repair.

26 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;

1 98-756, eff. 7-16-14.)

2 (230 ILCS 10/9) (from Ch. 120, par. 2409)

3 Sec. 9. Occupational licenses.

4 (a) The Board may issue an occupational license to an
5 applicant upon the payment of a non-refundable fee set by the
6 Board, upon a determination by the Board that the applicant is
7 eligible for an occupational license and upon payment of an
8 annual license fee in an amount to be established. To be
9 eligible for an occupational license, an applicant must:

10 (1) be at least 21 years of age if the applicant will
11 perform any function involved in gaming by patrons. Any
12 applicant seeking an occupational license for a non-gaming
13 function shall be at least 18 years of age;

14 (2) not have been convicted of a felony offense, a
15 violation of Article 28 of the Criminal Code of 1961 or the
16 Criminal Code of 2012, or a similar statute of any other
17 jurisdiction;

18 (2.5) not have been convicted of a crime, other than a
19 crime described in item (2) of this subsection (a),
20 involving dishonesty or moral turpitude, except that the
21 Board may, in its discretion, issue an occupational license
22 to a person who has been convicted of a crime described in
23 this item (2.5) more than 10 years prior to his or her
24 application and has not subsequently been convicted of any
25 other crime;

1 (3) have demonstrated a level of skill or knowledge
2 which the Board determines to be necessary in order to
3 operate gambling aboard a riverboat, in a casino, or at an
4 electronic gaming facility; and

5 (4) have met standards for the holding of an
6 occupational license as adopted by rules of the Board. Such
7 rules shall provide that any person or entity seeking an
8 occupational license to manage gambling operations under
9 this Act or the Chicago Casino Development Authority Act
10 ~~hereunder~~ shall be subject to background inquiries and
11 further requirements similar to those required of
12 applicants for an owners license. Furthermore, such rules
13 shall provide that each such entity shall be permitted to
14 manage gambling operations for only one licensed owner.

15 (b) Each application for an occupational license shall be
16 on forms prescribed by the Board and shall contain all
17 information required by the Board. The applicant shall set
18 forth in the application: whether he has been issued prior
19 gambling related licenses; whether he has been licensed in any
20 other state under any other name, and, if so, such name and his
21 age; and whether or not a permit or license issued to him in
22 any other state has been suspended, restricted or revoked, and,
23 if so, for what period of time.

24 (c) Each applicant shall submit with his application, on
25 forms provided by the Board, 2 sets of his fingerprints. The
26 Board shall charge each applicant a fee set by the Department

1 of State Police to defray the costs associated with the search
2 and classification of fingerprints obtained by the Board with
3 respect to the applicant's application. These fees shall be
4 paid into the State Police Services Fund.

5 (d) The Board may in its discretion refuse an occupational
6 license to any person: (1) who is unqualified to perform the
7 duties required of such applicant; (2) who fails to disclose or
8 states falsely any information called for in the application;
9 (3) who has been found guilty of a violation of this Act or the
10 Chicago Casino Development Authority Act or whose prior
11 gambling related license or application therefor has been
12 suspended, restricted, revoked or denied for just cause in any
13 other state; or (4) for any other just cause.

14 (e) The Board may suspend, revoke or restrict any
15 occupational licensee: (1) for violation of any provision of
16 this Act; (2) for violation of any of the rules and regulations
17 of the Board; (3) for any cause which, if known to the Board,
18 would have disqualified the applicant from receiving such
19 license; or (4) for default in the payment of any obligation or
20 debt due to the State of Illinois; or (5) for any other just
21 cause.

22 (f) A person who knowingly makes a false statement on an
23 application is guilty of a Class A misdemeanor.

24 (g) Any license issued pursuant to this Section shall be
25 valid for a period of one year from the date of issuance.

26 (h) Nothing in this Act shall be interpreted to prohibit a

1 licensed owner or electronic gaming licensee from entering into
2 an agreement with a public community college or a school
3 approved under the Private Business and Vocational Schools Act
4 of 2012 for the training of any occupational licensee. Any
5 training offered by such a school shall be in accordance with a
6 written agreement between the licensed owner or electronic
7 gaming licensee and the school.

8 (i) Any training provided for occupational licensees may be
9 conducted either at the site of the gambling facility ~~on the~~
10 ~~riverboat~~ or at a school with which a licensed owner or
11 electronic gaming licensee has entered into an agreement
12 pursuant to subsection (h).

13 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
14 97-1150, eff. 1-25-13.)

15 (230 ILCS 10/11) (from Ch. 120, par. 2411)

16 Sec. 11. Conduct of gambling. Gambling may be conducted by
17 licensed owners or licensed managers on behalf of the State
18 aboard riverboats. Gambling may be conducted by electronic
19 gaming licensees at electronic gaming facilities. Gambling may
20 be conducted by a casino operator licensee at a casino.
21 Gambling authorized under this Section is⁷ subject to the
22 following standards:

23 (1) A licensee may conduct riverboat gambling
24 authorized under this Act regardless of whether it conducts
25 excursion cruises. A licensee may permit the continuous

1 ingress and egress of patrons ~~passengers~~ on a riverboat not
2 used for excursion cruises for the purpose of gambling.
3 Excursion cruises shall not exceed 4 hours for a round
4 trip. However, the Board may grant express approval for an
5 extended cruise on a case-by-case basis.

6 (2) (Blank).

7 (3) Minimum and maximum wagers on games shall be set by
8 the licensee.

9 (4) Agents of the Board and the Department of State
10 Police may board and inspect any riverboat, enter and
11 inspect any portion of a casino, or enter and inspect any
12 portion of an electronic gaming facility at any time for
13 the purpose of determining whether this Act or the Chicago
14 Casino Development Authority Act is being complied with.
15 Every riverboat, if under way and being hailed by a law
16 enforcement officer or agent of the Board, must stop
17 immediately and lay to.

18 (5) Employees of the Board shall have the right to be
19 present on the riverboat or in the casino or on adjacent
20 facilities under the control of the licensee and at the
21 electronic gaming facility under the control of the
22 electronic gaming licensee.

23 (6) Gambling equipment and supplies customarily used
24 in conducting riverboat or casino gambling or electronic
25 gaming must be purchased or leased only from suppliers
26 licensed for such purpose under this Act. The Board may

1 approve the transfer, sale, or lease of gambling equipment
2 and supplies by a licensed owner from or to an affiliate of
3 the licensed owner as long as the gambling equipment and
4 supplies were initially acquired from a supplier licensed
5 in Illinois.

6 (7) Persons licensed under this Act or the Chicago
7 Casino Development Authority Act shall permit no form of
8 wagering on gambling games except as permitted by this Act.

9 (8) Wagers may be received only from a person present
10 on a licensed riverboat, in a casino, or at an electronic
11 gaming facility. No person present on a licensed riverboat,
12 in a casino, or at an electronic gaming facility shall
13 place or attempt to place a wager on behalf of another
14 person who is not present on the riverboat, in a casino, or
15 at the electronic gaming facility.

16 (9) Wagering, including electronic gaming, shall not
17 be conducted with money or other negotiable currency.

18 (10) A person under age 21 shall not be permitted on an
19 area of a riverboat or casino where gambling is being
20 conducted or at an electronic gaming facility where
21 gambling is being conducted, except for a person at least
22 18 years of age who is an employee of the riverboat or
23 casino gambling operation or electronic gaming operation.
24 No employee under age 21 shall perform any function
25 involved in gambling by the patrons. No person under age 21
26 shall be permitted to make a wager under this Act or the

1 Chicago Casino Development Authority Act, and any winnings
2 that are a result of a wager by a person under age 21,
3 whether or not paid by a licensee, shall be treated as
4 winnings for the privilege tax purposes, confiscated, and
5 forfeited to the State and deposited into the Education
6 Assistance Fund.

7 (11) Gambling excursion cruises are permitted only
8 when the waterway for which the riverboat is licensed is
9 navigable, as determined by the Board in consultation with
10 the U.S. Army Corps of Engineers. This paragraph (11) does
11 not limit the ability of a licensee to conduct gambling
12 authorized under this Act when gambling excursion cruises
13 are not permitted.

14 (12) All tokens, chips or electronic cards used to make
15 wagers must be purchased (i) from a licensed owner or
16 manager, in the case of a riverboat, either aboard a
17 riverboat or at an onshore facility which has been approved
18 by the Board and which is located where the riverboat
19 docks, (ii) in the case of a casino, from a licensed owner
20 or licensed casino operator at the casino, or (iii) from an
21 electronic gaming licensee at the electronic gaming
22 facility. The tokens, chips or electronic cards may be
23 purchased by means of an agreement under which the owner,
24 ~~or~~ manager, or licensed casino operator extends credit to
25 the patron. Such tokens, chips or electronic cards may be
26 used while aboard the riverboat, in the casino, or at the

1 electronic gaming facility only for the purpose of making
2 wagers on gambling games.

3 (13) Notwithstanding any other Section of this Act or
4 the Chicago Casino Development Authority Act, in addition
5 to the other licenses authorized under this Act or the
6 Chicago Casino Development Authority Act, the Board may
7 issue special event licenses allowing persons who are not
8 otherwise licensed to conduct riverboat gambling to
9 conduct such gambling on a specified date or series of
10 dates. Riverboat gambling under such a license may take
11 place on a riverboat not normally used for riverboat
12 gambling. The Board shall establish standards, fees and
13 fines for, and limitations upon, such licenses, which may
14 differ from the standards, fees, fines and limitations
15 otherwise applicable under this Act or the Chicago Casino
16 Development Authority Act. All such fees shall be deposited
17 into the State Gaming Fund. All such fines shall be
18 deposited into the Education Assistance Fund, created by
19 Public Act 86-0018, of the State of Illinois.

20 (14) In addition to the above, gambling must be
21 conducted in accordance with all rules adopted by the
22 Board.

23 (Source: P.A. 96-1392, eff. 1-1-11.)

24 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

25 Sec. 11.1. Collection of amounts owing under credit

1 agreements. Notwithstanding any applicable statutory provision
2 to the contrary, a licensed owner, licensed ~~or~~ manager,
3 licensed casino operator, or electronic gaming licensee who
4 extends credit to a ~~riverboat~~ gambling patron or an electronic
5 gaming patron pursuant to Section 11 (a) (12) of this Act is
6 expressly authorized to institute a cause of action to collect
7 any amounts due and owing under the extension of credit, as
8 well as the licensed owner's, licensed ~~or~~ manager's, licensed
9 casino operator's, or electronic gaming licensee's costs,
10 expenses and reasonable attorney's fees incurred in
11 collection.

12 (Source: P.A. 93-28, eff. 6-20-03.)

13 (230 ILCS 10/12) (from Ch. 120, par. 2412)

14 Sec. 12. Admission tax; fees.

15 (a) A tax is hereby imposed upon admissions to riverboat
16 and casino gambling facilities ~~riverboats~~ operated by licensed
17 owners authorized pursuant to this Act and the Chicago Casino
18 Development Authority Act. Until July 1, 2002, the rate is \$2
19 per person admitted. From July 1, 2002 until July 1, 2003, the
20 rate is \$3 per person admitted. From July 1, 2003 until August
21 23, 2005 (the effective date of Public Act 94-673), for a
22 licensee that admitted 1,000,000 persons or fewer in the
23 previous calendar year, the rate is \$3 per person admitted; for
24 a licensee that admitted more than 1,000,000 but no more than
25 2,300,000 persons in the previous calendar year, the rate is \$4

1 per person admitted; and for a licensee that admitted more than
2 2,300,000 persons in the previous calendar year, the rate is \$5
3 per person admitted. Beginning on August 23, 2005 (the
4 effective date of Public Act 94-673), for a licensee that
5 admitted 1,000,000 persons or fewer in calendar year 2004, the
6 rate is \$2 per person admitted, and for all other licensees,
7 including licensees that were not conducting gambling
8 operations in 2004, the rate is \$3 per person admitted. This
9 admission tax is imposed upon the licensed owner conducting
10 gambling.

11 (1) The admission tax shall be paid for each admission,
12 except that a person who exits a riverboat gambling
13 facility and reenters that riverboat gambling facility
14 within the same gaming day shall be subject only to the
15 initial admission tax.

16 (2) (Blank).

17 (3) The riverboat licensee may issue tax-free passes to
18 actual and necessary officials and employees of the
19 licensee or other persons actually working on the
20 riverboat.

21 (4) The number and issuance of tax-free passes is
22 subject to the rules of the Board, and a list of all
23 persons to whom the tax-free passes are issued shall be
24 filed with the Board.

25 (a-5) A fee is hereby imposed upon admissions operated by
26 licensed managers on behalf of the State pursuant to Section

1 7.3 at the rates provided in this subsection (a-5). For a
2 licensee that admitted 1,000,000 persons or fewer in the
3 previous calendar year, the rate is \$3 per person admitted; for
4 a licensee that admitted more than 1,000,000 but no more than
5 2,300,000 persons in the previous calendar year, the rate is \$4
6 per person admitted; and for a licensee that admitted more than
7 2,300,000 persons in the previous calendar year, the rate is \$5
8 per person admitted.

9 (1) The admission fee shall be paid for each admission.

10 (2) (Blank).

11 (3) The licensed manager may issue fee-free passes to
12 actual and necessary officials and employees of the manager
13 or other persons actually working on the riverboat.

14 (4) The number and issuance of fee-free passes is
15 subject to the rules of the Board, and a list of all
16 persons to whom the fee-free passes are issued shall be
17 filed with the Board.

18 (b) Except as provided in subsection (b-5), from ~~From~~ the
19 tax imposed under subsection (a) and the fee imposed under
20 subsection (a-5), a municipality shall receive from the State
21 \$1 for each person embarking on a riverboat docked within the
22 municipality or entering a casino located within the
23 municipality, and a county shall receive \$1 for each person
24 entering a casino or embarking on a riverboat docked within the
25 county but outside the boundaries of any municipality. The
26 municipality's or county's share shall be collected by the

1 Board on behalf of the State and remitted quarterly by the
2 State, subject to appropriation, to the treasurer of the unit
3 of local government for deposit in the general fund.

4 (b-5) From the tax imposed under subsection (a) and the fee
5 imposed under subsection (a-5), \$1 for each person embarking on
6 a riverboat designated in paragraph (4) of subsection (e-5) of
7 Section 7 shall be divided equally and remitted monthly,
8 subject to appropriation, to the City of Rockford and Winnebago
9 County.

10 The municipality's or county's share shall be collected by
11 the Board on behalf of the State and remitted quarterly by the
12 State, subject to appropriation, to the treasurer of the unit
13 of local government for deposit in the general fund.

14 (c) The licensed owner shall pay the entire admission tax
15 to the Board and the licensed manager or the casino operator
16 licensee shall pay the entire admission fee to the Board. Such
17 payments shall be made daily. Accompanying each payment shall
18 be a return on forms provided by the Board which shall include
19 other information regarding admissions as the Board may
20 require. Failure to submit either the payment or the return
21 within the specified time may result in suspension or
22 revocation of the owners or managers license.

23 (c-5) A tax is imposed on admissions to electronic gaming
24 facilities at the rate of \$3 per person admitted by an
25 electronic gaming licensee. The tax is imposed upon the
26 electronic gaming licensee.

1 (1) The admission tax shall be paid for each admission,
2 except that a person who exits an electronic gaming
3 facility and reenters that electronic gaming facility
4 within the same gaming day, as the term "gaming day" is
5 defined by the Board by rule, shall be subject only to the
6 initial admission tax. The Board shall establish, by rule,
7 a procedure to determine whether a person admitted to an
8 electronic gaming facility has paid the admission tax.

9 (2) An electronic gaming licensee may issue tax-free
10 passes to actual and necessary officials and employees of
11 the licensee and other persons associated with electronic
12 gaming operations.

13 (3) The number and issuance of tax-free passes is
14 subject to the rules of the Board, and a list of all
15 persons to whom the tax-free passes are issued shall be
16 filed with the Board.

17 (4) The electronic gaming licensee shall pay the entire
18 admission tax to the Board.

19 Such payments shall be made daily. Accompanying each
20 payment shall be a return on forms provided by the Board, which
21 shall include other information regarding admission as the
22 Board may require. Failure to submit either the payment or the
23 return within the specified time may result in suspension or
24 revocation of the electronic gaming license.

25 From the tax imposed under this subsection (c-5), a
26 municipality other than the Village of Stickney or the City of

1 Collinsville in which an electronic gaming facility is located,
2 or if the electronic gaming facility is not located within a
3 municipality, then the county in which the electronic gaming
4 facility is located, except as otherwise provided in this
5 Section, shall receive, subject to appropriation, \$1 for each
6 person who enters the electronic gaming facility. For each
7 admission to the electronic gaming facility in excess of
8 1,500,000 in a year, from the tax imposed under this subsection
9 (c-5), the county in which the electronic gaming facility is
10 located shall receive, subject to appropriation, \$0.30, which
11 shall be in addition to any other moneys paid to the county
12 under this Section.

13 From the tax imposed under this subsection (c-5) on an
14 electronic gaming facility located in the Village of Stickney,
15 \$1 for each person who enters the electronic gaming facility
16 shall be distributed as follows, subject to appropriation:
17 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
18 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
19 Health District, and \$0.05 to the City of Bridgeview.

20 From the tax imposed under this subsection (c-5) on an
21 electronic gaming facility located in the City of Collinsville,
22 \$1 for each person who enters the electronic gaming facility
23 shall be distributed as follows, subject to appropriation:
24 \$0.45 to the City of Alton, \$0.45 to the City of East St.
25 Louis, and \$0.10 to the City of Collinsville.

26 From the tax imposed under this subsection (c-5) on an

1 electronic gaming facility that is located in an unincorporated
2 area of Cook County and has been awarded standardbred racing
3 dates during 2011 by the Illinois Racing Board, \$1 for each
4 person who enters the electronic gaming facility shall be
5 divided equally and distributed, subject to appropriation, to
6 the Village of Melrose Park, the Village of Maywood, and Cook
7 County.

8 After payments required under this subsection (c-5) have
9 been made, all remaining amounts shall be deposited into the
10 Education Assistance Fund.

11 (d) The Board shall administer and collect the admission
12 tax imposed by this Section, to the extent practicable, in a
13 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
14 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
15 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
16 Penalty and Interest Act.

17 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

18 (230 ILCS 10/13) (from Ch. 120, par. 2413)

19 Sec. 13. Wagering tax; rate; distribution.

20 (a) Until January 1, 1998, a tax is imposed on the adjusted
21 gross receipts received from gambling games authorized under
22 this Act at the rate of 20%.

23 (a-1) From January 1, 1998 until July 1, 2002, a privilege
24 tax is imposed on persons engaged in the business of conducting
25 riverboat gambling operations, based on the adjusted gross

1 receipts received by a licensed owner from gambling games
2 authorized under this Act at the following rates:

3 15% of annual adjusted gross receipts up to and
4 including \$25,000,000;

5 20% of annual adjusted gross receipts in excess of
6 \$25,000,000 but not exceeding \$50,000,000;

7 25% of annual adjusted gross receipts in excess of
8 \$50,000,000 but not exceeding \$75,000,000;

9 30% of annual adjusted gross receipts in excess of
10 \$75,000,000 but not exceeding \$100,000,000;

11 35% of annual adjusted gross receipts in excess of
12 \$100,000,000.

13 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
14 is imposed on persons engaged in the business of conducting
15 riverboat gambling operations, other than licensed managers
16 conducting riverboat gambling operations on behalf of the
17 State, based on the adjusted gross receipts received by a
18 licensed owner from gambling games authorized under this Act at
19 the following rates:

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 22.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

26 32.5% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;
2 37.5% of annual adjusted gross receipts in excess of
3 \$100,000,000 but not exceeding \$150,000,000;
4 45% of annual adjusted gross receipts in excess of
5 \$150,000,000 but not exceeding \$200,000,000;
6 50% of annual adjusted gross receipts in excess of
7 \$200,000,000.

8 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
9 persons engaged in the business of conducting riverboat
10 gambling operations, other than licensed managers conducting
11 riverboat gambling operations on behalf of the State, based on
12 the adjusted gross receipts received by a licensed owner from
13 gambling games authorized under this Act at the following
14 rates:

15 15% of annual adjusted gross receipts up to and
16 including \$25,000,000;
17 27.5% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$37,500,000;
19 32.5% of annual adjusted gross receipts in excess of
20 \$37,500,000 but not exceeding \$50,000,000;
21 37.5% of annual adjusted gross receipts in excess of
22 \$50,000,000 but not exceeding \$75,000,000;
23 45% of annual adjusted gross receipts in excess of
24 \$75,000,000 but not exceeding \$100,000,000;
25 50% of annual adjusted gross receipts in excess of
26 \$100,000,000 but not exceeding \$250,000,000;

1 70% of annual adjusted gross receipts in excess of
2 \$250,000,000.

3 An amount equal to the amount of wagering taxes collected
4 under this subsection (a-3) that are in addition to the amount
5 of wagering taxes that would have been collected if the
6 wagering tax rates under subsection (a-2) were in effect shall
7 be paid into the Common School Fund.

8 The privilege tax imposed under this subsection (a-3) shall
9 no longer be imposed beginning on the earlier of (i) July 1,
10 2005; (ii) the first date after June 20, 2003 that riverboat
11 gambling operations are conducted pursuant to a dormant
12 license; or (iii) the first day that riverboat gambling
13 operations are conducted under the authority of an owners
14 license that is in addition to the 10 owners licenses initially
15 authorized under this Act. For the purposes of this subsection
16 (a-3), the term "dormant license" means an owners license that
17 is authorized by this Act under which no riverboat gambling
18 operations are being conducted on June 20, 2003.

19 (a-4) Beginning on the first day on which the tax imposed
20 under subsection (a-3) is no longer imposed and ending upon the
21 imposition of the privilege tax under subsection (a-5) of this
22 Section, a privilege tax is imposed on persons engaged in the
23 business of conducting riverboat or casino gambling or
24 electronic gaming operations, other than licensed managers
25 conducting riverboat gambling operations on behalf of the
26 State, based on the adjusted gross receipts received by a

1 licensed owner from gambling games authorized under this Act at
2 the following rates:

3 15% of annual adjusted gross receipts up to and
4 including \$25,000,000;

5 22.5% of annual adjusted gross receipts in excess of
6 \$25,000,000 but not exceeding \$50,000,000;

7 27.5% of annual adjusted gross receipts in excess of
8 \$50,000,000 but not exceeding \$75,000,000;

9 32.5% of annual adjusted gross receipts in excess of
10 \$75,000,000 but not exceeding \$100,000,000;

11 37.5% of annual adjusted gross receipts in excess of
12 \$100,000,000 but not exceeding \$150,000,000;

13 45% of annual adjusted gross receipts in excess of
14 \$150,000,000 but not exceeding \$200,000,000;

15 50% of annual adjusted gross receipts in excess of
16 \$200,000,000.

17 For the imposition of the privilege tax in this subsection
18 (a-4), amounts paid pursuant to item (1) of subsection (b) of
19 Section 56 of the Illinois Horse Racing Act of 1975 shall not
20 be included in the determination of adjusted gross receipts.

21 (a-5) Beginning in the fiscal year following the opening of
22 the casino at which gambling operations are conducted pursuant
23 to the Chicago Casino Development Authority Act, but not before
24 July 1, 2019, a privilege tax is imposed on persons engaged in
25 the business of conducting riverboat or casino gambling or
26 electronic gaming operations, other than licensed managers

1 conducting riverboat gambling operations on behalf of the
2 State, based on the adjusted gross receipts received by such
3 licensee from the gambling games authorized under this Act and
4 the Chicago Casino Development Authority Act. The privilege tax
5 for all gambling games other than table games, including, but
6 not limited to, slot machines, video game of chance gambling,
7 and electronic gambling games shall be at the following rates:

8 10% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 17.5% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$50,000,000;

12 22.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 27.5% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 32.5% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$150,000,000;

18 35% of annual adjusted gross receipts in excess of
19 \$150,000,000 but not exceeding \$200,000,000;

20 40% of annual adjusted gross receipts in excess of
21 \$200,000,000 but not exceeding \$300,000,000;

22 30% of annual adjusted gross receipts in excess of
23 \$300,000,000 but not exceeding \$350,000,000;

24 20% of annual adjusted gross receipts in excess of
25 \$350,000,000, but not exceeding \$800,000,000;

26 50% of annual adjusted gross receipts in excess of

1 \$800,000,000.

2 The privilege tax for table games shall be at the following
3 rates:

4 10% of annual adjusted gross receipts up to and
5 including \$25,000,000;

6 17.5% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$50,000,000;

8 22.5% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$70,000,000;

10 16% of annual adjusted gross receipts in excess of
11 \$70,000,000.

12 For the imposition of the privilege tax in this subsection
13 (a-5), amounts paid pursuant to item (1) of subsection (b) of
14 Section 56 of the Illinois Horse Racing Act of 1975 shall not
15 be included in the determination of adjusted gross receipts.

16 (a-6) From the effective date of this amendatory Act of the
17 100th General Assembly until June 30, 2021, an owners licensee
18 that conducted gambling operations prior to January 1, 2011
19 shall receive a dollar-for-dollar credit against the tax
20 imposed under this Section for any renovation or construction
21 costs paid by the owners licensee, but in no event shall the
22 credit exceed \$2,000,000.

23 Additionally, from the effective date of this amendatory
24 Act of the 100th General Assembly until December 31, 2020, an
25 owners licensee that (i) is located within 15 miles of the
26 Missouri border, and (ii) has at least 3 riverboats, casinos,

1 or their equivalent within a 45-mile radius, may be authorized
2 to relocate to a new location with the approval of both the
3 unit of local government designated as the home dock and the
4 Board, so long as the new location is within the same unit of
5 local government and no more than 3 miles away from its
6 original location. Such owners licensee shall receive a credit
7 against the tax imposed under this Section equal to 8% of the
8 total project costs, as approved by the Board, for any
9 renovation or construction costs paid by the owners licensee
10 for the construction of the new facility, provided that the new
11 facility is operational by July 1, 2020. In determining whether
12 or not to approve a relocation, the Board must consider the
13 extent to which the relocation will diminish the gaming
14 revenues received by other Illinois gaming facilities.

15 (a-8) Riverboat gambling operations conducted by a
16 licensed manager on behalf of the State are not subject to the
17 tax imposed under this Section.

18 (a-9) Beginning on January 1, 2018, the calculation of
19 gross receipts or adjusted gross receipts, for the purposes of
20 this Section, for a riverboat, casino, or electronic gaming
21 facility shall not include the dollar amount of non-cashable
22 vouchers, coupons, and electronic promotions redeemed by
23 wagerers upon the riverboat, in the casino, or in the
24 electronic gaming facility up to and including an amount not to
25 exceed 30% of a riverboat casino or electronic gaming
26 facility's adjusted gross receipts.

1 The Illinois Gaming Board shall submit to the General
2 Assembly a comprehensive report no later than March 31, 2021
3 detailing, at a minimum, the effect of removing non-cashable
4 vouchers, coupons, and electronic promotions from this
5 calculation on net gaming revenues to the State in calendar
6 years 2018 through 2020, the increase or reduction in wagers
7 as a result of removing non-cashable vouchers, coupons, and
8 electronic promotions from this calculation, the effect of the
9 tax rates in subsection (a-5) on net gaming revenues to the
10 State, and proposed modifications to the calculation.

11 (a-10) The taxes imposed by this Section shall be paid by
12 the licensed owner or the electronic gaming licensee to the
13 Board not later than 5:00 o'clock p.m. of the day after the day
14 when the wagers were made.

15 (a-15) If the privilege tax imposed under subsection (a-3)
16 is no longer imposed pursuant to item (i) of the last paragraph
17 of subsection (a-3), then by June 15 of each year, each owners
18 licensee, other than an owners licensee that admitted 1,000,000
19 persons or fewer in calendar year 2004, must, in addition to
20 the payment of all amounts otherwise due under this Section,
21 pay to the Board a reconciliation payment in the amount, if
22 any, by which the licensed owner's base amount exceeds the
23 amount of net privilege tax paid by the licensed owner to the
24 Board in the then current State fiscal year. A licensed owner's
25 net privilege tax obligation due for the balance of the State
26 fiscal year shall be reduced up to the total of the amount paid

1 by the licensed owner in its June 15 reconciliation payment.
2 The obligation imposed by this subsection (a-15) is binding on
3 any person, firm, corporation, or other entity that acquires an
4 ownership interest in any such owners license. The obligation
5 imposed under this subsection (a-15) terminates on the earliest
6 of: (i) July 1, 2007, (ii) the first day after the effective
7 date of this amendatory Act of the 94th General Assembly that
8 riverboat gambling operations are conducted pursuant to a
9 dormant license, (iii) the first day that riverboat gambling
10 operations are conducted under the authority of an owners
11 license that is in addition to the 10 owners licenses initially
12 authorized under this Act, or (iv) the first day that a
13 licensee under the Illinois Horse Racing Act of 1975 conducts
14 gaming operations with slot machines or other electronic gaming
15 devices. The Board must reduce the obligation imposed under
16 this subsection (a-15) by an amount the Board deems reasonable
17 for any of the following reasons: (A) an act or acts of God,
18 (B) an act of bioterrorism or terrorism or a bioterrorism or
19 terrorism threat that was investigated by a law enforcement
20 agency, or (C) a condition beyond the control of the owners
21 licensee that does not result from any act or omission by the
22 owners licensee or any of its agents and that poses a hazardous
23 threat to the health and safety of patrons. If an owners
24 licensee pays an amount in excess of its liability under this
25 Section, the Board shall apply the overpayment to future
26 payments required under this Section.

1 For purposes of this subsection (a-15):

2 "Act of God" means an incident caused by the operation of
3 an extraordinary force that cannot be foreseen, that cannot be
4 avoided by the exercise of due care, and for which no person
5 can be held liable.

6 "Base amount" means the following:

7 For a riverboat in Alton, \$31,000,000.

8 For a riverboat in East Peoria, \$43,000,000.

9 For the Empress riverboat in Joliet, \$86,000,000.

10 For a riverboat in Metropolis, \$45,000,000.

11 For the Harrah's riverboat in Joliet, \$114,000,000.

12 For a riverboat in Aurora, \$86,000,000.

13 For a riverboat in East St. Louis, \$48,500,000.

14 For a riverboat in Elgin, \$198,000,000.

15 "Dormant license" has the meaning ascribed to it in
16 subsection (a-3).

17 "Net privilege tax" means all privilege taxes paid by a
18 licensed owner to the Board under this Section, less all
19 payments made from the State Gaming Fund pursuant to subsection
20 (b) of this Section.

21 The changes made to this subsection (a-15) by Public Act
22 94-839 are intended to restate and clarify the intent of Public
23 Act 94-673 with respect to the amount of the payments required
24 to be made under this subsection by an owners licensee to the
25 Board.

26 (b) Until January 1, 1998, 25% of the tax revenue deposited

1 in the State Gaming Fund under this Section shall be paid,
2 subject to appropriation by the General Assembly, to the unit
3 of local government which is designated as the home dock of the
4 riverboat. Beginning January 1, 1998, from the tax revenue from
5 riverboat or casino gambling deposited in the State Gaming Fund
6 under this Section, an amount equal to 5% of adjusted gross
7 receipts generated by a riverboat or a casino other than a
8 riverboat designated in paragraph (3) or (4) of subsection
9 (e-5) of Section 7, shall be paid monthly, subject to
10 appropriation by the General Assembly, to the unit of local
11 government in which the casino is located or that is designated
12 as the home dock of the riverboat. From the tax revenue
13 deposited in the State Gaming Fund pursuant to riverboat or
14 casino gambling operations conducted by a licensed manager on
15 behalf of the State, an amount equal to 5% of adjusted gross
16 receipts generated pursuant to those riverboat or casino
17 gambling operations shall be paid monthly, subject to
18 appropriation by the General Assembly, to the unit of local
19 government that is designated as the home dock of the riverboat
20 upon which those riverboat gambling operations are conducted or
21 in which the casino is located. From the tax revenue from
22 riverboat or casino gambling deposited in the State Gaming Fund
23 under this Section, an amount equal to 5% of the adjusted gross
24 receipts generated by a riverboat designated in paragraph (3)
25 of subsection (e-5) of Section 7 shall be divided and remitted
26 monthly, subject to appropriation, as follows: 50% to Waukegan,

1 25% to Park City, and 25% to North Chicago. From the tax
2 revenue from riverboat or casino gambling deposited in the
3 State Gaming Fund under this Section, an amount equal to 5% of
4 the adjusted gross receipts generated by a riverboat designated
5 in paragraph (4) of subsection (e-5) of Section 7 shall be
6 divided equally and remitted monthly, subject to
7 appropriation, to the City of Rockford and Winnebago County.
8 Units of local government may refund any portion of the payment
9 that they receive pursuant to this subsection (b) to the
10 riverboat or casino.

11 (b-5) Beginning on the effective date of this amendatory
12 Act of the 100th General Assembly, from the tax revenue
13 deposited in the State Gaming Fund under this Section, an
14 amount equal to 3% of adjusted gross receipts generated by each
15 electronic gaming facility located outside Madison County
16 shall be paid monthly, subject to appropriation by the General
17 Assembly, to a municipality other than the Village of Stickney
18 in which each electronic gaming facility is located or, if the
19 electronic gaming facility is not located within a
20 municipality, to the county in which the electronic gaming
21 facility is located, except as otherwise provided in this
22 Section. From the tax revenue deposited in the State Gaming
23 Fund under this Section, an amount equal to 3% of adjusted
24 gross receipts generated by each electronic gaming facility
25 that is located in an unincorporated area of Cook County and
26 has been awarded standardbred racing dates during 2011 by the

1 Illinois Racing Board shall be divided equally and distributed,
2 subject to appropriation, to the Village of Melrose Park, the
3 Village of Maywood, and Cook County. From the tax revenue
4 deposited in the State Gaming Fund under this Section, an
5 amount equal to 3% of adjusted gross receipts generated by an
6 electronic gaming facility located in the Village of Stickney
7 shall be paid monthly, subject to appropriation by the General
8 Assembly, as follows: 25% to the Village of Stickney, 5% to the
9 City of Berwyn, 50% to the Town of Cicero, and 20% to the
10 Stickney Public Health District.

11 From the tax revenue deposited in the State Gaming Fund
12 under this Section, an amount equal to 5% of adjusted gross
13 receipts generated by an electronic gaming facility located in
14 the City of Collinsville shall be paid monthly, subject to
15 appropriation by the General Assembly, as follows: 45% to the
16 City of Alton, 45% to the City of East St. Louis, and 10% to the
17 City of Collinsville.

18 Municipalities and counties may refund any portion of the
19 payment that they receive pursuant to this subsection (b-5) to
20 the electronic gaming facility.

21 (b-6) Beginning on the effective date of this amendatory
22 Act of the 100th General Assembly, from the tax revenue
23 deposited in the State Gaming Fund under this Section, an
24 amount equal to 2% of adjusted gross receipts generated by an
25 electronic gaming facility located outside Madison County
26 shall be paid monthly, subject to appropriation by the General

1 Assembly, to the county in which the electronic gaming facility
2 is located for the purposes of its criminal justice system or
3 health care system.

4 Counties may refund any portion of the payment that they
5 receive pursuant to this subsection (b-6) to the electronic
6 gaming facility.

7 (b-7) Beginning on the effective date of this amendatory
8 Act of the 100th General Assembly, from the tax revenue
9 deposited in the State Gaming Fund under this Section,
10 \$5,000,000 shall be paid annually, subject to appropriation, to
11 the Department of Human Services for the administration of
12 programs to treat problem gambling.

13 (b-8) Beginning in the fiscal year following the opening of
14 the casino at which gambling operations are conducted pursuant
15 to the Chicago Casino Development Authority Act, but not before
16 July 1, 2019, from the tax revenue deposited in the State
17 Gaming Fund under this Section, \$5,000,000 shall be transferred
18 into the State Fairgrounds Capital Improvements Fund annually.

19 (b-9) Beginning in the fiscal year following the opening of
20 the casino at which gambling operations are conducted pursuant
21 to the Chicago Casino Development Authority Act, but not before
22 July 1, 2019, from the tax revenue deposited in the State
23 Gaming Fund under this Section, an amount equal to 5% of the
24 wagering taxes paid by the riverboats and casino created
25 pursuant to subsection (e-5) of Section 7 shall be transferred
26 into the Depressed Communities Economic Development Fund

1 annually.

2 (b-10) Beginning in the fiscal year following the opening
3 of the casino at which gambling operations are conducted
4 pursuant to the Chicago Casino Development Authority Act, but
5 not before July 1, 2019, from the tax revenue deposited in the
6 State Gaming Fund under this Section, an amount equal to 2.5%
7 of the wagering taxes paid by the riverboats and casino created
8 pursuant to subsection (e-5) of Section 7 shall be transferred
9 into the Latino Community Economic Development Fund annually.

10 (b-11) The State and County Fair Assistance Fund is created
11 as a special fund in the State treasury. The Fund shall be
12 administered by the Department of Agriculture. Beginning in the
13 fiscal year following the opening of the casino at which
14 gambling operations are conducted pursuant to the Chicago
15 Casino Development Authority Act, but not before July 1, 2019,
16 from the tax revenue deposited in the State Gaming Fund under
17 this Section, an amount equal to 1% of adjusted gross receipts,
18 not to exceed \$3,000,000, shall be transferred into the State
19 and County Fair Assistance Fund annually. No moneys shall be
20 expended from the State and County Fair Assistance Fund except
21 as appropriated by the General Assembly. Deposits made pursuant
22 to this subsection (b-11) shall supplement, and not supplant,
23 other State funding for these purposes.

24 The Department of Agriculture shall award grants from the
25 moneys appropriated from the State and County Fair Assistance
26 Fund for the development, expansion, or support of county fairs

1 that showcase Illinois agriculture products or byproducts. No
2 grant may exceed \$100,000, except for an annual grant of
3 \$1,000,000 that shall be made to the Illinois Standardbred
4 Breeders Fund and used for Illinois-bred harness racing purses
5 and the Illinois State Fair race track. Not more than one grant
6 under this Section may be made to any one county fair board.
7 Additionally, grants under this subsection (b-11) shall be
8 available to the Illinois State Fair and the DuQuoin State
9 Fair.

10 (b-12) Beginning in the fiscal year following the opening
11 of the casino at which gambling operations are conducted
12 pursuant to the Chicago Casino Development Authority Act, but
13 not before July 1, 2019, from the tax revenue from electronic
14 gaming deposited in the State Gaming Fund under this Section,
15 (i) \$6,250,000 shall be transferred annually into the Partners
16 for Conservation Fund for grants to soil and water conservation
17 districts and (ii) \$2,500,000 shall be transferred annually
18 into the State Cooperative Service Trust Fund for grants to the
19 State's cooperative extensions. Transfers made pursuant to
20 this subsection (b-12) shall supplement, and not supplant,
21 other State funding for these purposes.

22 (b-13) Beginning in the fiscal year following the opening
23 of the casino at which gambling operations are conducted
24 pursuant to the Chicago Casino Development Authority Act, but
25 not before July 1, 2019, from the tax revenue deposited in the
26 State Gaming Fund under this Section, \$75,000 shall be paid

1 annually, subject to appropriation, to a county forest preserve
2 district for the maintenance of a botanic garden that was
3 created by Section 43 of the Cook County Forest Preserve
4 District Act.

5 (b-14) Beginning in the fiscal year following the opening
6 of the casino at which gambling operations are conducted
7 pursuant to the Chicago Casino Development Authority Act, but
8 not before July 1, 2019, from the tax revenue deposited in the
9 State Gaming Fund under this Section, \$125,000 shall be
10 transferred annually into the Illinois Racing Quarter Horse
11 Breeders Fund.

12 (b-15) From January 1, 2019 until December 31, 2021, if the
13 total amount paid to the Education Assistance Fund annually
14 pursuant to this Act will result in the Education Assistance
15 Fund receiving less revenue from the State Gaming Fund than it
16 received in calendar year 2011, an amount equal to that
17 shortfall shall be transferred from the Capital Projects Fund
18 to the Education Assistance Fund, except that no such transfer
19 shall exceed the amount deposited into the Capital Projects
20 Fund pursuant to subsection (c-4) of this Section.

21 (c) Appropriations, as approved by the General Assembly,
22 may be made from the State Gaming Fund to the Board (i) for the
23 administration and enforcement of this Act, the Chicago Casino
24 Development Authority Act, and the Video Gaming Act, (ii) for
25 distribution to the Department of State Police and to the
26 Department of Revenue for the enforcement of this Act, the

1 Chicago Casino Development Authority Act, and the Video Gaming
2 Act, and (iii) to the Department of Human Services for the
3 administration of programs to treat problem gambling. The
4 Board's annual appropriations request must separately state
5 its funding needs for the regulation of electronic gaming,
6 riverboat gaming, casino gaming within the City of Chicago, and
7 video gaming. From the tax revenue deposited in the Gaming
8 Facilities Fee Revenue Fund, the first \$50,000,000 shall be
9 paid to the Board, subject to appropriation, for the
10 administration and enforcement of the provisions of this
11 amendatory Act of the 100th General Assembly.

12 (c-3) Appropriations, as approved by the General Assembly,
13 may be made from the tax revenue deposited into the State
14 Gaming Fund from electronic gaming pursuant to this Section for
15 the administration and enforcement of this Act.

16 (c-4) After payments required under subsection (b-5), (c),
17 and (c-3) have been made from the tax revenue from electronic
18 gaming deposited into the State Gaming Fund under this Section,
19 all remaining amounts from electronic gaming shall be deposited
20 into the Education Assistance Fund.

21 (c-5) Before May 26, 2006 (the effective date of Public Act
22 94-804) and beginning on the effective date of this amendatory
23 Act of the 95th General Assembly, unless any organization
24 licensee under the Illinois Horse Racing Act of 1975 begins to
25 operate a slot machine or video game of chance under the
26 Illinois Horse Racing Act of 1975 or this Act, after the

1 payments required under subsections (b) and (c) have been made,
2 an amount equal to 15% of the adjusted gross receipts of (1) an
3 owners licensee that relocates pursuant to Section 11.2, (2) an
4 owners licensee conducting riverboat gambling operations
5 pursuant to an owners license that is initially issued after
6 June 25, 1999, or (3) the first riverboat gambling operations
7 conducted by a licensed manager on behalf of the State under
8 Section 7.3, whichever comes first, shall be paid from the
9 State Gaming Fund into the Horse Racing Equity Fund.

10 (c-10) Each year the General Assembly shall appropriate
11 from the General Revenue Fund to the Education Assistance Fund
12 an amount equal to the amount paid into the Horse Racing Equity
13 Fund pursuant to subsection (c-5) in the prior calendar year.

14 (c-15) After the payments required under subsections (b),
15 (c), and (c-5) have been made, an amount equal to 2% of the
16 adjusted gross receipts of (1) an owners licensee that
17 relocates pursuant to Section 11.2, (2) an owners licensee
18 conducting riverboat gambling operations pursuant to an owners
19 license that is initially issued after June 25, 1999, or (3)
20 the first riverboat gambling operations conducted by a licensed
21 manager on behalf of the State under Section 7.3, whichever
22 comes first, shall be paid, subject to appropriation from the
23 General Assembly, from the State Gaming Fund to each home rule
24 county with a population of over 3,000,000 inhabitants for the
25 purpose of enhancing the county's criminal justice system.

26 (c-20) Each year the General Assembly shall appropriate

1 from the General Revenue Fund to the Education Assistance Fund
2 an amount equal to the amount paid to each home rule county
3 with a population of over 3,000,000 inhabitants pursuant to
4 subsection (c-15) in the prior calendar year.

5 (c-25) On July 1, 2013 and each July 1 thereafter,
6 \$1,600,000 shall be transferred from the State Gaming Fund to
7 the Chicago State University Education Improvement Fund.

8 (c-30) On July 1, 2013 or as soon as possible thereafter,
9 \$92,000,000 shall be transferred from the State Gaming Fund to
10 the School Infrastructure Fund and \$23,000,000 shall be
11 transferred from the State Gaming Fund to the Horse Racing
12 Equity Fund.

13 (c-35) Beginning on July 1, 2013, in addition to any amount
14 transferred under subsection (c-30) of this Section,
15 \$5,530,000 shall be transferred monthly from the State Gaming
16 Fund to the School Infrastructure Fund.

17 (d) From time to time, the Board shall transfer the
18 remainder of the funds generated by this Act into the Education
19 Assistance Fund, created by Public Act 86-0018, of the State of
20 Illinois.

21 (e) Nothing in this Act shall prohibit the unit of local
22 government designated as the home dock of the riverboat from
23 entering into agreements with other units of local government
24 in this State or in other states to share its portion of the
25 tax revenue.

26 (f) To the extent practicable, the Board shall administer

1 and collect the wagering taxes imposed by this Section in a
2 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
3 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
4 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
5 Penalty and Interest Act.

6 (Source: P.A. 98-18, eff. 6-7-13.)

7 (230 ILCS 10/14) (from Ch. 120, par. 2414)

8 Sec. 14. Licensees - Records - Reports - Supervision.

9 (a) Licensed owners and electronic gaming licensees ~~A~~
10 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
11 clearly show the following:

12 (1) The amount received daily from admission fees.

13 (2) The total amount of gross receipts.

14 (3) The total amount of the adjusted gross receipts.

15 (b) Licensed owners and electronic gaming licensees ~~The~~
16 ~~licensed owner~~ shall furnish to the Board reports and
17 information as the Board may require with respect to its
18 activities on forms designed and supplied for such purpose by
19 the Board.

20 (c) The books and records kept by a licensed owner as
21 provided by this Section are public records and the
22 examination, publication, and dissemination of the books and
23 records are governed by the provisions of The Freedom of
24 Information Act.

25 (Source: P.A. 86-1029.)

1 (230 ILCS 10/15) (from Ch. 120, par. 2415)

2 Sec. 15. Audit of Licensee Operations. Annually, the
3 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
4 transmit to the Board an audit of the financial transactions
5 and condition of the licensee's or manager's total operations.
6 Additionally, within 90 days after the end of each quarter of
7 each fiscal year, the licensed owner, ~~or~~ manager, or electronic
8 gaming licensee shall transmit to the Board a compliance report
9 on engagement procedures determined by the Board. All audits
10 and compliance engagements shall be conducted by certified
11 public accountants selected by the Board. Each certified public
12 accountant must be registered in the State of Illinois under
13 the Illinois Public Accounting Act. The compensation for each
14 certified public accountant shall be paid directly by the
15 licensed owner, ~~or~~ manager, or electronic gaming licensee to
16 the certified public accountant.

17 (Source: P.A. 96-1392, eff. 1-1-11.)

18 (230 ILCS 10/16) (from Ch. 120, par. 2416)

19 Sec. 16. Annual Report of Board. The Board shall make an
20 annual report to the Governor, for the period ending December
21 31 of each year. Included in the report shall be an account of
22 the Board actions, its financial position and results of
23 operation under this Act and the Chicago Casino Development
24 Authority Act, the practical results attained under this Act

1 and the Chicago Casino Development Authority Act and any
2 recommendations for legislation which the Board deems
3 advisable.

4 (Source: P.A. 86-1029.)

5 (230 ILCS 10/17) (from Ch. 120, par. 2417)

6 Sec. 17. Administrative Procedures. The Illinois
7 Administrative Procedure Act shall apply to all administrative
8 rules and procedures of the Board under this Act, the Chicago
9 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,
10 except that: (1) subsection (b) of Section 5-10 of the Illinois
11 Administrative Procedure Act does not apply to final orders,
12 decisions and opinions of the Board; (2) subsection (a) of
13 Section 5-10 of the Illinois Administrative Procedure Act does
14 not apply to forms established by the Board for use under this
15 Act, the Chicago Casino Development Authority Act, and or the
16 Video Gaming Act; (3) the provisions of Section 10-45 of the
17 Illinois Administrative Procedure Act regarding proposals for
18 decision are excluded under this Act, the Chicago Casino
19 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
20 the provisions of subsection (d) of Section 10-65 of the
21 Illinois Administrative Procedure Act do not apply so as to
22 prevent summary suspension of any license pending revocation or
23 other action, which suspension shall remain in effect unless
24 modified by the Board or unless the Board's decision is
25 reversed on the merits upon judicial review.

1 (Source: P.A. 96-34, eff. 7-13-09.)

2 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

3 Sec. 17.1. Judicial Review.

4 (a) Jurisdiction and venue for the judicial review of a
5 final order of the Board relating to licensed owners,
6 suppliers, electronic gaming licensees, and ~~or~~ special event
7 licenses is vested in the Appellate Court of the judicial
8 district in which Sangamon County is located. A petition for
9 judicial review of a final order of the Board must be filed in
10 the Appellate Court, within 35 days from the date that a copy
11 of the decision sought to be reviewed was served upon the party
12 affected by the decision.

13 (b) Judicial review of all other final orders of the Board
14 shall be conducted in accordance with the Administrative Review
15 Law.

16 (Source: P.A. 88-1.)

17 (230 ILCS 10/18) (from Ch. 120, par. 2418)

18 Sec. 18. Prohibited Activities - Penalty.

19 (a) A person is guilty of a Class A misdemeanor for doing
20 any of the following:

21 (1) Conducting gambling where wagering is used or to be
22 used without a license issued by the Board.

23 (2) Conducting gambling where wagering is permitted
24 other than in the manner specified by Section 11.

1 (b) A person is guilty of a Class B misdemeanor for doing
2 any of the following:

3 (1) permitting a person under 21 years to make a wager;
4 or

5 (2) violating paragraph (12) of subsection (a) of
6 Section 11 of this Act.

7 (c) A person wagering or accepting a wager at any location
8 outside the riverboat, casino, or electronic gaming facility in
9 violation of paragraph ~~is subject to the penalties in~~
10 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
11 Criminal Code of 2012 is subject to the penalties provided in
12 that Section.

13 (d) A person commits a Class 4 felony and, in addition,
14 shall be barred for life from gambling operations ~~riverboats~~
15 under the jurisdiction of the Board, if the person does any of
16 the following:

17 (1) Offers, promises, or gives anything of value or
18 benefit to a person who is connected with a riverboat or
19 casino owner or electronic gaming licensee, including, but
20 not limited to, an officer or employee of a licensed owner,
21 electronic gaming licensee, or holder of an occupational
22 license pursuant to an agreement or arrangement or with the
23 intent that the promise or thing of value or benefit will
24 influence the actions of the person to whom the offer,
25 promise, or gift was made in order to affect or attempt to
26 affect the outcome of a gambling game, or to influence

1 official action of a member of the Board.

2 (2) Solicits or knowingly accepts or receives a promise
3 of anything of value or benefit while the person is
4 connected with a riverboat, casino, or electronic gaming
5 facility, including, but not limited to, an officer or
6 employee of a licensed owner or electronic gaming licensee,
7 or the holder of an occupational license, pursuant to an
8 understanding or arrangement or with the intent that the
9 promise or thing of value or benefit will influence the
10 actions of the person to affect or attempt to affect the
11 outcome of a gambling game, or to influence official action
12 of a member of the Board.

13 (3) Uses or possesses with the intent to use a device
14 to assist:

15 (i) In projecting the outcome of the game.

16 (ii) In keeping track of the cards played.

17 (iii) In analyzing the probability of the
18 occurrence of an event relating to the gambling game.

19 (iv) In analyzing the strategy for playing or
20 betting to be used in the game except as permitted by
21 the Board.

22 (4) Cheats at a gambling game.

23 (5) Manufactures, sells, or distributes any cards,
24 chips, dice, game or device which is intended to be used to
25 violate any provision of this Act or the Chicago Casino
26 Development Authority Act.

1 (6) Alters or misrepresents the outcome of a gambling
2 game on which wagers have been made after the outcome is
3 made sure but before it is revealed to the players.

4 (7) Places a bet after acquiring knowledge, not
5 available to all players, of the outcome of the gambling
6 game which is subject of the bet or to aid a person in
7 acquiring the knowledge for the purpose of placing a bet
8 contingent on that outcome.

9 (8) Claims, collects, or takes, or attempts to claim,
10 collect, or take, money or anything of value in or from the
11 gambling games, with intent to defraud, without having made
12 a wager contingent on winning a gambling game, or claims,
13 collects, or takes an amount of money or thing of value of
14 greater value than the amount won.

15 (9) Uses counterfeit chips or tokens in a gambling
16 game.

17 (10) Possesses any key or device designed for the
18 purpose of opening, entering, or affecting the operation of
19 a gambling game, drop box, or an electronic or mechanical
20 device connected with the gambling game or for removing
21 coins, tokens, chips or other contents of a gambling game.
22 This paragraph (10) does not apply to a gambling licensee
23 or employee of a gambling licensee acting in furtherance of
24 the employee's employment.

25 (e) The possession of more than one of the devices
26 described in subsection (d), paragraphs (3), (5), or (10)

1 permits a rebuttable presumption that the possessor intended to
2 use the devices for cheating.

3 (f) A person under the age of 21 who, except as authorized
4 under paragraph (10) of Section 11, enters upon a riverboat or
5 in a casino or electronic gaming facility commits a petty
6 offense and is subject to a fine of not less than \$100 or more
7 than \$250 for a first offense and of not less than \$200 or more
8 than \$500 for a second or subsequent offense.

9 An action to prosecute any crime occurring on a riverboat
10 shall be tried in the county of the dock at which the riverboat
11 is based. An action to prosecute any crime occurring in a
12 casino or electronic gaming facility shall be tried in the
13 county in which the casino or electronic gaming facility is
14 located.

15 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

16 (230 ILCS 10/18.1)

17 Sec. 18.1. Distribution of certain fines. If a fine is
18 imposed on an owner licensee or an electronic gaming licensee
19 for knowingly sending marketing or promotional materials to any
20 person placed on the self-exclusion list, then the Board shall
21 distribute an amount equal to 15% of the fine imposed to the
22 unit of local government in which the casino, riverboat, or
23 electronic gaming facility is located for the purpose of
24 awarding grants to non-profit entities that assist gambling
25 addicts.

1 (Source: P.A. 96-224, eff. 8-11-09.)

2 (230 ILCS 10/18.2 new)

3 Sec. 18.2. Prohibition on political contributions from
4 certain licensees and applicants.

5 (a) The General Assembly has a compelling interest in
6 protecting the integrity of both the electoral process and the
7 legislative process by preventing corruption and the
8 appearance of corruption which may arise through permitting
9 certain political campaign contributions by certain persons
10 involved in the gaming industry and regulated by the State.
11 Unlike most other regulated industries, gaming is especially
12 susceptible to corruption and potential criminal influence.

13 In Illinois, only licensed gaming activities are legal and
14 all other gaming activities are strictly prohibited. Given
15 these circumstances, it is imperative to eliminate any
16 potential corrupt influence in the gaming industry and the
17 electoral process. Banning political campaign contributions by
18 certain persons subject to this Section to State officeholders
19 and candidates for such offices and to county and municipal
20 officeholders and candidates for such offices in counties and
21 municipalities that receive financial benefits from gaming
22 activities is necessary to prevent corruption and the
23 appearance of corruption that may arise when political campaign
24 contributions and gaming that is regulated by the State and
25 that confers benefits on counties and municipalities are

1 intermingled.

2 The General Assembly has prohibited political campaign
3 contributions to certain State and local officeholders and
4 candidates for such offices by certain persons with State of
5 Illinois and Metropolitan Pier and Exposition Authority
6 contracts and pending bids or proposals for contracts of over
7 \$50,000 and certain individuals and entities affiliated with
8 such persons. Certain gaming licensees will receive receipts
9 far in excess of the base level of contract amounts subject to
10 such other campaign contribution prohibitions.

11 (b) As used in this Section:

12 "Affiliated entity" means (i) any corporate parent and each
13 operating subsidiary of the business entity applying for or
14 holding a license, (ii) each operating subsidiary of the
15 corporate parent of the business entity applying for or holding
16 a license, (iii) any organization recognized by the United
17 States Internal Revenue Service as a tax-exempt organization
18 described in Section 501(c) of the Internal Revenue Code of
19 1986 (or any successor provision of federal tax law)
20 established by one or more business entities seeking or holding
21 a license, any affiliated entity of such business entity, or
22 any affiliated person of such business entity, and (iv) any
23 political committee for which the business entity applying for
24 or holding a license, or any 501(c) organization described in
25 item (iii) related to that business entity, is the sponsoring
26 entity, as defined in Section 9-3 of the Election Code. For

1 purposes of item (iv), the funding of all business entities
2 applying for or holding a license shall be aggregated in
3 determining whether such political committee is an affiliated
4 entity.

5 "Affiliated person" means (i) any person with any ownership
6 interest or distributive share in excess of 7.5% of any
7 business entity applying for or holding a license, (ii)
8 executive employees of any such business entity, (iii) any
9 person designated as a key person under this Act, and (iv) the
10 spouse of such persons.

11 "Contribution" means a contribution as defined in Section
12 9-1.4 of the Election Code.

13 "Declared candidate" means a person who has filed a
14 statement of candidacy and petition for nomination or election
15 in the principal office of the State Board of Elections, or in
16 the office of the appropriate election authority for any county
17 or municipality in which a casino or electronic gaming device
18 is located or proposed or which receives any gaming revenue.

19 "Executive employee" means any person who is (i) an officer
20 or director or who fulfills duties equivalent to those of an
21 officer or director of a business entity applying for or
22 holding a license and (ii) any employee of such business entity
23 who is required to register under the Lobbyist Registration
24 Act.

25 "License" means any owner, electronic gaming, or manager
26 license issued pursuant to this Act.

1 "Officeholder" means the Governor, Lieutenant Governor,
2 Attorney General, Secretary of State, Comptroller, Treasurer,
3 member of the General Assembly, or any officeholder in any
4 county or municipality in which a riverboat, casino, or
5 electronic gaming device is located or proposed or which
6 receives any gaming revenue.

7 "Business entity" means any entity doing business for
8 profit, whether organized as a corporation, partnership, sole
9 proprietorship, limited liability company, or partnership or
10 otherwise.

11 (c) Any person or business entity applying for or holding a
12 license, any affiliated entities or persons of such business
13 entity, and any entities or persons soliciting a contribution
14 or causing a contribution to be made on behalf of such person
15 or business entity, are prohibited from making any contribution
16 to any officeholder or declared candidate or any political
17 committee affiliated with any officeholder or declared
18 candidate, as defined in Section 9-1.8 of the Election Code.
19 This prohibition shall commence upon filing of an application
20 for a license and shall continue for a period of 2 years after
21 termination, suspension, or revocation of the license.

22 The Board shall have authority to suspend, revoke, or
23 restrict the license and to impose civil penalties of up to
24 \$100,000 for each violation of this subsection (c). A notice of
25 each such violation and the penalty imposed shall be published
26 on the Board's website and in the Illinois Register. Payments

1 received by the State pursuant to this subsection (c) shall be
2 deposited into the General Revenue Fund.

3 Any officeholder or declared candidate or any political
4 committee affiliated with any officeholder or declared
5 candidate that has received a contribution in violation of this
6 subsection (c) shall pay an amount equal to the value of the
7 contribution to the State no more than 30 days after notice of
8 the violation concerning the contribution appears in the
9 Illinois Register. Payments received by the State pursuant to
10 this subsection (c) shall be deposited into the General Revenue
11 Fund.

12 (d) The Board shall post on its website a list of all
13 persons, business entities, and affiliated entities prohibited
14 from making contributions to any officeholder or declared
15 candidate political committee pursuant to subsection (c),
16 which list shall be updated and published on, at a minimum, a
17 semiannual basis.

18 Any person, business entity, or affiliated entity
19 prohibited from making contributions to any officeholder or
20 declared candidate political committee pursuant to subsection
21 (c) shall notify the Board within 7 days after discovering any
22 necessary change or addition to the information relating to
23 that person, business entity, or affiliated entity contained in
24 the list.

25 An individual who acts in good faith and in reliance on any
26 information contained in the list shall not be subject to any

1 penalties or liability imposed for a violation of this Section.

2 (e) If any provision of this Section is held invalid or its
3 application to any person or circumstance is held invalid, the
4 invalidity of that provision or application does not affect the
5 other provisions or applications of this Section that can be
6 given effect without the invalid application or provision.

7 (230 ILCS 10/19) (from Ch. 120, par. 2419)

8 Sec. 19. Forfeiture of property.

9 (a) Except as provided in subsection (b), any riverboat,
10 casino, or electronic gaming facility used for the conduct of
11 gambling games in violation of this Act shall be considered a
12 gambling place in violation of Section 28-3 of the Criminal
13 Code of 2012. Every gambling device found on a riverboat, in a
14 casino, or at an electronic gaming facility operating gambling
15 games in violation of this Act and every slot machine and video
16 game of chance found at an electronic gaming facility operating
17 gambling games in violation of this Act or the Chicago Casino
18 Development Authority Act shall be subject to seizure,
19 confiscation and destruction as provided in Section 28-5 of the
20 Criminal Code of 2012.

21 (b) It is not a violation of this Act for a riverboat or
22 other watercraft which is licensed for gaming by a contiguous
23 state to dock on the shores of this State if the municipality
24 having jurisdiction of the shores, or the county in the case of
25 unincorporated areas, has granted permission for docking and no

1 gaming is conducted on the riverboat or other watercraft while
2 it is docked on the shores of this State. No gambling device
3 shall be subject to seizure, confiscation or destruction if the
4 gambling device is located on a riverboat or other watercraft
5 which is licensed for gaming by a contiguous state and which is
6 docked on the shores of this State if the municipality having
7 jurisdiction of the shores, or the county in the case of
8 unincorporated areas, has granted permission for docking and no
9 gaming is conducted on the riverboat or other watercraft while
10 it is docked on the shores of this State.

11 (Source: P.A. 97-1150, eff. 1-25-13.)

12 (230 ILCS 10/20) (from Ch. 120, par. 2420)

13 Sec. 20. Prohibited activities - civil penalties. Any
14 person who conducts a gambling operation without first
15 obtaining a license to do so, or who continues to conduct such
16 games after revocation of his license, or any licensee who
17 conducts or allows to be conducted any unauthorized gambling
18 games on a riverboat, in a casino, or at an electronic gaming
19 facility where it is authorized to conduct its ~~riverboat~~
20 gambling operation, in addition to other penalties provided,
21 shall be subject to a civil penalty equal to the amount of
22 gross receipts derived from wagering on the gambling games,
23 whether unauthorized or authorized, conducted on that day as
24 well as confiscation and forfeiture of all gambling game
25 equipment used in the conduct of unauthorized gambling games.

1 (Source: P.A. 86-1029.)

2 (230 ILCS 10/21) (from Ch. 120, par. 2421)

3 Sec. 21. Limitation on taxation of licensees. Licensees
4 shall not be subjected to any excise tax, license tax, permit
5 tax, privilege tax, occupation tax or excursion tax which is
6 imposed exclusively upon the licensee by the State or any
7 political subdivision thereof, except as provided in this Act
8 or the Chicago Casino Development Authority Act.

9 (Source: P.A. 86-1029.)

10 (230 ILCS 10/23) (from Ch. 120, par. 2423)

11 Sec. 23. The State Gaming Fund. On or after the effective
12 date of this Act, except as provided for payments into the
13 Horse Racing Equity Trust Fund under subsection (a) of Section
14 7, all of the fees and taxes collected pursuant to this Act or
15 the Chicago Casino Development Authority Act shall be deposited
16 into the State Gaming Fund, a special fund in the State
17 Treasury, which is hereby created. The adjusted gross receipts
18 of any riverboat gambling operations conducted by a licensed
19 manager on behalf of the State remaining after the payment of
20 the fees and expenses of the licensed manager shall be
21 deposited into the State Gaming Fund. Fines and penalties
22 collected pursuant to this Act or the Chicago Casino
23 Development Authority Act shall be deposited into the Education
24 Assistance Fund, created by Public Act 86-0018, of the State of

1 Illinois.

2 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

3 (230 ILCS 10/24)

4 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
5 Act. The provisions of the this ~~Illinois Riverboat Gambling~~
6 Act, and all rules promulgated thereunder, shall apply to the
7 the Chicago Casino Development Authority Act and the Video
8 Gaming Act, except where there is a conflict between the ~~2~~
9 Acts. In the event of a conflict between this Act and the
10 Chicago Casino Development Authority Act, the terms of the
11 Chicago Casino Development Authority Act shall prevail. In the
12 event of a conflict between this Act and the Video Gaming Act,
13 the terms of this Act shall prevail.

14 (Source: P.A. 96-37, eff. 7-13-09.)

15 Section 90-42. The Video Gaming Act is amended by changing
16 Sections 5, 25, 45, 79, and 80 and by adding Section 81 as
17 follows:

18 (230 ILCS 40/5)

19 Sec. 5. Definitions. As used in this Act:

20 "Board" means the Illinois Gaming Board.

21 "Credit" means one, 5, 10, or 25 cents either won or
22 purchased by a player.

23 "Distributor" means an individual, partnership,

1 corporation, or limited liability company licensed under this
2 Act to buy, sell, lease, or distribute video gaming terminals
3 or major components or parts of video gaming terminals to or
4 from terminal operators.

5 "Electronic card" means a card purchased from a licensed
6 establishment, licensed fraternal establishment, licensed
7 veterans establishment, or licensed truck stop establishment
8 for use in that establishment as a substitute for cash in the
9 conduct of gaming on a video gaming terminal.

10 "Electronic voucher" means a voucher printed by an
11 electronic video game machine that is redeemable in the
12 licensed establishment for which it was issued.

13 "Terminal operator" means an individual, partnership,
14 corporation, or limited liability company that is licensed
15 under this Act and that owns, services, and maintains video
16 gaming terminals for placement in licensed establishments,
17 licensed truck stop establishments, licensed fraternal
18 establishments, or licensed veterans establishments.

19 "Licensed technician" means an individual who is licensed
20 under this Act to repair, service, and maintain video gaming
21 terminals.

22 "Licensed terminal handler" means a person, including but
23 not limited to an employee or independent contractor working
24 for a manufacturer, distributor, supplier, technician, or
25 terminal operator, who is licensed under this Act to possess or
26 control a video gaming terminal or to have access to the inner

1 workings of a video gaming terminal. A licensed terminal
2 handler does not include an individual, partnership,
3 corporation, or limited liability company defined as a
4 manufacturer, distributor, supplier, technician, or terminal
5 operator under this Act.

6 "Manufacturer" means an individual, partnership,
7 corporation, or limited liability company that is licensed
8 under this Act and that manufactures or assembles video gaming
9 terminals.

10 "Supplier" means an individual, partnership, corporation,
11 or limited liability company that is licensed under this Act to
12 supply major components or parts to video gaming terminals to
13 licensed terminal operators.

14 "Net terminal income" means money put into a video gaming
15 terminal minus credits paid out to players.

16 "Video gaming terminal" means any electronic video game
17 machine that, upon insertion of cash, electronic cards or
18 vouchers, or any combination thereof, is available to play or
19 simulate the play of a video game, including but not limited to
20 video poker, line up, and blackjack, as authorized by the Board
21 utilizing a video display and microprocessors in which the
22 player may receive free games or credits that can be redeemed
23 for cash. The term does not include a machine that directly
24 dispenses coins, cash, or tokens or is for amusement purposes
25 only.

26 "Licensed establishment" means any licensed retail

1 establishment where alcoholic liquor is drawn, poured, mixed,
2 or otherwise served for consumption on the premises, whether
3 the establishment operates on a nonprofit or for-profit basis.
4 "Licensed establishment" includes any such establishment that
5 has a contractual relationship with an inter-track wagering
6 location licensee licensed under the Illinois Horse Racing Act
7 of 1975, provided any contractual relationship shall not
8 include any transfer or offer of revenue from the operation of
9 video gaming under this Act to any licensee licensed under the
10 Illinois Horse Racing Act of 1975. Provided, however, that the
11 licensed establishment that has such a contractual
12 relationship with an inter-track wagering location licensee
13 may not, itself, be (i) an inter-track wagering location
14 licensee, (ii) the corporate parent or subsidiary of any
15 licensee licensed under the Illinois Horse Racing Act of 1975,
16 or (iii) the corporate subsidiary of a corporation that is also
17 the corporate parent or subsidiary of any licensee licensed
18 under the Illinois Horse Racing Act of 1975. "Licensed
19 establishment" does not include a facility operated by an
20 organization licensee, an inter-track wagering licensee, or an
21 inter-track wagering location licensee licensed under the
22 Illinois Horse Racing Act of 1975 or a riverboat licensed under
23 the Illinois Riverboat ~~Riverboat~~ Gambling Act, except as provided in this
24 paragraph. The changes made to this definition by Public Act
25 98-587 are declarative of existing law.

26 "Licensed fraternal establishment" means the location

1 where a qualified fraternal organization that derives its
2 charter from a national fraternal organization regularly
3 meets.

4 "Licensed veterans establishment" means the location where
5 a qualified veterans organization that derives its charter from
6 a national veterans organization regularly meets.

7 "Licensed truck stop establishment" means a facility (i)
8 that is at least a 3-acre facility with a convenience store,
9 (ii) with separate diesel islands for fueling commercial motor
10 vehicles, (iii) that sells at retail more than 10,000 gallons
11 of diesel or biodiesel fuel per month, and (iv) with parking
12 spaces for commercial motor vehicles. "Commercial motor
13 vehicles" has the same meaning as defined in Section 18b-101 of
14 the Illinois Vehicle Code. The requirement of item (iii) of
15 this paragraph may be met by showing that estimated future
16 sales or past sales average at least 10,000 gallons per month.
17 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
18 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
19 7-16-14.)

20 (230 ILCS 40/25)

21 Sec. 25. Restriction of licensees.

22 (a) Manufacturer. A person may not be licensed as a
23 manufacturer of a video gaming terminal in Illinois unless the
24 person has a valid manufacturer's license issued under this
25 Act. A manufacturer may only sell video gaming terminals for

1 use in Illinois to persons having a valid distributor's
2 license.

3 (b) Distributor. A person may not sell, distribute, or
4 lease or market a video gaming terminal in Illinois unless the
5 person has a valid distributor's license issued under this Act.
6 A distributor may only sell video gaming terminals for use in
7 Illinois to persons having a valid distributor's or terminal
8 operator's license.

9 (c) Terminal operator. A person may not own, maintain, or
10 place a video gaming terminal unless he has a valid terminal
11 operator's license issued under this Act. A terminal operator
12 may only place video gaming terminals for use in Illinois in
13 licensed establishments, licensed truck stop establishments,
14 licensed fraternal establishments, and licensed veterans
15 establishments. No terminal operator may give anything of
16 value, including but not limited to a loan or financing
17 arrangement, to a licensed establishment, licensed truck stop
18 establishment, licensed fraternal establishment, or licensed
19 veterans establishment as any incentive or inducement to locate
20 video terminals in that establishment. Of the after-tax profits
21 from a video gaming terminal, 50% shall be paid to the terminal
22 operator and 50% shall be paid to the licensed establishment,
23 licensed truck stop establishment, licensed fraternal
24 establishment, or licensed veterans establishment,
25 notwithstanding any agreement to the contrary. A video terminal
26 operator that violates one or more requirements of this

1 subsection is guilty of a Class 4 felony and is subject to
2 termination of his or her license by the Board.

3 (d) Licensed technician. A person may not service,
4 maintain, or repair a video gaming terminal in this State
5 unless he or she (1) has a valid technician's license issued
6 under this Act, (2) is a terminal operator, or (3) is employed
7 by a terminal operator, distributor, or manufacturer.

8 (d-5) Licensed terminal handler. No person, including, but
9 not limited to, an employee or independent contractor working
10 for a manufacturer, distributor, supplier, technician, or
11 terminal operator licensed pursuant to this Act, shall have
12 possession or control of a video gaming terminal, or access to
13 the inner workings of a video gaming terminal, unless that
14 person possesses a valid terminal handler's license issued
15 under this Act.

16 (e) Licensed establishment. No video gaming terminal may be
17 placed in any licensed establishment, licensed veterans
18 establishment, licensed truck stop establishment, or licensed
19 fraternal establishment unless the owner or agent of the owner
20 of the licensed establishment, licensed veterans
21 establishment, licensed truck stop establishment, or licensed
22 fraternal establishment has entered into a written use
23 agreement with the terminal operator for placement of the
24 terminals. A copy of the use agreement shall be on file in the
25 terminal operator's place of business and available for
26 inspection by individuals authorized by the Board. A licensed

1 establishment, licensed truck stop establishment, licensed
2 veterans establishment, or licensed fraternal establishment
3 may operate up to 5 video gaming terminals on its premises at
4 any time.

5 (f) (Blank).

6 (g) Financial interest restrictions. As used in this Act,
7 "substantial interest" in a partnership, a corporation, an
8 organization, an association, a business, or a limited
9 liability company means:

10 (A) When, with respect to a sole proprietorship, an
11 individual or his or her spouse owns, operates, manages, or
12 conducts, directly or indirectly, the organization,
13 association, or business, or any part thereof; or

14 (B) When, with respect to a partnership, the individual
15 or his or her spouse shares in any of the profits, or
16 potential profits, of the partnership activities; or

17 (C) When, with respect to a corporation, an individual
18 or his or her spouse is an officer or director, or the
19 individual or his or her spouse is a holder, directly or
20 beneficially, of 5% or more of any class of stock of the
21 corporation; or

22 (D) When, with respect to an organization not covered
23 in (A), (B) or (C) above, an individual or his or her
24 spouse is an officer or manages the business affairs, or
25 the individual or his or her spouse is the owner of or
26 otherwise controls 10% or more of the assets of the

1 organization; or

2 (E) When an individual or his or her spouse furnishes
3 5% or more of the capital, whether in cash, goods, or
4 services, for the operation of any business, association,
5 or organization during any calendar year; or

6 (F) When, with respect to a limited liability company,
7 an individual or his or her spouse is a member, or the
8 individual or his or her spouse is a holder, directly or
9 beneficially, of 5% or more of the membership interest of
10 the limited liability company.

11 For purposes of this subsection (g), "individual" includes
12 all individuals or their spouses whose combined interest would
13 qualify as a substantial interest under this subsection (g) and
14 whose activities with respect to an organization, association,
15 or business are so closely aligned or coordinated as to
16 constitute the activities of a single entity.

17 (h) Location restriction. A licensed establishment,
18 licensed truck stop establishment, licensed fraternal
19 establishment, or licensed veterans establishment that is (i)
20 located within 1,000 feet of a facility operated by an
21 organization licensee licensed under the Illinois Horse Racing
22 Act of 1975 or the home dock of a riverboat licensed under the
23 Illinois Riverboat ~~Gambling Act~~ or (ii) located within 100 feet
24 of a school or a place of worship under the Religious
25 Corporation Act, is ineligible to operate a video gaming
26 terminal. The location restrictions in this subsection (h) do

1 not apply if (A) a facility operated by an organization
2 licensee, a school, or a place of worship moves to or is
3 established within the restricted area after a licensed
4 establishment, licensed truck stop establishment, licensed
5 fraternal establishment, or licensed veterans establishment
6 becomes licensed under this Act or (B) a school or place of
7 worship moves to or is established within the restricted area
8 after a licensed establishment, licensed truck stop
9 establishment, licensed fraternal establishment, or licensed
10 veterans establishment obtains its original liquor license.
11 For the purpose of this subsection, "school" means an
12 elementary or secondary public school, or an elementary or
13 secondary private school registered with or recognized by the
14 State Board of Education.

15 Notwithstanding the provisions of this subsection (h), the
16 Board may waive the requirement that a licensed establishment,
17 licensed truck stop establishment, licensed fraternal
18 establishment, or licensed veterans establishment not be
19 located within 1,000 feet from a facility operated by an
20 organization licensee licensed under the Illinois Horse Racing
21 Act of 1975 or the home dock of a riverboat licensed under the
22 Illinois Riverboat ~~Riverboat~~ Gambling Act. The Board shall not grant such
23 waiver if there is any common ownership or control, shared
24 business activity, or contractual arrangement of any type
25 between the establishment and the organization licensee or
26 owners licensee of a riverboat. The Board shall adopt rules to

1 implement the provisions of this paragraph.

2 (i) Undue economic concentration. In addition to
3 considering all other requirements under this Act, in deciding
4 whether to approve the operation of video gaming terminals by a
5 terminal operator in a location, the Board shall consider the
6 impact of any economic concentration of such operation of video
7 gaming terminals. The Board shall not allow a terminal operator
8 to operate video gaming terminals if the Board determines such
9 operation will result in undue economic concentration. For
10 purposes of this Section, "undue economic concentration" means
11 that a terminal operator would have such actual or potential
12 influence over video gaming terminals in Illinois as to:

13 (1) substantially impede or suppress competition among
14 terminal operators;

15 (2) adversely impact the economic stability of the
16 video gaming industry in Illinois; or

17 (3) negatively impact the purposes of the Video Gaming
18 Act.

19 The Board shall adopt rules concerning undue economic
20 concentration with respect to the operation of video gaming
21 terminals in Illinois. The rules shall include, but not be
22 limited to, (i) limitations on the number of video gaming
23 terminals operated by any terminal operator within a defined
24 geographic radius and (ii) guidelines on the discontinuation of
25 operation of any such video gaming terminals the Board
26 determines will cause undue economic concentration.

1 (j) The provisions of the Illinois Antitrust Act are fully
2 and equally applicable to the activities of any licensee under
3 this Act.

4 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
5 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

6 (230 ILCS 40/45)

7 Sec. 45. Issuance of license.

8 (a) The burden is upon each applicant to demonstrate his
9 suitability for licensure. Each video gaming terminal
10 manufacturer, distributor, supplier, operator, handler,
11 licensed establishment, licensed truck stop establishment,
12 licensed fraternal establishment, and licensed veterans
13 establishment shall be licensed by the Board. The Board may
14 issue or deny a license under this Act to any person pursuant
15 to the same criteria set forth in Section 9 of the Illinois
16 ~~Riverboat~~ Gambling Act.

17 (a-5) The Board shall not grant a license to a person who
18 has facilitated, enabled, or participated in the use of
19 coin-operated devices for gambling purposes or who is under the
20 significant influence or control of such a person. For the
21 purposes of this Act, "facilitated, enabled, or participated in
22 the use of coin-operated amusement devices for gambling
23 purposes" means that the person has been convicted of any
24 violation of Article 28 of the Criminal Code of 1961 or the
25 Criminal Code of 2012. If there is pending legal action against

1 a person for any such violation, then the Board shall delay the
2 licensure of that person until the legal action is resolved.

3 (b) Each person seeking and possessing a license as a video
4 gaming terminal manufacturer, distributor, supplier, operator,
5 handler, licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, or licensed
7 veterans establishment shall submit to a background
8 investigation conducted by the Board with the assistance of the
9 State Police or other law enforcement. To the extent that the
10 corporate structure of the applicant allows, the background
11 investigation shall include any or all of the following as the
12 Board deems appropriate or as provided by rule for each
13 category of licensure: (i) each beneficiary of a trust, (ii)
14 each partner of a partnership, (iii) each member of a limited
15 liability company, (iv) each director and officer of a publicly
16 or non-publicly held corporation, (v) each stockholder of a
17 non-publicly held corporation, (vi) each stockholder of 5% or
18 more of a publicly held corporation, or (vii) each stockholder
19 of 5% or more in a parent or subsidiary corporation.

20 (c) Each person seeking and possessing a license as a video
21 gaming terminal manufacturer, distributor, supplier, operator,
22 handler, licensed establishment, licensed truck stop
23 establishment, licensed fraternal establishment, or licensed
24 veterans establishment shall disclose the identity of every
25 person, association, trust, corporation, or limited liability
26 company having a greater than 1% direct or indirect pecuniary

1 interest in the video gaming terminal operation for which the
2 license is sought. If the disclosed entity is a trust, the
3 application shall disclose the names and addresses of the
4 beneficiaries; if a corporation, the names and addresses of all
5 stockholders and directors; if a limited liability company, the
6 names and addresses of all members; or if a partnership, the
7 names and addresses of all partners, both general and limited.

8 (d) No person may be licensed as a video gaming terminal
9 manufacturer, distributor, supplier, operator, handler,
10 licensed establishment, licensed truck stop establishment,
11 licensed fraternal establishment, or licensed veterans
12 establishment if that person has been found by the Board to:

13 (1) have a background, including a criminal record,
14 reputation, habits, social or business associations, or
15 prior activities that pose a threat to the public interests
16 of the State or to the security and integrity of video
17 gaming;

18 (2) create or enhance the dangers of unsuitable,
19 unfair, or illegal practices, methods, and activities in
20 the conduct of video gaming; or

21 (3) present questionable business practices and
22 financial arrangements incidental to the conduct of video
23 gaming activities.

24 (e) Any applicant for any license under this Act has the
25 burden of proving his or her qualifications to the satisfaction
26 of the Board. The Board may adopt rules to establish additional

1 qualifications and requirements to preserve the integrity and
2 security of video gaming in this State.

3 (f) A non-refundable application fee shall be paid at the
4 time an application for a license is filed with the Board in
5 the following amounts:

- 6 (1) Manufacturer \$5,000
- 7 (2) Distributor..... \$5,000
- 8 (3) Terminal operator..... \$5,000
- 9 (4) Supplier \$2,500
- 10 (5) Technician \$100
- 11 (6) Terminal Handler \$50

12 (g) The Board shall establish an annual fee for each
13 license not to exceed the following:

- 14 (1) Manufacturer \$10,000
- 15 (2) Distributor..... \$10,000
- 16 (3) Terminal operator..... \$5,000
- 17 (4) Supplier \$2,000
- 18 (5) Technician \$100
- 19 (6) Licensed establishment, licensed truck stop
20 establishment, licensed fraternal establishment,
21 or licensed veterans establishment \$100
- 22 (7) Video gaming terminal..... \$100
- 23 (8) Terminal Handler \$50

24 (h) A terminal operator and a licensed establishment,
25 licensed truck stop establishment, licensed fraternal
26 establishment, or licensed veterans establishment shall

1 equally split the fees specified in item (7) of subsection (g).
2 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
3 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

4 (230 ILCS 40/79)

5 Sec. 79. Investigators. Investigators appointed by the
6 Board pursuant to the powers conferred upon the Board by
7 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
8 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have
9 authority to conduct investigations, searches, seizures,
10 arrests, and other duties imposed under this Act and the
11 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the
12 Board. These investigators have and may exercise all of the
13 rights and powers of peace officers, provided that these powers
14 shall be (1) limited to offenses or violations occurring or
15 committed in connection with conduct subject to this Act,
16 including, but not limited to, the manufacture, distribution,
17 supply, operation, placement, service, maintenance, or play of
18 video gaming terminals and the distribution of profits and
19 collection of revenues resulting from such play, and (2)
20 exercised, to the fullest extent practicable, in cooperation
21 with the local police department of the applicable municipality
22 or, if these powers are exercised outside the boundaries of an
23 incorporated municipality or within a municipality that does
24 not have its own police department, in cooperation with the
25 police department whose jurisdiction encompasses the

1 applicable locality.

2 (Source: P.A. 97-809, eff. 7-13-12.)

3 (230 ILCS 40/80)

4 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.

5 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
6 rules promulgated thereunder, shall apply to the Video Gaming
7 Act, except where there is a conflict between the 2 Acts. In
8 the event of a conflict between the 2 Acts, the provisions of
9 the Illinois Gambling Act shall prevail. All provisions of the
10 Uniform Penalty and Interest Act shall apply, as far as
11 practicable, to the subject matter of this Act to the same
12 extent as if such provisions were included herein.

13 (Source: P.A. 96-37, eff. 7-13-09.)

14 (230 ILCS 40/81 new)

15 Sec. 81. Prohibition of political contributions from
16 certain licensees and applicants.

17 (a) The General Assembly has a compelling interest in
18 protecting the integrity of both the electoral process and the
19 legislative process by preventing corruption and the
20 appearance of corruption which may arise through permitting
21 certain political campaign contributions by certain persons
22 involved in the gaming industry and regulated by the State.
23 Unlike most other regulated industries, gaming is especially
24 susceptible to corruption and potential criminal influence.

1 In Illinois, only licensed gaming activities are legal and
2 all other gaming activities are strictly prohibited. Given
3 these circumstances, it is imperative to eliminate any
4 potential corrupt influence in the gaming industry and the
5 electoral process. Banning political campaign contributions by
6 certain persons subject to this Section to State officeholders
7 and candidates for such offices and, where necessary, to county
8 and municipal officeholders and candidates for such offices in
9 counties and municipalities that receive financial benefits
10 from gaming activities is necessary to prevent corruption and
11 the appearance of corruption that may arise when political
12 campaign contributions and gaming that is regulated by the
13 State and that confers benefits on counties and municipalities
14 are intermingled.

15 (b) As used in this Section:

16 "Affiliated entity" means (i) any corporate parent and each
17 operating subsidiary of the business entity applying for or
18 holding a license, (ii) each operating subsidiary of the
19 corporate parent of the business entity applying for or holding
20 a license, (iii) any organization recognized by the United
21 States Internal Revenue Service as a tax-exempt organization
22 described in Section 501(c) of the Internal Revenue Code of
23 1986 (or any successor provision of federal tax law)
24 established by one or more business entities seeking or holding
25 a license, any affiliated entity of such business entity, or
26 any affiliated person of such business entity, and (iv) any

1 political committee for which the business entity applying for
2 or holding a license, or any 501(c) organization described in
3 item (iii) related to that business entity, is the sponsoring
4 entity, as defined in Section 9-3 of the Election Code. For
5 purposes of item (iv), the funding of all business entities
6 applying for or holding a license shall be aggregated in
7 determining whether such political committee is an affiliated
8 entity.

9 "Affiliated person" means (i) any person with any ownership
10 interest or distributive share in excess of 7.5% of any
11 business entity applying for or holding a license, (ii)
12 executive employees of any such business entity, (iii) any
13 person designated as a person of significant influence and
14 control under the Video Gaming Act, and (iv) the spouse of such
15 persons.

16 "Business entity" means any entity doing business for
17 profit, whether organized as a corporation, partnership, sole
18 proprietorship, limited liability company, or partnership or
19 otherwise.

20 "Contribution" means a contribution as defined in Section
21 9-1.4 of the Election Code.

22 "Declared candidate" means a person who has filed a
23 statement of candidacy and petition for nomination or election
24 in the principal office of the State Board of Elections, or in
25 the office of the appropriate election authority for any county
26 or municipality in which a video gaming terminal is located or

1 proposed or which receives any video gaming revenue, for the
2 office of Governor, Lieutenant Governor, Attorney General,
3 Secretary of State, Comptroller, Treasurer, member of the
4 General Assembly, chief executive or any member of the
5 legislative body of any municipality in which a video gaming
6 terminal is located or proposed or which receives any video
7 gaming revenue, or chief executive or any member of the
8 legislative body of any county containing any unincorporated
9 area in which a video gaming terminal is located or which
10 receives any video gaming revenue.

11 "Executive employee" means any person who is an officer or
12 director or who fulfills duties equivalent to those of an
13 officer or director of a business entity applying for or
14 holding a license; and (ii) any employee of such business
15 entity who is required to register under the Lobbyist
16 Registration Act.

17 "License" means any license issued pursuant to this Act.

18 "Officeholder" means the Governor, the Lieutenant
19 Governor, the Attorney General, the Secretary of State, the
20 Comptroller, the Treasurer, a member of the General Assembly,
21 the chief executive or any member of the legislative body of
22 any municipality in which a video gaming terminal is located or
23 proposed or which receives any video gaming revenue, or the
24 chief executive or any member of the legislative body of any
25 county containing any unincorporated area in which a video
26 gaming terminal is located or which receives any video gaming

1 revenue.

2 (c) Any person or business entity applying for or holding a
3 manufacturer or distributor license, any affiliated entities
4 or persons of such business entity, and any entities or persons
5 soliciting a contribution or causing a contribution to be made
6 on behalf of such person or business entity, are prohibited
7 from making any contribution to any officeholder or declared
8 candidate or any political committee affiliated with any
9 officeholder or declared candidate, as defined in Section 9-1.8
10 of the Election Code.

11 The Board shall have authority to suspend, revoke, or
12 restrict the license and to impose civil penalties of up to
13 \$100,000, for each violation of this subsection (c). A notice
14 of each such violation and the penalty imposed shall be
15 published on the Board's website and in the Illinois Register.
16 Payments received by the State pursuant to this subsection
17 shall be deposited into the General Revenue Fund.

18 Any person or business entity applying for or holding a
19 terminal operator license, any affiliated entities or persons
20 of such business entity, and any entities or persons soliciting
21 a contribution or causing a contribution to be made on behalf
22 of such person or business entity, are prohibited from making
23 any contribution to any officeholder or declared candidate or
24 any political committee affiliated with any officeholder or
25 declared candidate, as defined in Section 9-1.8 of the Election
26 Code, except that any such person or entity may make a

1 contribution to the chief executive or any member of the
2 legislative body of any municipality in which a video gaming
3 terminal is located or proposed or which receives any video
4 gaming revenue, the chief executive or any member of the
5 legislative body of any county containing any unincorporated
6 area in which a video gaming terminal is located or which
7 receives any video gaming revenue, or any declared candidates
8 for such offices, so long as the video gaming terminal
9 associated with the terminal operator license held or applied
10 for is not located in the same municipality or county in which
11 the officeholder or declared candidate holds or is seeking
12 office. This prohibition shall commence upon filing of an
13 application for a license and shall continue for a period of 2
14 years after termination, suspension, or revocation of the
15 license.

16 Any officeholder or declared candidate or any political
17 committee affiliated with any officeholder or declared
18 candidate that has received a contribution in violation of this
19 subsection (c) shall pay an amount equal to the value of the
20 contribution to the State no more than 30 days after notice of
21 the violation concerning the contribution appears in the
22 Illinois Register. Payments received by the State pursuant to
23 this subsection shall be deposited into the General Revenue
24 Fund.

25 (d) The Board shall post on its website a list of all
26 persons, business entities, and affiliated entities prohibited

1 from making contributions to any officeholder or declared
2 candidate political committee pursuant to subsection (c),
3 which list shall be updated and published on, at a minimum, a
4 semiannual basis.

5 Any person, business entity, or affiliated entity
6 prohibited from making contributions to any officeholder or
7 declared candidate political committee pursuant to subsection
8 (c) of this Section shall notify the Board within 7 days after
9 discovering any necessary change or addition to the information
10 relating to that person, business entity, or affiliated entity
11 contained in the list.

12 An individual who acts in good faith and in reliance on any
13 information contained in the list shall not be subject to any
14 penalties or liability imposed for a violation of this Section.

15 (e) If any provision of this Section is held invalid or its
16 application to any person or circumstance is held invalid, the
17 invalidity of that provision or application does not affect the
18 other provisions or applications of this Section that can be
19 given effect without the invalid application or provision.

20 Section 90-45. The Liquor Control Act of 1934 is amended by
21 changing Sections 5-1 and 6-30 as follows:

22 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

23 Sec. 5-1. Licenses issued by the Illinois Liquor Control
24 Commission shall be of the following classes:

1 (a) Manufacturer's license - Class 1. Distiller, Class 2.
2 Rectifier, Class 3. Brewer, Class 4. First Class Wine
3 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
4 First Class Winemaker, Class 7. Second Class Winemaker, Class
5 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
6 10. Class 1 Brewer, Class 11. Class 2 Brewer,

7 (b) Distributor's license,

8 (c) Importing Distributor's license,

9 (d) Retailer's license,

10 (e) Special Event Retailer's license (not-for-profit),

11 (f) Railroad license,

12 (g) Boat license,

13 (h) Non-Beverage User's license,

14 (i) Wine-maker's premises license,

15 (j) Airplane license,

16 (k) Foreign importer's license,

17 (l) Broker's license,

18 (m) Non-resident dealer's license,

19 (n) Brew Pub license,

20 (o) Auction liquor license,

21 (p) Caterer retailer license,

22 (q) Special use permit license,

23 (r) Winery shipper's license,

24 (s) Craft distiller tasting permit.

25 No person, firm, partnership, corporation, or other legal
26 business entity that is engaged in the manufacturing of wine

1 may concurrently obtain and hold a wine-maker's license and a
2 wine manufacturer's license.

3 (a) A manufacturer's license shall allow the manufacture,
4 importation in bulk, storage, distribution and sale of
5 alcoholic liquor to persons without the State, as may be
6 permitted by law and to licensees in this State as follows:

7 Class 1. A Distiller may make sales and deliveries of
8 alcoholic liquor to distillers, rectifiers, importing
9 distributors, distributors and non-beverage users and to no
10 other licensees.

11 Class 2. A Rectifier, who is not a distiller, as defined
12 herein, may make sales and deliveries of alcoholic liquor to
13 rectifiers, importing distributors, distributors, retailers
14 and non-beverage users and to no other licensees.

15 Class 3. A Brewer may make sales and deliveries of beer to
16 importing distributors and distributors and may make sales as
17 authorized under subsection (e) of Section 6-4 of this Act.

18 Class 4. A first class wine-manufacturer may make sales and
19 deliveries of up to 50,000 gallons of wine to manufacturers,
20 importing distributors and distributors, and to no other
21 licensees.

22 Class 5. A second class Wine manufacturer may make sales
23 and deliveries of more than 50,000 gallons of wine to
24 manufacturers, importing distributors and distributors and to
25 no other licensees.

26 Class 6. A first-class wine-maker's license shall allow the

1 manufacture of up to 50,000 gallons of wine per year, and the
2 storage and sale of such wine to distributors in the State and
3 to persons without the State, as may be permitted by law. A
4 person who, prior to June 1, 2008 (the effective date of Public
5 Act 95-634), is a holder of a first-class wine-maker's license
6 and annually produces more than 25,000 gallons of its own wine
7 and who distributes its wine to licensed retailers shall cease
8 this practice on or before July 1, 2008 in compliance with
9 Public Act 95-634.

10 Class 7. A second-class wine-maker's license shall allow
11 the manufacture of between 50,000 and 150,000 gallons of wine
12 per year, and the storage and sale of such wine to distributors
13 in this State and to persons without the State, as may be
14 permitted by law. A person who, prior to June 1, 2008 (the
15 effective date of Public Act 95-634), is a holder of a
16 second-class wine-maker's license and annually produces more
17 than 25,000 gallons of its own wine and who distributes its
18 wine to licensed retailers shall cease this practice on or
19 before July 1, 2008 in compliance with Public Act 95-634.

20 Class 8. A limited wine-manufacturer may make sales and
21 deliveries not to exceed 40,000 gallons of wine per year to
22 distributors, and to non-licensees in accordance with the
23 provisions of this Act.

24 Class 9. A craft distiller license shall allow the
25 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~
26 gallons of spirits by distillation per year and the storage of

1 such spirits. If a craft distiller licensee, including a craft
2 distiller licensee who holds more than one craft distiller
3 license, is not affiliated with any other manufacturer of
4 spirits, then the craft distiller licensee may sell such
5 spirits to distributors in this State and up to 2,500 gallons
6 of such spirits to non-licensees to the extent permitted by any
7 exemption approved by the Commission pursuant to Section 6-4 of
8 this Act. A craft distiller license holder may store such
9 spirits at a non-contiguous licensed location, but at no time
10 shall a craft distiller license holder directly or indirectly
11 produce in the aggregate more than 100,000 gallons of spirits
12 per year.

13 A craft distiller licensee may hold more than one craft
14 distiller's license. However, a craft distiller that holds more
15 than one craft distiller license shall not manufacture, in the
16 aggregate, more than 100,000 gallons of spirits by distillation
17 per year and shall not sell, in the aggregate, more than 2,500
18 gallons of such spirits to non-licensees in accordance with an
19 exemption approved by the State Commission pursuant to Section
20 6-4 of this Act.

21 Any craft distiller licensed under this Act who on July 28,
22 2010 (the effective date of Public Act 96-1367) was licensed as
23 a distiller and manufactured no more spirits than permitted by
24 this Section shall not be required to pay the initial licensing
25 fee.

26 Class 10. A class 1 brewer license, which may only be

1 issued to a licensed brewer or licensed non-resident dealer,
2 shall allow the manufacture of up to 930,000 gallons of beer
3 per year provided that the class 1 brewer licensee does not
4 manufacture more than a combined 930,000 gallons of beer per
5 year and is not a member of or affiliated with, directly or
6 indirectly, a manufacturer that produces more than 930,000
7 gallons of beer per year or any other alcoholic liquor. A class
8 1 brewer licensee may make sales and deliveries to importing
9 distributors and distributors and to retail licensees in
10 accordance with the conditions set forth in paragraph (18) of
11 subsection (a) of Section 3-12 of this Act.

12 Class 11. A class 2 brewer license, which may only be
13 issued to a licensed brewer or licensed non-resident dealer,
14 shall allow the manufacture of up to 3,720,000 gallons of beer
15 per year provided that the class 2 brewer licensee does not
16 manufacture more than a combined 3,720,000 gallons of beer per
17 year and is not a member of or affiliated with, directly or
18 indirectly, a manufacturer that produces more than 3,720,000
19 gallons of beer per year or any other alcoholic liquor. A class
20 2 brewer licensee may make sales and deliveries to importing
21 distributors and distributors, but shall not make sales or
22 deliveries to any other licensee. If the State Commission
23 provides prior approval, a class 2 brewer licensee may annually
24 transfer up to 3,720,000 gallons of beer manufactured by that
25 class 2 brewer licensee to the premises of a licensed class 2
26 brewer wholly owned and operated by the same licensee.

1 (a-1) A manufacturer which is licensed in this State to
2 make sales or deliveries of alcoholic liquor to licensed
3 distributors or importing distributors and which enlists
4 agents, representatives, or individuals acting on its behalf
5 who contact licensed retailers on a regular and continual basis
6 in this State must register those agents, representatives, or
7 persons acting on its behalf with the State Commission.

8 Registration of agents, representatives, or persons acting
9 on behalf of a manufacturer is fulfilled by submitting a form
10 to the Commission. The form shall be developed by the
11 Commission and shall include the name and address of the
12 applicant, the name and address of the manufacturer he or she
13 represents, the territory or areas assigned to sell to or
14 discuss pricing terms of alcoholic liquor, and any other
15 questions deemed appropriate and necessary. All statements in
16 the forms required to be made by law or by rule shall be deemed
17 material, and any person who knowingly misstates any material
18 fact under oath in an application is guilty of a Class B
19 misdemeanor. Fraud, misrepresentation, false statements,
20 misleading statements, evasions, or suppression of material
21 facts in the securing of a registration are grounds for
22 suspension or revocation of the registration. The State
23 Commission shall post a list of registered agents on the
24 Commission's website.

25 (b) A distributor's license shall allow the wholesale
26 purchase and storage of alcoholic liquors and sale of alcoholic

1 liquors to licensees in this State and to persons without the
2 State, as may be permitted by law. No person licensed as a
3 distributor shall be granted a non-resident dealer's license.

4 (c) An importing distributor's license may be issued to and
5 held by those only who are duly licensed distributors, upon the
6 filing of an application by a duly licensed distributor, with
7 the Commission and the Commission shall, without the payment of
8 any fee, immediately issue such importing distributor's
9 license to the applicant, which shall allow the importation of
10 alcoholic liquor by the licensee into this State from any point
11 in the United States outside this State, and the purchase of
12 alcoholic liquor in barrels, casks or other bulk containers and
13 the bottling of such alcoholic liquors before resale thereof,
14 but all bottles or containers so filled shall be sealed,
15 labeled, stamped and otherwise made to comply with all
16 provisions, rules and regulations governing manufacturers in
17 the preparation and bottling of alcoholic liquors. The
18 importing distributor's license shall permit such licensee to
19 purchase alcoholic liquor from Illinois licensed non-resident
20 dealers and foreign importers only. No person licensed as an
21 importing distributor shall be granted a non-resident dealer's
22 license.

23 (d) A retailer's license shall allow the licensee to sell
24 and offer for sale at retail, only in the premises specified in
25 the license, alcoholic liquor for use or consumption, but not
26 for resale in any form. Nothing in Public Act 95-634 shall

1 deny, limit, remove, or restrict the ability of a holder of a
2 retailer's license to transfer, deliver, or ship alcoholic
3 liquor to the purchaser for use or consumption subject to any
4 applicable local law or ordinance. Any retail license issued to
5 a manufacturer shall only permit the manufacturer to sell beer
6 at retail on the premises actually occupied by the
7 manufacturer. For the purpose of further describing the type of
8 business conducted at a retail licensed premises, a retailer's
9 licensee may be designated by the State Commission as (i) an on
10 premise consumption retailer, (ii) an off premise sale
11 retailer, or (iii) a combined on premise consumption and off
12 premise sale retailer.

13 Notwithstanding any other provision of this subsection
14 (d), a retail licensee may sell alcoholic liquors to a special
15 event retailer licensee for resale to the extent permitted
16 under subsection (e).

17 (e) A special event retailer's license (not-for-profit)
18 shall permit the licensee to purchase alcoholic liquors from an
19 Illinois licensed distributor (unless the licensee purchases
20 less than \$500 of alcoholic liquors for the special event, in
21 which case the licensee may purchase the alcoholic liquors from
22 a licensed retailer) and shall allow the licensee to sell and
23 offer for sale, at retail, alcoholic liquors for use or
24 consumption, but not for resale in any form and only at the
25 location and on the specific dates designated for the special
26 event in the license. An applicant for a special event retailer

1 license must (i) furnish with the application: (A) a resale
2 number issued under Section 2c of the Retailers' Occupation Tax
3 Act or evidence that the applicant is registered under Section
4 2a of the Retailers' Occupation Tax Act, (B) a current, valid
5 exemption identification number issued under Section 1g of the
6 Retailers' Occupation Tax Act, and a certification to the
7 Commission that the purchase of alcoholic liquors will be a
8 tax-exempt purchase, or (C) a statement that the applicant is
9 not registered under Section 2a of the Retailers' Occupation
10 Tax Act, does not hold a resale number under Section 2c of the
11 Retailers' Occupation Tax Act, and does not hold an exemption
12 number under Section 1g of the Retailers' Occupation Tax Act,
13 in which event the Commission shall set forth on the special
14 event retailer's license a statement to that effect; (ii)
15 submit with the application proof satisfactory to the State
16 Commission that the applicant will provide dram shop liability
17 insurance in the maximum limits; and (iii) show proof
18 satisfactory to the State Commission that the applicant has
19 obtained local authority approval.

20 (f) A railroad license shall permit the licensee to import
21 alcoholic liquors into this State from any point in the United
22 States outside this State and to store such alcoholic liquors
23 in this State; to make wholesale purchases of alcoholic liquors
24 directly from manufacturers, foreign importers, distributors
25 and importing distributors from within or outside this State;
26 and to store such alcoholic liquors in this State; provided

1 that the above powers may be exercised only in connection with
2 the importation, purchase or storage of alcoholic liquors to be
3 sold or dispensed on a club, buffet, lounge or dining car
4 operated on an electric, gas or steam railway in this State;
5 and provided further, that railroad licensees exercising the
6 above powers shall be subject to all provisions of Article VIII
7 of this Act as applied to importing distributors. A railroad
8 license shall also permit the licensee to sell or dispense
9 alcoholic liquors on any club, buffet, lounge or dining car
10 operated on an electric, gas or steam railway regularly
11 operated by a common carrier in this State, but shall not
12 permit the sale for resale of any alcoholic liquors to any
13 licensee within this State. A license shall be obtained for
14 each car in which such sales are made.

15 (g) A boat license shall allow the sale of alcoholic liquor
16 in individual drinks, on any passenger boat regularly operated
17 as a common carrier on navigable waters in this State or on any
18 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
19 which boat or riverboat maintains a public dining room or
20 restaurant thereon.

21 (h) A non-beverage user's license shall allow the licensee
22 to purchase alcoholic liquor from a licensed manufacturer or
23 importing distributor, without the imposition of any tax upon
24 the business of such licensed manufacturer or importing
25 distributor as to such alcoholic liquor to be used by such
26 licensee solely for the non-beverage purposes set forth in

1 subsection (a) of Section 8-1 of this Act, and such licenses
 2 shall be divided and classified and shall permit the purchase,
 3 possession and use of limited and stated quantities of
 4 alcoholic liquor as follows:

- 5 Class 1, not to exceed 500 gallons
- 6 Class 2, not to exceed 1,000 gallons
- 7 Class 3, not to exceed 5,000 gallons
- 8 Class 4, not to exceed 10,000 gallons
- 9 Class 5, not to exceed 50,000 gallons

10 (i) A wine-maker's premises license shall allow a licensee
 11 that concurrently holds a first-class wine-maker's license to
 12 sell and offer for sale at retail in the premises specified in
 13 such license not more than 50,000 gallons of the first-class
 14 wine-maker's wine that is made at the first-class wine-maker's
 15 licensed premises per year for use or consumption, but not for
 16 resale in any form. A wine-maker's premises license shall allow
 17 a licensee who concurrently holds a second-class wine-maker's
 18 license to sell and offer for sale at retail in the premises
 19 specified in such license up to 100,000 gallons of the
 20 second-class wine-maker's wine that is made at the second-class
 21 wine-maker's licensed premises per year for use or consumption
 22 but not for resale in any form. A wine-maker's premises license
 23 shall allow a licensee that concurrently holds a first-class
 24 wine-maker's license or a second-class wine-maker's license to
 25 sell and offer for sale at retail at the premises specified in
 26 the wine-maker's premises license, for use or consumption but

1 not for resale in any form, any beer, wine, and spirits
2 purchased from a licensed distributor. Upon approval from the
3 State Commission, a wine-maker's premises license shall allow
4 the licensee to sell and offer for sale at (i) the wine-maker's
5 licensed premises and (ii) at up to 2 additional locations for
6 use and consumption and not for resale. Each location shall
7 require additional licensing per location as specified in
8 Section 5-3 of this Act. A wine-maker's premises licensee shall
9 secure liquor liability insurance coverage in an amount at
10 least equal to the maximum liability amounts set forth in
11 subsection (a) of Section 6-21 of this Act.

12 (j) An airplane license shall permit the licensee to import
13 alcoholic liquors into this State from any point in the United
14 States outside this State and to store such alcoholic liquors
15 in this State; to make wholesale purchases of alcoholic liquors
16 directly from manufacturers, foreign importers, distributors
17 and importing distributors from within or outside this State;
18 and to store such alcoholic liquors in this State; provided
19 that the above powers may be exercised only in connection with
20 the importation, purchase or storage of alcoholic liquors to be
21 sold or dispensed on an airplane; and provided further, that
22 airplane licensees exercising the above powers shall be subject
23 to all provisions of Article VIII of this Act as applied to
24 importing distributors. An airplane licensee shall also permit
25 the sale or dispensing of alcoholic liquors on any passenger
26 airplane regularly operated by a common carrier in this State,

1 but shall not permit the sale for resale of any alcoholic
2 liquors to any licensee within this State. A single airplane
3 license shall be required of an airline company if liquor
4 service is provided on board aircraft in this State. The annual
5 fee for such license shall be as determined in Section 5-3.

6 (k) A foreign importer's license shall permit such licensee
7 to purchase alcoholic liquor from Illinois licensed
8 non-resident dealers only, and to import alcoholic liquor other
9 than in bulk from any point outside the United States and to
10 sell such alcoholic liquor to Illinois licensed importing
11 distributors and to no one else in Illinois; provided that (i)
12 the foreign importer registers with the State Commission every
13 brand of alcoholic liquor that it proposes to sell to Illinois
14 licensees during the license period, (ii) the foreign importer
15 complies with all of the provisions of Section 6-9 of this Act
16 with respect to registration of such Illinois licensees as may
17 be granted the right to sell such brands at wholesale, and
18 (iii) the foreign importer complies with the provisions of
19 Sections 6-5 and 6-6 of this Act to the same extent that these
20 provisions apply to manufacturers.

21 (l) (i) A broker's license shall be required of all persons
22 who solicit orders for, offer to sell or offer to supply
23 alcoholic liquor to retailers in the State of Illinois, or who
24 offer to retailers to ship or cause to be shipped or to make
25 contact with distillers, rectifiers, brewers or manufacturers
26 or any other party within or without the State of Illinois in

1 order that alcoholic liquors be shipped to a distributor,
2 importing distributor or foreign importer, whether such
3 solicitation or offer is consummated within or without the
4 State of Illinois.

5 No holder of a retailer's license issued by the Illinois
6 Liquor Control Commission shall purchase or receive any
7 alcoholic liquor, the order for which was solicited or offered
8 for sale to such retailer by a broker unless the broker is the
9 holder of a valid broker's license.

10 The broker shall, upon the acceptance by a retailer of the
11 broker's solicitation of an order or offer to sell or supply or
12 deliver or have delivered alcoholic liquors, promptly forward
13 to the Illinois Liquor Control Commission a notification of
14 said transaction in such form as the Commission may by
15 regulations prescribe.

16 (ii) A broker's license shall be required of a person
17 within this State, other than a retail licensee, who, for a fee
18 or commission, promotes, solicits, or accepts orders for
19 alcoholic liquor, for use or consumption and not for resale, to
20 be shipped from this State and delivered to residents outside
21 of this State by an express company, common carrier, or
22 contract carrier. This Section does not apply to any person who
23 promotes, solicits, or accepts orders for wine as specifically
24 authorized in Section 6-29 of this Act.

25 A broker's license under this subsection (1) shall not
26 entitle the holder to buy or sell any alcoholic liquors for his

1 own account or to take or deliver title to such alcoholic
2 liquors.

3 This subsection (1) shall not apply to distributors,
4 employees of distributors, or employees of a manufacturer who
5 has registered the trademark, brand or name of the alcoholic
6 liquor pursuant to Section 6-9 of this Act, and who regularly
7 sells such alcoholic liquor in the State of Illinois only to
8 its registrants thereunder.

9 Any agent, representative, or person subject to
10 registration pursuant to subsection (a-1) of this Section shall
11 not be eligible to receive a broker's license.

12 (m) A non-resident dealer's license shall permit such
13 licensee to ship into and warehouse alcoholic liquor into this
14 State from any point outside of this State, and to sell such
15 alcoholic liquor to Illinois licensed foreign importers and
16 importing distributors and to no one else in this State;
17 provided that (i) said non-resident dealer shall register with
18 the Illinois Liquor Control Commission each and every brand of
19 alcoholic liquor which it proposes to sell to Illinois
20 licensees during the license period, (ii) it shall comply with
21 all of the provisions of Section 6-9 hereof with respect to
22 registration of such Illinois licensees as may be granted the
23 right to sell such brands at wholesale, and (iii) the
24 non-resident dealer shall comply with the provisions of
25 Sections 6-5 and 6-6 of this Act to the same extent that these
26 provisions apply to manufacturers. No person licensed as a

1 non-resident dealer shall be granted a distributor's or
2 importing distributor's license.

3 (n) A brew pub license shall allow the licensee to only (i)
4 manufacture up to 155,000 gallons of beer per year only on the
5 premises specified in the license, (ii) make sales of the beer
6 manufactured on the premises or, with the approval of the
7 Commission, beer manufactured on another brew pub licensed
8 premises that is wholly owned and operated by the same licensee
9 to importing distributors, distributors, and to non-licensees
10 for use and consumption, (iii) store the beer upon the
11 premises, (iv) sell and offer for sale at retail from the
12 licensed premises for off-premises consumption no more than
13 155,000 gallons per year so long as such sales are only made
14 in-person, (v) sell and offer for sale at retail for use and
15 consumption on the premises specified in the license any form
16 of alcoholic liquor purchased from a licensed distributor or
17 importing distributor, and (vi) with the prior approval of the
18 Commission, annually transfer no more than 155,000 gallons of
19 beer manufactured on the premises to a licensed brew pub wholly
20 owned and operated by the same licensee.

21 A brew pub licensee shall not under any circumstance sell
22 or offer for sale beer manufactured by the brew pub licensee to
23 retail licensees.

24 A person who holds a class 2 brewer license may
25 simultaneously hold a brew pub license if the class 2 brewer
26 (i) does not, under any circumstance, sell or offer for sale

1 beer manufactured by the class 2 brewer to retail licensees;
2 (ii) does not hold more than 3 brew pub licenses in this State;
3 (iii) does not manufacture more than a combined 3,720,000
4 gallons of beer per year, including the beer manufactured at
5 the brew pub; and (iv) is not a member of or affiliated with,
6 directly or indirectly, a manufacturer that produces more than
7 3,720,000 gallons of beer per year or any other alcoholic
8 liquor.

9 Notwithstanding any other provision of this Act, a licensed
10 brewer, class 2 brewer, or non-resident dealer who before July
11 1, 2015 manufactured less than 3,720,000 gallons of beer per
12 year and held a brew pub license on or before July 1, 2015 may
13 (i) continue to qualify for and hold that brew pub license for
14 the licensed premises and (ii) manufacture more than 3,720,000
15 gallons of beer per year and continue to qualify for and hold
16 that brew pub license if that brewer, class 2 brewer, or
17 non-resident dealer does not simultaneously hold a class 1
18 brewer license and is not a member of or affiliated with,
19 directly or indirectly, a manufacturer that produces more than
20 3,720,000 gallons of beer per year or that produces any other
21 alcoholic liquor.

22 (o) A caterer retailer license shall allow the holder to
23 serve alcoholic liquors as an incidental part of a food service
24 that serves prepared meals which excludes the serving of snacks
25 as the primary meal, either on or off-site whether licensed or
26 unlicensed.

1 (p) An auction liquor license shall allow the licensee to
2 sell and offer for sale at auction wine and spirits for use or
3 consumption, or for resale by an Illinois liquor licensee in
4 accordance with provisions of this Act. An auction liquor
5 license will be issued to a person and it will permit the
6 auction liquor licensee to hold the auction anywhere in the
7 State. An auction liquor license must be obtained for each
8 auction at least 14 days in advance of the auction date.

9 (q) A special use permit license shall allow an Illinois
10 licensed retailer to transfer a portion of its alcoholic liquor
11 inventory from its retail licensed premises to the premises
12 specified in the license hereby created, and to sell or offer
13 for sale at retail, only in the premises specified in the
14 license hereby created, the transferred alcoholic liquor for
15 use or consumption, but not for resale in any form. A special
16 use permit license may be granted for the following time
17 periods: one day or less; 2 or more days to a maximum of 15 days
18 per location in any 12-month ~~12-month~~ period. An applicant for
19 the special use permit license must also submit with the
20 application proof satisfactory to the State Commission that the
21 applicant will provide dram shop liability insurance to the
22 maximum limits and have local authority approval.

23 (r) A winery shipper's license shall allow a person with a
24 first-class or second-class wine manufacturer's license, a
25 first-class or second-class wine-maker's license, or a limited
26 wine manufacturer's license or who is licensed to make wine

1 under the laws of another state to ship wine made by that
2 licensee directly to a resident of this State who is 21 years
3 of age or older for that resident's personal use and not for
4 resale. Prior to receiving a winery shipper's license, an
5 applicant for the license must provide the Commission with a
6 true copy of its current license in any state in which it is
7 licensed as a manufacturer of wine. An applicant for a winery
8 shipper's license must also complete an application form that
9 provides any other information the Commission deems necessary.
10 The application form shall include all addresses from which the
11 applicant for a winery shipper's license intends to ship wine,
12 including the name and address of any third party, except for a
13 common carrier, authorized to ship wine on behalf of the
14 manufacturer. The application form shall include an
15 acknowledgement consenting to the jurisdiction of the
16 Commission, the Illinois Department of Revenue, and the courts
17 of this State concerning the enforcement of this Act and any
18 related laws, rules, and regulations, including authorizing
19 the Department of Revenue and the Commission to conduct audits
20 for the purpose of ensuring compliance with Public Act 95-634,
21 and an acknowledgement that the wine manufacturer is in
22 compliance with Section 6-2 of this Act. Any third party,
23 except for a common carrier, authorized to ship wine on behalf
24 of a first-class or second-class wine manufacturer's licensee,
25 a first-class or second-class wine-maker's licensee, a limited
26 wine manufacturer's licensee, or a person who is licensed to

1 make wine under the laws of another state shall also be
2 disclosed by the winery shipper's licensee, and a copy of the
3 written appointment of the third-party wine provider, except
4 for a common carrier, to the wine manufacturer shall be filed
5 with the State Commission as a supplement to the winery
6 shipper's license application or any renewal thereof. The
7 winery shipper's license holder shall affirm under penalty of
8 perjury, as part of the winery shipper's license application or
9 renewal, that he or she only ships wine, either directly or
10 indirectly through a third-party provider, from the licensee's
11 own production.

12 Except for a common carrier, a third-party provider
13 shipping wine on behalf of a winery shipper's license holder is
14 the agent of the winery shipper's license holder and, as such,
15 a winery shipper's license holder is responsible for the acts
16 and omissions of the third-party provider acting on behalf of
17 the license holder. A third-party provider, except for a common
18 carrier, that engages in shipping wine into Illinois on behalf
19 of a winery shipper's license holder shall consent to the
20 jurisdiction of the State Commission and the State. Any
21 third-party, except for a common carrier, holding such an
22 appointment shall, by February 1 of each calendar year, file
23 with the State Commission a statement detailing each shipment
24 made to an Illinois resident. The State Commission shall adopt
25 rules as soon as practicable to implement the requirements of
26 Public Act 99-904 ~~this amendatory Act of the 99th General~~

1 ~~Assembly~~ and shall adopt rules prohibiting any such third-party
2 appointment of a third-party provider, except for a common
3 carrier, that has been deemed by the State Commission to have
4 violated the provisions of this Act with regard to any winery
5 shipper licensee.

6 A winery shipper licensee must pay to the Department of
7 Revenue the State liquor gallonage tax under Section 8-1 for
8 all wine that is sold by the licensee and shipped to a person
9 in this State. For the purposes of Section 8-1, a winery
10 shipper licensee shall be taxed in the same manner as a
11 manufacturer of wine. A licensee who is not otherwise required
12 to register under the Retailers' Occupation Tax Act must
13 register under the Use Tax Act to collect and remit use tax to
14 the Department of Revenue for all gallons of wine that are sold
15 by the licensee and shipped to persons in this State. If a
16 licensee fails to remit the tax imposed under this Act in
17 accordance with the provisions of Article VIII of this Act, the
18 winery shipper's license shall be revoked in accordance with
19 the provisions of Article VII of this Act. If a licensee fails
20 to properly register and remit tax under the Use Tax Act or the
21 Retailers' Occupation Tax Act for all wine that is sold by the
22 winery shipper and shipped to persons in this State, the winery
23 shipper's license shall be revoked in accordance with the
24 provisions of Article VII of this Act.

25 A winery shipper licensee must collect, maintain, and
26 submit to the Commission on a semi-annual basis the total

1 number of cases per resident of wine shipped to residents of
2 this State. A winery shipper licensed under this subsection (r)
3 must comply with the requirements of Section 6-29 of this Act.

4 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
5 Section 3-12, the State Commission may receive, respond to, and
6 investigate any complaint and impose any of the remedies
7 specified in paragraph (1) of subsection (a) of Section 3-12.

8 (s) A craft distiller tasting permit license shall allow an
9 Illinois licensed craft distiller to transfer a portion of its
10 alcoholic liquor inventory from its craft distiller licensed
11 premises to the premises specified in the license hereby
12 created and to conduct a sampling, only in the premises
13 specified in the license hereby created, of the transferred
14 alcoholic liquor in accordance with subsection (c) of Section
15 6-31 of this Act. The transferred alcoholic liquor may not be
16 sold or resold in any form. An applicant for the craft
17 distiller tasting permit license must also submit with the
18 application proof satisfactory to the State Commission that the
19 applicant will provide dram shop liability insurance to the
20 maximum limits and have local authority approval.

21 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;
22 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.
23 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,
24 eff. 1-1-17; revised 9-15-16.)

25 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

1 Sec. 6-30. Notwithstanding any other provision of this Act,
2 the Illinois Gaming Board shall have exclusive authority to
3 establish the hours for sale and consumption of alcoholic
4 liquor on board a riverboat during riverboat gambling
5 excursions and in a casino conducted in accordance with the
6 Illinois Riverboat Gambling Act.

7 (Source: P.A. 87-826.)

8 Section 90-46. The Illinois Public Aid Code is amended by
9 changing Section 10-17.15 as follows:

10 (305 ILCS 5/10-17.15)

11 Sec. 10-17.15. Certification of information to State
12 gaming licensees.

13 (a) For purposes of this Section, "State gaming licensee"
14 means, as applicable, an organization licensee or advance
15 deposit wagering licensee licensed under the Illinois Horse
16 Racing Act of 1975, an owners licensee licensed under the
17 Illinois Riverboat Gambling Act, or a licensee that operates,
18 under any law of this State, one or more facilities or gaming
19 locations at which lawful gambling is authorized and licensed
20 as provided in the Illinois Riverboat Gambling Act.

21 (b) The Department may provide, by rule, for certification
22 to any State gaming licensee of past due child support owed by
23 a responsible relative under a support order entered by a court
24 or administrative body of this or any other State on behalf of

1 a resident or non-resident receiving child support services
2 under this Article in accordance with the requirements of Title
3 IV-D, Part D, of the Social Security Act. The State gaming
4 licensee shall have the ability to withhold from winnings
5 required to be reported to the Internal Revenue Service on Form
6 W-2G, up to the full amount of winnings necessary to pay the
7 winner's past due child support. The rule shall provide for
8 notice to and an opportunity to be heard by each responsible
9 relative affected and any final administrative decision
10 rendered by the Department shall be reviewed only under and in
11 accordance with the Administrative Review Law.

12 (c) For withholding of winnings, the State gaming licensee
13 shall be entitled to an administrative fee not to exceed the
14 lesser of 4% of the total amount of cash winnings paid to the
15 gambling winner or \$150.

16 (d) In no event may the total amount withheld from the cash
17 payout, including the administrative fee, exceed the total cash
18 winnings claimed by the obligor. If the cash payout claimed is
19 greater than the amount sufficient to satisfy the obligor's
20 delinquent child support payments, the State gaming licensee
21 shall pay the obligor the remaining balance of the payout, less
22 the administrative fee authorized by subsection (c) of this
23 Section, at the time it is claimed.

24 (e) A State gaming licensee who in good faith complies with
25 the requirements of this Section shall not be liable to the
26 gaming winner or any other individual or entity.

1 (Source: P.A. 98-318, eff. 8-12-13.)

2 Section 90-47. The Firearm Concealed Carry Act is amended
3 by changing Section 65 as follows:

4 (430 ILCS 66/65)

5 Sec. 65. Prohibited areas.

6 (a) A licensee under this Act shall not knowingly carry a
7 firearm on or into:

8 (1) Any building, real property, and parking area under
9 the control of a public or private elementary or secondary
10 school.

11 (2) Any building, real property, and parking area under
12 the control of a pre-school or child care facility,
13 including any room or portion of a building under the
14 control of a pre-school or child care facility. Nothing in
15 this paragraph shall prevent the operator of a child care
16 facility in a family home from owning or possessing a
17 firearm in the home or license under this Act, if no child
18 under child care at the home is present in the home or the
19 firearm in the home is stored in a locked container when a
20 child under child care at the home is present in the home.

21 (3) Any building, parking area, or portion of a
22 building under the control of an officer of the executive
23 or legislative branch of government, provided that nothing
24 in this paragraph shall prohibit a licensee from carrying a

1 concealed firearm onto the real property, bikeway, or trail
2 in a park regulated by the Department of Natural Resources
3 or any other designated public hunting area or building
4 where firearm possession is permitted as established by the
5 Department of Natural Resources under Section 1.8 of the
6 Wildlife Code.

7 (4) Any building designated for matters before a
8 circuit court, appellate court, or the Supreme Court, or
9 any building or portion of a building under the control of
10 the Supreme Court.

11 (5) Any building or portion of a building under the
12 control of a unit of local government.

13 (6) Any building, real property, and parking area under
14 the control of an adult or juvenile detention or
15 correctional institution, prison, or jail.

16 (7) Any building, real property, and parking area under
17 the control of a public or private hospital or hospital
18 affiliate, mental health facility, or nursing home.

19 (8) Any bus, train, or form of transportation paid for
20 in whole or in part with public funds, and any building,
21 real property, and parking area under the control of a
22 public transportation facility paid for in whole or in part
23 with public funds.

24 (9) Any building, real property, and parking area under
25 the control of an establishment that serves alcohol on its
26 premises, if more than 50% of the establishment's gross

1 receipts within the prior 3 months is from the sale of
2 alcohol. The owner of an establishment who knowingly fails
3 to prohibit concealed firearms on its premises as provided
4 in this paragraph or who knowingly makes a false statement
5 or record to avoid the prohibition on concealed firearms
6 under this paragraph is subject to the penalty under
7 subsection (c-5) of Section 10-1 of the Liquor Control Act
8 of 1934.

9 (10) Any public gathering or special event conducted on
10 property open to the public that requires the issuance of a
11 permit from the unit of local government, provided this
12 prohibition shall not apply to a licensee who must walk
13 through a public gathering in order to access his or her
14 residence, place of business, or vehicle.

15 (11) Any building or real property that has been issued
16 a Special Event Retailer's license as defined in Section
17 1-3.17.1 of the Liquor Control Act during the time
18 designated for the sale of alcohol by the Special Event
19 Retailer's license, or a Special use permit license as
20 defined in subsection (q) of Section 5-1 of the Liquor
21 Control Act during the time designated for the sale of
22 alcohol by the Special use permit license.

23 (12) Any public playground.

24 (13) Any public park, athletic area, or athletic
25 facility under the control of a municipality or park
26 district, provided nothing in this Section shall prohibit a

1 licensee from carrying a concealed firearm while on a trail
2 or bikeway if only a portion of the trail or bikeway
3 includes a public park.

4 (14) Any real property under the control of the Cook
5 County Forest Preserve District.

6 (15) Any building, classroom, laboratory, medical
7 clinic, hospital, artistic venue, athletic venue,
8 entertainment venue, officially recognized
9 university-related organization property, whether owned or
10 leased, and any real property, including parking areas,
11 sidewalks, and common areas under the control of a public
12 or private community college, college, or university.

13 (16) Any building, real property, or parking area under
14 the control of a gaming facility licensed under the
15 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse
16 Racing Act of 1975, including an inter-track wagering
17 location licensee.

18 (17) Any stadium, arena, or the real property or
19 parking area under the control of a stadium, arena, or any
20 collegiate or professional sporting event.

21 (18) Any building, real property, or parking area under
22 the control of a public library.

23 (19) Any building, real property, or parking area under
24 the control of an airport.

25 (20) Any building, real property, or parking area under
26 the control of an amusement park.

1 (21) Any building, real property, or parking area under
2 the control of a zoo or museum.

3 (22) Any street, driveway, parking area, property,
4 building, or facility, owned, leased, controlled, or used
5 by a nuclear energy, storage, weapons, or development site
6 or facility regulated by the federal Nuclear Regulatory
7 Commission. The licensee shall not under any circumstance
8 store a firearm or ammunition in his or her vehicle or in a
9 compartment or container within a vehicle located anywhere
10 in or on the street, driveway, parking area, property,
11 building, or facility described in this paragraph.

12 (23) Any area where firearms are prohibited under
13 federal law.

14 (a-5) Nothing in this Act shall prohibit a public or
15 private community college, college, or university from:

16 (1) prohibiting persons from carrying a firearm within
17 a vehicle owned, leased, or controlled by the college or
18 university;

19 (2) developing resolutions, regulations, or policies
20 regarding student, employee, or visitor misconduct and
21 discipline, including suspension and expulsion;

22 (3) developing resolutions, regulations, or policies
23 regarding the storage or maintenance of firearms, which
24 must include designated areas where persons can park
25 vehicles that carry firearms; and

26 (4) permitting the carrying or use of firearms for the

1 purpose of instruction and curriculum of officially
2 recognized programs, including but not limited to military
3 science and law enforcement training programs, or in any
4 designated area used for hunting purposes or target
5 shooting.

6 (a-10) The owner of private real property of any type may
7 prohibit the carrying of concealed firearms on the property
8 under his or her control. The owner must post a sign in
9 accordance with subsection (d) of this Section indicating that
10 firearms are prohibited on the property, unless the property is
11 a private residence.

12 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
13 this Section except under paragraph (22) or (23) of subsection
14 (a), any licensee prohibited from carrying a concealed firearm
15 into the parking area of a prohibited location specified in
16 subsection (a), (a-5), or (a-10) of this Section shall be
17 permitted to carry a concealed firearm on or about his or her
18 person within a vehicle into the parking area and may store a
19 firearm or ammunition concealed in a case within a locked
20 vehicle or locked container out of plain view within the
21 vehicle in the parking area. A licensee may carry a concealed
22 firearm in the immediate area surrounding his or her vehicle
23 within a prohibited parking lot area only for the limited
24 purpose of storing or retrieving a firearm within the vehicle's
25 trunk. For purposes of this subsection, "case" includes a glove
26 compartment or console that completely encloses the concealed

1 firearm or ammunition, the trunk of the vehicle, or a firearm
2 carrying box, shipping box, or other container.

3 (c) A licensee shall not be in violation of this Section
4 while he or she is traveling along a public right of way that
5 touches or crosses any of the premises under subsection (a),
6 (a-5), or (a-10) of this Section if the concealed firearm is
7 carried on his or her person in accordance with the provisions
8 of this Act or is being transported in a vehicle by the
9 licensee in accordance with all other applicable provisions of
10 law.

11 (d) Signs stating that the carrying of firearms is
12 prohibited shall be clearly and conspicuously posted at the
13 entrance of a building, premises, or real property specified in
14 this Section as a prohibited area, unless the building or
15 premises is a private residence. Signs shall be of a uniform
16 design as established by the Department and shall be 4 inches
17 by 6 inches in size. The Department shall adopt rules for
18 standardized signs to be used under this subsection.

19 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

20 Section 90-50. The Criminal Code of 2012 is amended by
21 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
22 follows:

23 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

24 Sec. 28-1. Gambling.

1 (a) A person commits gambling when he or she:

2 (1) knowingly plays a game of chance or skill for money
3 or other thing of value, unless excepted in subsection (b)
4 of this Section;

5 (2) knowingly makes a wager upon the result of any
6 game, contest, or any political nomination, appointment or
7 election;

8 (3) knowingly operates, keeps, owns, uses, purchases,
9 exhibits, rents, sells, bargains for the sale or lease of,
10 manufactures or distributes any gambling device;

11 (4) contracts to have or give himself or herself or
12 another the option to buy or sell, or contracts to buy or
13 sell, at a future time, any grain or other commodity
14 whatsoever, or any stock or security of any company, where
15 it is at the time of making such contract intended by both
16 parties thereto that the contract to buy or sell, or the
17 option, whenever exercised, or the contract resulting
18 therefrom, shall be settled, not by the receipt or delivery
19 of such property, but by the payment only of differences in
20 prices thereof; however, the issuance, purchase, sale,
21 exercise, endorsement or guarantee, by or through a person
22 registered with the Secretary of State pursuant to Section
23 8 of the Illinois Securities Law of 1953, or by or through
24 a person exempt from such registration under said Section
25 8, of a put, call, or other option to buy or sell
26 securities which have been registered with the Secretary of

1 State or which are exempt from such registration under
2 Section 3 of the Illinois Securities Law of 1953 is not
3 gambling within the meaning of this paragraph (4);

4 (5) knowingly owns or possesses any book, instrument or
5 apparatus by means of which bets or wagers have been, or
6 are, recorded or registered, or knowingly possesses any
7 money which he has received in the course of a bet or
8 wager;

9 (6) knowingly sells pools upon the result of any game
10 or contest of skill or chance, political nomination,
11 appointment or election;

12 (7) knowingly sets up or promotes any lottery or sells,
13 offers to sell or transfers any ticket or share for any
14 lottery;

15 (8) knowingly sets up or promotes any policy game or
16 sells, offers to sell or knowingly possesses or transfers
17 any policy ticket, slip, record, document or other similar
18 device;

19 (9) knowingly drafts, prints or publishes any lottery
20 ticket or share, or any policy ticket, slip, record,
21 document or similar device, except for such activity
22 related to lotteries, bingo games and raffles authorized by
23 and conducted in accordance with the laws of Illinois or
24 any other state or foreign government;

25 (10) knowingly advertises any lottery or policy game,
26 except for such activity related to lotteries, bingo games

1 and raffles authorized by and conducted in accordance with
2 the laws of Illinois or any other state;

3 (11) knowingly transmits information as to wagers,
4 betting odds, or changes in betting odds by telephone,
5 telegraph, radio, semaphore or similar means; or knowingly
6 installs or maintains equipment for the transmission or
7 receipt of such information; except that nothing in this
8 subdivision (11) prohibits transmission or receipt of such
9 information for use in news reporting of sporting events or
10 contests; or

11 (12) knowingly establishes, maintains, or operates an
12 Internet site that permits a person to play a game of
13 chance or skill for money or other thing of value by means
14 of the Internet or to make a wager upon the result of any
15 game, contest, political nomination, appointment, or
16 election by means of the Internet. This item (12) does not
17 apply to activities referenced in items (6) and (6.1) of
18 subsection (b) of this Section.

19 (b) Participants in any of the following activities shall
20 not be convicted of gambling:

21 (1) Agreements to compensate for loss caused by the
22 happening of chance including without limitation contracts
23 of indemnity or guaranty and life or health or accident
24 insurance.

25 (2) Offers of prizes, award or compensation to the
26 actual contestants in any bona fide contest for the

1 determination of skill, speed, strength or endurance or to
2 the owners of animals or vehicles entered in such contest.

3 (3) Pari-mutuel betting as authorized by the law of
4 this State.

5 (4) Manufacture of gambling devices, including the
6 acquisition of essential parts therefor and the assembly
7 thereof, for transportation in interstate or foreign
8 commerce to any place outside this State when such
9 transportation is not prohibited by any applicable Federal
10 law; or the manufacture, distribution, or possession of
11 video gaming terminals, as defined in the Video Gaming Act,
12 by manufacturers, distributors, and terminal operators
13 licensed to do so under the Video Gaming Act.

14 (5) The game commonly known as "bingo", when conducted
15 in accordance with the Bingo License and Tax Act.

16 (6) Lotteries when conducted by the State of Illinois
17 in accordance with the Illinois Lottery Law. This exemption
18 includes any activity conducted by the Department of
19 Revenue to sell lottery tickets pursuant to the provisions
20 of the Illinois Lottery Law and its rules.

21 (6.1) The purchase of lottery tickets through the
22 Internet for a lottery conducted by the State of Illinois
23 under the program established in Section 7.12 of the
24 Illinois Lottery Law.

25 (7) Possession of an antique slot machine that is
26 neither used nor intended to be used in the operation or

1 promotion of any unlawful gambling activity or enterprise.
2 For the purpose of this subparagraph (b)(7), an antique
3 slot machine is one manufactured 25 years ago or earlier.

4 (8) Raffles and poker runs when conducted in accordance
5 with the Raffles and Poker Runs Act.

6 (9) Charitable games when conducted in accordance with
7 the Charitable Games Act.

8 (10) Pull tabs and jar games when conducted under the
9 Illinois Pull Tabs and Jar Games Act.

10 (11) Gambling games ~~conducted on riverboats~~ when
11 authorized by the Illinois Riverboat Gambling Act.

12 (12) Video gaming terminal games at a licensed
13 establishment, licensed truck stop establishment, licensed
14 fraternal establishment, or licensed veterans
15 establishment when conducted in accordance with the Video
16 Gaming Act.

17 (13) Games of skill or chance where money or other
18 things of value can be won but no payment or purchase is
19 required to participate.

20 (14) Savings promotion raffles authorized under
21 Section 5g of the Illinois Banking Act, Section 7008 of the
22 Savings Bank Act, Section 42.7 of the Illinois Credit Union
23 Act, Section 5136B of the National Bank Act (12 U.S.C.
24 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
25 1463).

26 (c) Sentence.

1 Gambling is a Class A misdemeanor. A second or subsequent
2 conviction under subsections (a) (3) through (a) (12), is a Class
3 4 felony.

4 (d) Circumstantial evidence.

5 In prosecutions under this Section circumstantial evidence
6 shall have the same validity and weight as in any criminal
7 prosecution.

8 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

9 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

10 Sec. 28-1.1. Syndicated gambling.

11 (a) Declaration of Purpose. Recognizing the close
12 relationship between professional gambling and other organized
13 crime, it is declared to be the policy of the legislature to
14 restrain persons from engaging in the business of gambling for
15 profit in this State. This Section shall be liberally construed
16 and administered with a view to carrying out this policy.

17 (b) A person commits syndicated gambling when he or she
18 operates a "policy game" or engages in the business of
19 bookmaking.

20 (c) A person "operates a policy game" when he or she
21 knowingly uses any premises or property for the purpose of
22 receiving or knowingly does receive from what is commonly
23 called "policy":

24 (1) money from a person other than the bettor or player
25 whose bets or plays are represented by the money; or

1 (2) written "policy game" records, made or used over
2 any period of time, from a person other than the bettor or
3 player whose bets or plays are represented by the written
4 record.

5 (d) A person engages in bookmaking when he or she knowingly
6 receives or accepts more than five bets or wagers upon the
7 result of any trials or contests of skill, speed or power of
8 endurance or upon any lot, chance, casualty, unknown or
9 contingent event whatsoever, which bets or wagers shall be of
10 such size that the total of the amounts of money paid or
11 promised to be paid to the bookmaker on account thereof shall
12 exceed \$2,000. Bookmaking is the receiving or accepting of bets
13 or wagers regardless of the form or manner in which the
14 bookmaker records them.

15 (e) Participants in any of the following activities shall
16 not be convicted of syndicated gambling:

17 (1) Agreements to compensate for loss caused by the
18 happening of chance including without limitation contracts
19 of indemnity or guaranty and life or health or accident
20 insurance;

21 (2) Offers of prizes, award or compensation to the
22 actual contestants in any bona fide contest for the
23 determination of skill, speed, strength or endurance or to
24 the owners of animals or vehicles entered in the contest;

25 (3) Pari-mutuel betting as authorized by law of this
26 State;

1 (4) Manufacture of gambling devices, including the
2 acquisition of essential parts therefor and the assembly
3 thereof, for transportation in interstate or foreign
4 commerce to any place outside this State when the
5 transportation is not prohibited by any applicable Federal
6 law;

7 (5) Raffles and poker runs when conducted in accordance
8 with the Raffles and Poker Runs Act;

9 (6) Gambling games conducted on riverboats, in
10 casinos, or at electronic gaming facilities when
11 authorized by the Illinois Riverboat Gambling Act;

12 (7) Video gaming terminal games at a licensed
13 establishment, licensed truck stop establishment, licensed
14 fraternal establishment, or licensed veterans
15 establishment when conducted in accordance with the Video
16 Gaming Act; and

17 (8) Savings promotion raffles authorized under Section
18 5g of the Illinois Banking Act, Section 7008 of the Savings
19 Bank Act, Section 42.7 of the Illinois Credit Union Act,
20 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
21 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

22 (f) Sentence. Syndicated gambling is a Class 3 felony.
23 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

24 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

25 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is

1 any real estate, vehicle, boat or any other property whatsoever
2 used for the purposes of gambling other than gambling conducted
3 in the manner authorized by the Illinois ~~Riverboat~~ Gambling Act
4 or the Video Gaming Act. Any person who knowingly permits any
5 premises or property owned or occupied by him or under his
6 control to be used as a gambling place commits a Class A
7 misdemeanor. Each subsequent offense is a Class 4 felony. When
8 any premises is determined by the circuit court to be a
9 gambling place:

10 (a) Such premises is a public nuisance and may be proceeded
11 against as such, and

12 (b) All licenses, permits or certificates issued by the
13 State of Illinois or any subdivision or public agency thereof
14 authorizing the serving of food or liquor on such premises
15 shall be void; and no license, permit or certificate so
16 cancelled shall be reissued for such premises for a period of
17 60 days thereafter; nor shall any person convicted of keeping a
18 gambling place be reissued such license for one year from his
19 conviction and, after a second conviction of keeping a gambling
20 place, any such person shall not be reissued such license, and

21 (c) Such premises of any person who knowingly permits
22 thereon a violation of any Section of this Article shall be
23 held liable for, and may be sold to pay any unsatisfied
24 judgment that may be recovered and any unsatisfied fine that
25 may be levied under any Section of this Article.

26 (Source: P.A. 96-34, eff. 7-13-09.)

1 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

2 Sec. 28-5. Seizure of gambling devices and gambling funds.

3 (a) Every device designed for gambling which is incapable
4 of lawful use or every device used unlawfully for gambling
5 shall be considered a "gambling device", and shall be subject
6 to seizure, confiscation and destruction by the Department of
7 State Police or by any municipal, or other local authority,
8 within whose jurisdiction the same may be found. As used in
9 this Section, a "gambling device" includes any slot machine,
10 and includes any machine or device constructed for the
11 reception of money or other thing of value and so constructed
12 as to return, or to cause someone to return, on chance to the
13 player thereof money, property or a right to receive money or
14 property. With the exception of any device designed for
15 gambling which is incapable of lawful use, no gambling device
16 shall be forfeited or destroyed unless an individual with a
17 property interest in said device knows of the unlawful use of
18 the device.

19 (b) Every gambling device shall be seized and forfeited to
20 the county wherein such seizure occurs. Any money or other
21 thing of value integrally related to acts of gambling shall be
22 seized and forfeited to the county wherein such seizure occurs.

23 (c) If, within 60 days after any seizure pursuant to
24 subparagraph (b) of this Section, a person having any property
25 interest in the seized property is charged with an offense, the

1 court which renders judgment upon such charge shall, within 30
2 days after such judgment, conduct a forfeiture hearing to
3 determine whether such property was a gambling device at the
4 time of seizure. Such hearing shall be commenced by a written
5 petition by the State, including material allegations of fact,
6 the name and address of every person determined by the State to
7 have any property interest in the seized property, a
8 representation that written notice of the date, time and place
9 of such hearing has been mailed to every such person by
10 certified mail at least 10 days before such date, and a request
11 for forfeiture. Every such person may appear as a party and
12 present evidence at such hearing. The quantum of proof required
13 shall be a preponderance of the evidence, and the burden of
14 proof shall be on the State. If the court determines that the
15 seized property was a gambling device at the time of seizure,
16 an order of forfeiture and disposition of the seized property
17 shall be entered: a gambling device shall be received by the
18 State's Attorney, who shall effect its destruction, except that
19 valuable parts thereof may be liquidated and the resultant
20 money shall be deposited in the general fund of the county
21 wherein such seizure occurred; money and other things of value
22 shall be received by the State's Attorney and, upon
23 liquidation, shall be deposited in the general fund of the
24 county wherein such seizure occurred. However, in the event
25 that a defendant raises the defense that the seized slot
26 machine is an antique slot machine described in subparagraph

1 (b) (7) of Section 28-1 of this Code and therefore he is exempt
2 from the charge of a gambling activity participant, the seized
3 antique slot machine shall not be destroyed or otherwise
4 altered until a final determination is made by the Court as to
5 whether it is such an antique slot machine. Upon a final
6 determination by the Court of this question in favor of the
7 defendant, such slot machine shall be immediately returned to
8 the defendant. Such order of forfeiture and disposition shall,
9 for the purposes of appeal, be a final order and judgment in a
10 civil proceeding.

11 (d) If a seizure pursuant to subparagraph (b) of this
12 Section is not followed by a charge pursuant to subparagraph
13 (c) of this Section, or if the prosecution of such charge is
14 permanently terminated or indefinitely discontinued without
15 any judgment of conviction or acquittal (1) the State's
16 Attorney shall commence an in rem proceeding for the forfeiture
17 and destruction of a gambling device, or for the forfeiture and
18 deposit in the general fund of the county of any seized money
19 or other things of value, or both, in the circuit court and (2)
20 any person having any property interest in such seized gambling
21 device, money or other thing of value may commence separate
22 civil proceedings in the manner provided by law.

23 (e) Any gambling device displayed for sale to a riverboat
24 gambling operation, casino gambling operation, or electronic
25 gaming facility or used to train occupational licensees of a
26 riverboat gambling operation, casino gambling operation, or

1 electronic gaming facility as authorized under the Illinois
2 ~~Riverboat~~ Gambling Act is exempt from seizure under this
3 Section.

4 (f) Any gambling equipment, devices and supplies provided
5 by a licensed supplier in accordance with the Illinois
6 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
7 casino, or electronic gaming facility for repair are exempt
8 from seizure under this Section.

9 (g) The following video gaming terminals are exempt from
10 seizure under this Section:

11 (1) Video gaming terminals for sale to a licensed
12 distributor or operator under the Video Gaming Act.

13 (2) Video gaming terminals used to train licensed
14 technicians or licensed terminal handlers.

15 (3) Video gaming terminals that are removed from a
16 licensed establishment, licensed truck stop establishment,
17 licensed fraternal establishment, or licensed veterans
18 establishment for repair.

19 (Source: P.A. 98-31, eff. 6-24-13.)

20 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

21 Sec. 28-7. Gambling contracts void.

22 (a) All promises, notes, bills, bonds, covenants,
23 contracts, agreements, judgments, mortgages, or other
24 securities or conveyances made, given, granted, drawn, or
25 entered into, or executed by any person whatsoever, where the

1 whole or any part of the consideration thereof is for any money
2 or thing of value, won or obtained in violation of any Section
3 of this Article are null and void.

4 (b) Any obligation void under this Section may be set aside
5 and vacated by any court of competent jurisdiction, upon a
6 complaint filed for that purpose, by the person so granting,
7 giving, entering into, or executing the same, or by his
8 executors or administrators, or by any creditor, heir, legatee,
9 purchaser or other person interested therein; or if a judgment,
10 the same may be set aside on motion of any person stated above,
11 on due notice thereof given.

12 (c) No assignment of any obligation void under this Section
13 may in any manner affect the defense of the person giving,
14 granting, drawing, entering into or executing such obligation,
15 or the remedies of any person interested therein.

16 (d) This Section shall not prevent a licensed owner of a
17 riverboat gambling operation, casino gambling operation, or an
18 electronic gaming licensee under the Illinois Gambling Act and
19 the Illinois Horse Racing Act of 1975 from instituting a cause
20 of action to collect any amount due and owing under an
21 extension of credit to a ~~riverboat~~ gambling patron as
22 authorized under Section 11.1 of the Illinois ~~Riverboat~~
23 Gambling Act.

24 (Source: P.A. 87-826.)

25 Section 90-55. The Eminent Domain Act is amended by adding

1 Section 15-5-48 as follows:

2 (735 ILCS 30/15-5-48 new)

3 Sec. 15-5-48. Eminent domain powers in new Acts. The
4 following provisions of law may include express grants of the
5 power to acquire property by condemnation or eminent domain:

6 Chicago Casino Development Authority Act; City of Chicago; for
7 the purposes of the Act.

8 Section 90-60. The Payday Loan Reform Act is amended by
9 changing Section 3-5 as follows:

10 (815 ILCS 122/3-5)

11 Sec. 3-5. Licensure.

12 (a) A license to make a payday loan shall state the
13 address, including city and state, at which the business is to
14 be conducted and shall state fully the name of the licensee.
15 The license shall be conspicuously posted in the place of
16 business of the licensee and shall not be transferable or
17 assignable.

18 (b) An application for a license shall be in writing and in
19 a form prescribed by the Secretary. The Secretary may not issue
20 a payday loan license unless and until the following findings
21 are made:

22 (1) that the financial responsibility, experience,

1 character, and general fitness of the applicant are such as
2 to command the confidence of the public and to warrant the
3 belief that the business will be operated lawfully and
4 fairly and within the provisions and purposes of this Act;
5 and

6 (2) that the applicant has submitted such other
7 information as the Secretary may deem necessary.

8 (c) A license shall be issued for no longer than one year,
9 and no renewal of a license may be provided if a licensee has
10 substantially violated this Act and has not cured the violation
11 to the satisfaction of the Department.

12 (d) A licensee shall appoint, in writing, the Secretary as
13 attorney-in-fact upon whom all lawful process against the
14 licensee may be served with the same legal force and validity
15 as if served on the licensee. A copy of the written
16 appointment, duly certified, shall be filed in the office of
17 the Secretary, and a copy thereof certified by the Secretary
18 shall be sufficient evidence to subject a licensee to
19 jurisdiction in a court of law. This appointment shall remain
20 in effect while any liability remains outstanding in this State
21 against the licensee. When summons is served upon the Secretary
22 as attorney-in-fact for a licensee, the Secretary shall
23 immediately notify the licensee by registered mail, enclosing
24 the summons and specifying the hour and day of service.

25 (e) A licensee must pay an annual fee of \$1,000. In
26 addition to the license fee, the reasonable expense of any

1 examination or hearing by the Secretary under any provisions of
2 this Act shall be borne by the licensee. If a licensee fails to
3 renew its license by December 31, its license shall
4 automatically expire; however, the Secretary, in his or her
5 discretion, may reinstate an expired license upon:

6 (1) payment of the annual fee within 30 days of the
7 date of expiration; and

8 (2) proof of good cause for failure to renew.

9 (f) Not more than one place of business shall be maintained
10 under the same license, but the Secretary may issue more than
11 one license to the same licensee upon compliance with all the
12 provisions of this Act governing issuance of a single license.
13 The location, except those locations already in existence as of
14 June 1, 2005, may not be within one mile of a horse race track
15 subject to the Illinois Horse Racing Act of 1975, within one
16 mile of a facility at which gambling is conducted under the
17 Illinois ~~Riverboat~~ Gambling Act, within one mile of the
18 location at which a riverboat subject to the Illinois ~~Riverboat~~
19 Gambling Act docks, or within one mile of any State of Illinois
20 or United States military base or naval installation.

21 (g) No licensee shall conduct the business of making loans
22 under this Act within any office, suite, room, or place of
23 business in which (1) any loans are offered or made under the
24 Consumer Installment Loan Act other than title secured loans as
25 defined in subsection (a) of Section 15 of the Consumer
26 Installment Loan Act and governed by Title 38, Section 110.330

1 of the Illinois Administrative Code or (2) any other business
2 is solicited or engaged in unless the other business is
3 licensed by the Department or, in the opinion of the Secretary,
4 the other business would not be contrary to the best interests
5 of consumers and is authorized by the Secretary in writing.

6 (g-5) Notwithstanding subsection (g) of this Section, a
7 licensee may obtain a license under the Consumer Installment
8 Loan Act (CILA) for the exclusive purpose and use of making
9 title secured loans, as defined in subsection (a) of Section 15
10 of CILA and governed by Title 38, Section 110.300 of the
11 Illinois Administrative Code. A licensee may continue to
12 service Consumer Installment Loan Act loans that were
13 outstanding as of the effective date of this amendatory Act of
14 the 96th General Assembly.

15 (h) The Secretary shall maintain a list of licensees that
16 shall be available to interested consumers and lenders and the
17 public. The Secretary shall maintain a toll-free number whereby
18 consumers may obtain information about licensees. The
19 Secretary shall also establish a complaint process under which
20 an aggrieved consumer may file a complaint against a licensee
21 or non-licensee who violates any provision of this Act.

22 (Source: P.A. 96-936, eff. 3-21-11.)

23 Section 90-65. The Travel Promotion Consumer Protection
24 Act is amended by changing Section 2 as follows:

1 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

2 Sec. 2. Definitions.

3 (a) "Travel promoter" means a person, including a tour
4 operator, who sells, provides, furnishes, contracts for,
5 arranges or advertises that he or she will arrange wholesale or
6 retail transportation by air, land, sea or navigable stream,
7 either separately or in conjunction with other services.
8 "Travel promoter" does not include (1) an air carrier; (2) a
9 sea carrier; (3) an officially appointed agent of an air
10 carrier who is a member in good standing of the Airline
11 Reporting Corporation; (4) a travel promoter who has in force
12 \$1,000,000 or more of liability insurance coverage for
13 professional errors and omissions and a surety bond or
14 equivalent surety in the amount of \$100,000 or more for the
15 benefit of consumers in the event of a bankruptcy on the part
16 of the travel promoter; or (5) a riverboat subject to
17 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

18 (b) "Advertise" means to make any representation in the
19 solicitation of passengers and includes communication with
20 other members of the same partnership, corporation, joint
21 venture, association, organization, group or other entity.

22 (c) "Passenger" means a person on whose behalf money or
23 other consideration has been given or is to be given to
24 another, including another member of the same partnership,
25 corporation, joint venture, association, organization, group
26 or other entity, for travel.

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24	230 ILCS 10/8	from Ch. 120, par. 2408
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10	230 ILCS 5/54 rep.	