



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4002

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 (which includes slot machine gambling and gambling with table games) 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. Indefinitely extends the authorization for advance deposit wagering. Contains provisions concerning testing of horses at county fairs and standardbred horses. 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. Makes other changes. Contains a severability provision. Effective immediately, but does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13 of the 100th General Assembly become law.

LRB100 11337 MJP 21715 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

A BILL FOR

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 the City's pension obligation in accordance with Public
14 Act 99-506.

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

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

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

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

9 "Casino" means one temporary land-based or water-based
10 facility and one permanent land-based or water-based facility
11 at which lawful gambling is authorized and licensed as provided
12 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 pension payments in accordance with Public Act 99-506.

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 1-70. Local regulation. In addition to this Act,
21 the Illinois Gambling Act, and all of the rules of the Gaming
22 Board, the casino facilities and operations therein shall be
23 subject to all ordinances and regulations of the City. The
24 construction, development, and operation of the casino shall

1 comply with all ordinances, regulations, rules, and controls of
2 the City, including, but not limited to, those relating to
3 zoning and planned development, building, fire prevention, and
4 land use. However, the regulation of gaming operations is
5 subject to the exclusive jurisdiction of the Gaming Board. The
6 Gaming Board shall be responsible for the investigation for and
7 issuance of all licenses required by this Act and the Illinois
8 Gambling Act.

9 Section 1-75. Borrowing.

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

1 obligation for borrowed money issued under this Section. Bonds
2 may be issued in one or more series and may be payable and
3 secured either on a parity with or separately from other bonds.

4 (b) The bonds of the Authority shall be payable from one or
5 more of the following sources: (i) the property or revenues of
6 the Authority; (ii) revenues derived from the casino; (iii)
7 revenues derived from any casino operator licensee; (iv) fees,
8 bid proceeds, charges, lease payments, payments required
9 pursuant to any casino management contract or other revenues
10 payable to the Authority, or any receipts of the Authority; (v)
11 payments by financial institutions, insurance companies, or
12 others pursuant to letters or lines of credit, policies of
13 insurance, or purchase agreements; (vi) investment earnings
14 from funds or accounts maintained pursuant to a bond resolution
15 or trust indenture; (vii) proceeds of refunding bonds; (viii)
16 any other revenues derived from or payments by the City; and
17 (ix) any payments by any casino operator licensee or others
18 pursuant to any guaranty agreement.

19 (c) Bonds shall be authorized by a resolution of the
20 Authority and may be secured by a trust indenture by and
21 between the Authority and a corporate trustee or trustees,
22 which may be any trust company or bank having the powers of a
23 trust company within or without the State. Bonds shall meet the
24 following requirements:

25 (1) Bonds may bear interest payable at any time or
26 times and at any rate or rates, notwithstanding any other

1 provision of law to the contrary, and may be subject to
2 such other terms and conditions as may be provided by the
3 resolution or indenture authorizing the issuance of such
4 bonds.

5 (2) Bonds issued pursuant to this Section may be
6 payable on such dates and times as may be provided for by
7 the resolution or indenture authorizing the issuance of
8 such bonds; provided, however, that such bonds shall mature
9 no later than 30 years from the date of issuance.

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

13 (4) Bonds shall be payable at a time or times, in the
14 denominations and form, including book entry form, either
15 coupon, registered, or both, and carry the registration and
16 privileges as to exchange, transfer or conversion, and
17 replacement of mutilated, lost, or destroyed bonds as the
18 resolution or trust indenture may provide.

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

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

24 (7) Bonds shall be executed by the manual or facsimile
25 signatures of the officers of the Authority designated by
26 the Board, which signatures shall be valid at delivery even

1 for one who has ceased to hold office.

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

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

6 (d) The Authority shall adopt a procurement program with
7 respect to contracts relating to underwriters, bond counsel,
8 financial advisors, and accountants. The program shall include
9 goals for the payment of not less than 30% of the total dollar
10 value of the fees from these contracts to minority-owned
11 businesses and female-owned businesses as defined in the
12 Business Enterprise for Minorities, Females, and Persons with
13 Disabilities Act. The Authority shall conduct outreach to
14 minority-owned businesses and female-owned businesses.
15 Outreach shall include, but is not limited to, advertisements
16 in periodicals and newspapers, mailings, and other appropriate
17 media. The Authority shall submit to the General Assembly a
18 comprehensive report that shall include, at a minimum, the
19 details of the procurement plan, outreach efforts, and the
20 results of the efforts to achieve goals for the payment of
21 fees.

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

1 (1) Pledging, assigning, or directing the use,
2 investment, or disposition of revenues of the Authority or
3 proceeds or benefits of any contract, including without
4 limitation any rights in any casino management contract.

5 (2) The setting aside of loan funding deposits, debt
6 service reserves, replacement or operating reserves, cost
7 of issuance accounts and sinking funds, and the regulation,
8 investment, and disposition thereof.

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

13 (4) Limitations on the issue of additional bonds, the
14 terms upon which additional bonds may be issued and
15 secured, the terms upon which additional bonds may rank on
16 a parity with, or be subordinate or superior to, other
17 bonds.

18 (5) The refunding, advance refunding, or refinancing
19 of outstanding bonds.

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

24 (7) Defining the acts or omissions that shall
25 constitute a default in the duties of the Authority to
26 holders of bonds and providing the rights or remedies of

1 such holders in the event of a default, which may include
2 provisions restricting individual rights of action by
3 bondholders.

4 (8) Providing for guarantees, pledges of property,
5 letters of credit, or other security, or insurance for the
6 benefit of bondholders.

7 (f) No member of the Casino Board, nor any person executing
8 the bonds, shall be liable personally on the bonds or subject
9 to any personal liability by reason of the issuance of the
10 bonds.

11 (g) The Authority may issue and secure bonds in accordance
12 with the provisions of the Local Government Credit Enhancement
13 Act.

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

1 records of the Authority in order to perfect the lien against
2 third persons, regardless of any contrary provision of law.

3 (i) Bonds that are being paid or retired by issuance, sale,
4 or delivery of bonds, and bonds for which sufficient funds have
5 been deposited with the paying agent or trustee to provide for
6 payment of principal and interest thereon, and any redemption
7 premium, as provided in the authorizing resolution, shall not
8 be considered outstanding for the purposes of this subsection.

9 (j) The bonds of the Authority shall not be indebtedness of
10 the State. The bonds of the Authority are not general
11 obligations of the State and are not secured by a pledge of the
12 full faith and credit of the State and the holders of bonds of
13 the Authority may not require the application of State revenues
14 or funds to the payment of bonds of the Authority. The
15 foregoing non-recourse language must be printed in bold-face
16 type on the face of the bonds and in the preliminary and final
17 official statements on the bonds.

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

1 any contract with the owners of bonds issued under this
2 Section.

3 (1) No person holding an elective office in the City, in
4 Cook County, or in this State, holding a seat in the General
5 Assembly, or serving as a board member, trustee, officer, or
6 employee of the Authority, including the spouse of that person,
7 may receive a legal, banking, consulting, or other fee related
8 to the issuance of bonds. This prohibition shall also apply to
9 a company or firm that employs a person holding an elective
10 office in the City, in Cook County, or in this State, holding a
11 seat in the General Assembly, or serving as a board member,
12 trustee, officer, or employee of the Authority, including the
13 spouse of that person, if the person or his or her spouse has
14 greater than 7.5% ownership of the company or firm.

15 Section 1-85. Derivative products. With respect to all or
16 part of any issue of its bonds, the Authority may enter into
17 agreements or contracts with any necessary or appropriate
18 person, which will have the benefit of providing to the
19 Authority an interest rate basis, cash flow basis, or other
20 basis different from that provided in the bonds for the payment
21 of interest. Such agreements or contracts may include, without
22 limitation, agreements or contracts commonly known as
23 "interest rate swap agreements", "forward payment conversion
24 agreements", "futures", "options", "puts", or "calls" and
25 agreements or contracts providing for payments based on levels

1 of or changes in interest rates, agreements or contracts to
2 exchange cash flows or a series of payments, or to hedge
3 payment, rate spread, or similar exposure. Any such agreement
4 or contract shall be solely an obligation or indebtedness of
5 the Authority and shall not be an obligation or indebtedness of
6 the State, nor shall any party thereto have any recourse
7 against the State in connection with the agreement or contract.

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

22 Section 1-105. Budgets and reporting.

23 (a) The Casino Board shall annually adopt a budget for each
24 fiscal year. The budget may be modified from time to time in

1 the same manner and upon the same vote as it may be adopted.
2 The budget shall include the Authority's available funds and
3 estimated revenues and shall provide for payment of its
4 obligations and estimated expenditures for the fiscal year,
5 including, without limitation, expenditures for
6 administration, operation, maintenance and repairs, debt
7 service, and deposits into reserve and other funds and capital
8 projects.

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

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

1 120 days after the end of the Authority's fiscal year, as soon
2 as practical after completion of the audit, to the Governor,
3 the Mayor, the General Assembly, and the Commission on
4 Government Forecasting and Accountability.

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

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

17 No bank or savings and loan association shall receive
18 public funds as permitted by this Section unless it has
19 complied with the requirements established pursuant to Section
20 6 of the Public Funds Investment Act.

21 (b) If any officer or employee whose signature appears upon
22 any check or draft issued pursuant to this Act ceases (after
23 attaching his signature) to hold his or her office before the
24 delivery of such a check or draft to the payee, his or her
25 signature shall nevertheless be valid and sufficient for all

1 purposes with the same effect as if he or she had remained in
2 office until delivery thereof.

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

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

25 (b) A bidder, respondent, offeror, or contractor for

1 contracts with an annual value of \$25,000 or more or for a
2 period to exceed one year shall disclose all political
3 contributions of the bidder, respondent, offeror, or
4 contractor and any affiliated person or entity. Disclosure
5 shall include at least the names and addresses of the
6 contributors and the dollar amounts of any contributions to any
7 political committee made within the previous 2 years. The
8 disclosure must be submitted to the Gaming Board with a copy of
9 the contract. All such disclosures shall be posted on the
10 websites of the Authority and the Gaming Board.

11 (c) As used in this Section:

12 "Contribution" means contribution as defined in Section
13 9-1.4 of the Election Code.

14 "Affiliated person" means (i) any person with any ownership
15 interest or distributive share of the bidding, responding, or
16 contracting entity in excess of 1%, (ii) executive employees of
17 the bidding, responding, or contracting entity, and (iii) the
18 spouse, minor children, and parents of any such persons.

19 "Affiliated entity" means (i) any parent or subsidiary of
20 the bidding or contracting entity, (ii) any member of the same
21 unitary business group, or (iii) any political committee for
22 which the bidding, responding, or contracting entity is the
23 sponsoring entity.

24 (d) The Gaming Board may direct the Authority or a casino
25 operator licensee to void a contract if a violation of this
26 Section occurs. The Authority may direct a casino operator

1 licensee to void a contract if a violation of this Section
2 occurs.

3 (e) All contracts pertaining to the actual operation of the
4 casino and related gaming activities shall be entered into by
5 the casino operator licensee and not the Authority and shall be
6 subject to the regulation, oversight, and approval of the
7 Gaming Board, applying the same regulation, oversight, and
8 approval requirements as would be applied to any other owners
9 licensee under the Illinois Gambling Act.

10 Section 1-115. Purchasing.

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

21 (b) All contracts for amounts greater than \$25,000 must be
22 approved by the Casino Board and executed by the chairperson of
23 the Casino Board and executive director of the Authority.
24 Contracts for amounts of \$25,000 or less may be approved and
25 executed by the Chief Procurement Officer for the Authority and

1 executive director of the Authority, with approval by the chief
2 legal counsel for the Authority as to form and legality.

3 (c) All construction contracts and contracts for supplies,
4 materials, equipment, and services for amounts greater than
5 \$25,000 shall be let by a competitive selection process to the
6 lowest responsible proposer, after advertising for proposals,
7 except for the following:

8 (1) when repair parts, accessories, equipment, or
9 services are required for equipment or services previously
10 furnished or contracted for;

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

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

16 (4) contracts where there is only one economically
17 feasible source;

18 (5) when a purchase is needed on an immediate,
19 emergency basis because there exists a threat to public
20 health or public safety, or when immediate expenditure is
21 necessary for repairs to Authority property in order to
22 protect against further loss of or damage to Authority
23 property, to prevent or minimize serious disruption in
24 Authority services or to ensure the integrity of Authority
25 records;

26 (6) contracts for professional services other than for

1 management of the casino, except such contracts described
2 in subsection (d) of this Section; and

3 (7) contracts for the use, purchase, delivery,
4 movement, or installation of (i) data processing
5 equipment, software, and services and (ii)
6 telecommunications equipment, software, and services.

7 (d) Contracts for professional services for a term of more
8 than one year or contracts that may require payment in excess
9 of \$25,000 in one year shall be let by a competitive bidding
10 process to the most highly qualified firm that agrees to
11 compensation and other terms of engagement that are both
12 reasonable and acceptable to the Casino Board.

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

17 (f) In determining the responsibility of any proposer, the
18 Authority may take into account the proposer's (or an
19 individual having a beneficial interest, directly or
20 indirectly, of more than 1% in such proposing entity) past
21 record of dealings with the Authority, the proposer's
22 experience, adequacy of equipment, and ability to complete
23 performance within the time set, and other factors besides
24 financial responsibility. No such contract shall be awarded to
25 any proposer other than the lowest proposer (in case of
26 purchase or expenditure) unless authorized or approved by a

1 vote of at least 3 members of the Casino Board and such action
2 is accompanied by a written statement setting forth the reasons
3 for not awarding the contract to the highest or lowest
4 proposer, as the case may be. The statement shall be kept on
5 file in the principal office of the Authority and open to
6 public inspection.

7 (g) The Authority shall have the right to reject all
8 proposals and to re-advertise for proposals. If after any such
9 re-advertisement, no responsible and satisfactory proposals,
10 within the terms of the re-advertisement, is received, the
11 Authority may award such contract without competitive
12 selection. The contract must not be less advantageous to the
13 Authority than any valid proposal received pursuant to
14 advertisement.

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

1 (i) All proposals in response to advertisements shall be
2 sealed and shall be publicly opened by the Authority. All
3 proposers shall be entitled to be present in person or by
4 representatives. Cash or a certified or satisfactory cashier's
5 check, as a deposit of good faith, in a reasonable amount to be
6 fixed by the Authority before advertising for proposals, shall
7 be required with the proposal. A bond for faithful performance
8 of the contract with surety or sureties satisfactory to the
9 Authority and adequate insurance may be required in reasonable
10 amounts to be fixed by the Authority before advertising for
11 proposals.

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

21 (k) Notice of each and every contract that is offered,
22 including renegotiated contracts and change orders, shall be
23 published in an online bulletin. The online bulletin must
24 include at least the date first offered, the date submission of
25 offers is due, the location that offers are to be submitted to,
26 a brief purchase description, the method of source selection,

1 information of how to obtain a comprehensive purchase
2 description and any disclosure and contract forms, and
3 encouragement to prospective vendors to hire qualified
4 veterans, as defined by Section 45-67 of the Illinois
5 Procurement Code, and Illinois residents discharged from any
6 Illinois adult correctional center subject to Gaming Board
7 licensing and eligibility rules. Notice of each and every
8 contract that is let or awarded, including renegotiated
9 contracts and change orders, shall be published in the online
10 bulletin and must include at least all of the information
11 specified in this subsection (k), as well as the name of the
12 successful responsible proposer or offeror, the contract
13 price, and the number of unsuccessful responsive proposers and
14 any other disclosure specified in this Section. This notice
15 must be posted in the online electronic bulletin prior to
16 execution of the contract.

17 Section 1-130. Affirmative action and equal opportunity
18 obligations of Authority.

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

1 renumbered, or succeeded, concerning a Minority-Owned and
2 Women-Owned Business Enterprise Procurement Program.

3 (b) The Authority is authorized to enter into agreements
4 with contractors' associations, labor unions, and the
5 contractors working on the development of the casino to
6 establish an apprenticeship preparedness training program to
7 provide for an increase in the number of minority and female
8 journeymen and apprentices in the building trades and to enter
9 into agreements with community college districts or other
10 public or private institutions to provide readiness training.
11 The Authority is further authorized to enter into contracts
12 with public and private educational institutions and persons in
13 the gaming, entertainment, hospitality, and tourism industries
14 to provide training for employment in those industries.

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

19 Section 1-140. Home rule. The regulation and licensing of
20 casinos and casino gaming, casino gaming facilities, and casino
21 operator licensees under this Act are exclusive powers and
22 functions of the State. A home rule unit may not regulate or
23 license casinos, casino gaming, casino gaming facilities, or
24 casino operator licensees under this Act, except as provided

1 under this Act. This Section is a denial and limitation of home
2 rule powers and functions under subsection (h) of Section 6 of
3 Article VII of the Illinois Constitution.

4 ARTICLE 90.

5 Section 90-1. Findings. The General Assembly makes all of
6 the following findings:

7 (1) That the cumulative reduction to pre-K through 12
8 education funding since 2009 is approximately
9 \$861,000,000.

10 (2) That general state aid to Illinois common schools
11 has been underfunded as a result of budget cuts, resulting
12 in pro-rated payments to school districts that are less
13 than the foundational level of \$6,119 per pupil, which
14 represents the minimum each pupil needs to be educated.

15 (3) That a significant infusion of new revenue is
16 necessary in order to fully fund the foundation level and
17 to maintain and support education in Illinois.

18 (4) That the decline of the Illinois horse racing and
19 breeding program, a \$2.5 billion industry, would be
20 reversed if this amendatory Act of the 100th General
21 Assembly would be enacted.

22 (5) That the Illinois horse racing industry is on the
23 verge of extinction due to fierce competition from fully
24 developed horse racing and gaming operations in other

1 states.

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

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

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

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

1 person or entity, or its parent or subsidiary.

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

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

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

25 (e) The Joint Committee on Legislative Support Services,
26 the Auditor General, and each of the executive branch

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

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

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

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

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

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

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

22 (1) members or officers;

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

25 (3) persons whose appointment to office is subject to
26 the advice and consent of the Senate;

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

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

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

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

11 (8) employees of the Illinois Gaming Board.

12 (i) For the purposes of this Section, with respect to
13 officers or employees of a regional transit board, as defined
14 in this Act, the phrase "person or entity" does not include:
15 (i) the United States government, (ii) the State, (iii)
16 municipalities, as defined under Article VII, Section 1 of the
17 Illinois Constitution, (iv) units of local government, as
18 defined under Article VII, Section 1 of the Illinois
19 Constitution, or (v) school districts.

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

21 (5 ILCS 430/20-10)

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

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

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

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

25 Nothing in this Article precludes the appointment by the
26 Governor, Attorney General, Secretary of State, Comptroller,

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

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

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

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

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

24 The term of each initial Executive Inspector General shall
25 commence upon qualification and shall run through June 30,
26 2008. The initial appointments shall be made within 60 days

1 after the effective date of this Act.

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

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

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

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

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

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

23 (d) The compensation for each Executive Inspector General
24 shall be determined by the Executive Ethics Commission and
25 shall be made from appropriations made to the Comptroller for
26 this purpose. Subject to Section 20-45 of this Act, each

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

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

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

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

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

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

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

24 (e-1) No Executive Inspector General or employee of the
25 Office of the Executive Inspector General may, for one year
26 after the termination of his or her appointment or employment:

- 1 (1) become a candidate for any elective office;
2 (2) hold any elected public office; or
3 (3) hold any appointed State, county, or local judicial
4 office.

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

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

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

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

15 (20 ILCS 301/5-20)

16 Sec. 5-20. Compulsive gambling program.

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

- 23 (1) Establishment and maintenance of a toll-free "800"
24 telephone number to provide crisis counseling and referral

1 services to families experiencing difficulty as a result of
2 problem or compulsive gambling.

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

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

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

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

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

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

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

4 (20 ILCS 605/605-530 new)

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

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

11 (1) 3 members appointed by the Governor, one of whom
12 shall be appointed to serve an initial term of one year and
13 2 of whom shall be appointed to serve an initial term of 2
14 years;

15 (2) 2 members appointed by the Speaker of the House of
16 Representatives, one of whom shall be appointed to serve an
17 initial term of one year and one of whom shall be appointed
18 to serve an initial term of 2 years;

19 (3) 2 members appointed by the President of the Senate,
20 one of whom shall be appointed to serve an initial term of
21 one year and one of whom shall be appointed to serve an
22 initial term of 2 years;

23 (4) 2 members appointed by the Minority Leader of the
24 House of Representatives, one of whom shall be appointed to

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

3 (5) 2 members appointed by the Minority Leader of the
4 Senate, one of whom shall be appointed to serve an initial
5 term of one year and one of whom shall be appointed to
6 serve an initial term of 2 years.

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

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

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

25 (c) The Board must make recommendations, which must be
26 approved by a majority of the Board, to the Department of

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

17 (20 ILCS 605/605-535 new)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 The Commission may accept gifts, grants, donations,
24 sponsorships, or contributions from any federal, State, or
25 local governmental agency or program, or any private source,
26 and expend the same for any purpose consistent with this

1 Section.

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

12 (1) production agriculture;

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

16 (3) transportation, construction, and logistics;

17 (4) travel and tourism;

18 (5) financial services and insurance;

19 (6) information technology and communications; and

20 (7) biotechnology.

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

1 members of the Commission shall serve without compensation.

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

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

10 (1) public universities;

11 (2) community colleges;

12 (3) other educational institutions; and

13 (4) the Department of Labor.

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

25 (f) For the purposes of this Section:

26 "Department" means the Department of Commerce and Economic

1 Development.

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

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

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

9 (20 ILCS 1605/9.1)

10 Sec. 9.1. Private manager and management agreement.

11 (a) As used in this Section:

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

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

17 (1) Statements of qualifications.

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

23 "Final offer" means the last proposal submitted by an
24 offeror in response to the request for qualifications,

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

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

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

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

25 (1) where such contracts contain a provision
26 authorizing termination upon notice, the Department shall

1 provide notice of termination to occur upon the mutually
2 agreed timetable for transfer of functions;

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

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

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

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

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

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

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

13 (2) A provision specifying that the Department:

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

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

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

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

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

26 (3) A provision imposing an affirmative duty on the

1 private manager to provide the Department with material
2 information and with any information the private manager
3 reasonably believes the Department would want to know to
4 enable the Department to conduct the Lottery.

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

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

20 (6) (Blank).

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

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

26 (8-5) A provision encouraging that at least 20% of the

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

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

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

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

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

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

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

25 (F) A system for determining (i) the type of
26 Lottery games, (ii) the method of selecting winning

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

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

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

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

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

26 (14) A provision requiring the private manager to

1 periodically file, at least on an annual basis, appropriate
2 financial statements in a form and manner acceptable to the
3 Department.

4 (15) Cash reserves requirements.

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

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

11 (18) Procedures for amendment of the agreement.

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

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

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

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

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

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

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

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

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

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

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

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

23 (1) The date, time, and place of the hearing.

24 (2) The subject matter of the hearing.

25 (3) A brief description of the management agreement to
26 be awarded.

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

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

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

24 (i) Any action to contest the private manager selected by
25 the Governor under this Section must be brought within 7
26 calendar days after the publication of the notice of the

1 designation of the private manager as provided in subsection
2 (h) of this Section.

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

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

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

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

24 (n) The private manager shall be subject to a complete
25 investigation in the third, seventh, and tenth years of the
26 agreement (if the agreement is for a 10-year term) by the

1 Department in cooperation with the Auditor General to determine
2 whether the private manager has complied with this Section and
3 the management agreement. The private manager shall bear the
4 cost of an investigation or reinvestigation of the private
5 manager under this subsection.

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

25 Upon receipt of a written request from the Chief
26 Procurement Officer, the Department shall provide to the Chief

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

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

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

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

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

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

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

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

26 (p) The Department shall be subject to the following

1 reporting and information request requirements:

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

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

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

20 (Source: P.A. 98-463, eff. 8-16-13; 98-649, eff. 6-16-14;
21 99-933, eff. 1-27-17.)

22 Section 90-10. The Department of Revenue Law of the Civil
23 Administrative Code of Illinois is amended by changing Section
24 2505-305 as follows:

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

2 Sec. 2505-305. Investigators.

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

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

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

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

23 Section 90-12. The Illinois State Auditing Act is amended
24 by changing Section 3-1 as follows:

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

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

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

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

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

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

25 In addition to the foregoing, the Auditor General may
26 conduct an audit of the Metropolitan Pier and Exposition

1 Authority, the Regional Transportation Authority, the Suburban
2 Bus Division, the Commuter Rail Division and the Chicago
3 Transit Authority and any other subsidized carrier when
4 authorized by the Legislative Audit Commission. Such audit may
5 be a financial, management or program audit, or any combination
6 thereof.

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

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

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

25 The Auditor General is authorized to conduct financial and
26 compliance audits of the Illinois Distance Learning Foundation

1 and the Illinois Conservation Foundation.

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

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

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

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

25 The Auditor General of the State of Illinois shall annually
26 conduct or cause to be conducted a financial and compliance

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

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

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

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

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

25 Section 90-15. The State Finance Act is amended by adding

1 Sections 5.878, 5.879, 5.880, and 6z-102 and by changing
2 Section 6z-45 as follows:

3 (30 ILCS 105/5.878 new)

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

5 (30 ILCS 105/5.879 new)

6 Sec. 5.879. The Depressed Communities Economic Development
7 Fund.

8 (30 ILCS 105/5.880 new)

9 Sec. 5.880. The Latino Community Economic Development
10 Fund.

11 (30 ILCS 105/6z-45)

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

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

15 In addition to any other deposits authorized by law,
16 beginning January 1, 2000, on the first day of each month, or
17 as soon thereafter as may be practical, the State Treasurer and
18 State Comptroller shall transfer the sum of \$5,000,000 from the
19 General Revenue Fund to the School Infrastructure Fund, except
20 that, notwithstanding any other provision of law, and in
21 addition to any other transfers that may be provided for by
22 law, before June 30, 2012, the Comptroller and the Treasurer

1 shall transfer \$45,000,000 from the General Revenue Fund into
2 the School Infrastructure Fund, and, for fiscal year 2013 only,
3 the Treasurer and the Comptroller shall transfer \$1,250,000
4 from the General Revenue Fund to the School Infrastructure Fund
5 on the first day of each month; provided, however, that no such
6 transfers shall be made from July 1, 2001 through June 30,
7 2003.

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

16 In addition to other transfers to the General Obligation
17 Bond Retirement and Interest Fund made pursuant to Section 15
18 of the General Obligation Bond Act, upon each delivery of bonds
19 issued for construction of school improvements under the School
20 Construction Law, the State Comptroller shall compute and
21 certify to the State Treasurer the total amount of principal
22 of, interest on, and premium, if any, on such bonds during the
23 then current and each succeeding fiscal year. With respect to
24 the interest payable on variable rate bonds, such
25 certifications shall be calculated at the maximum rate of
26 interest that may be payable during the fiscal year, after

1 taking into account any credits permitted in the related
2 indenture or other instrument against the amount of such
3 interest required to be appropriated for that period.

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

23 (b-5) The money deposited into the School Infrastructure
24 Fund from transfers pursuant to subsections (c-30) and (c-35)
25 of Section 13 of the Illinois Riverboat ~~Riverboat~~ Gambling Act shall be
26 applied, without further direction, as provided in subsection

1 (b-3) of Section 5-35 of the School Construction Law.

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

6 First - to make 3 payments to the School Technology
7 Revolving Loan Fund as follows:

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

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

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

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

15 Third - to pay any amounts due for grants for school
16 construction projects and debt service under the School
17 Construction Law.

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

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

21 (30 ILCS 105/6z-102 new)

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

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

25 (b) The revenues in the Fund shall be used, subject to

1 appropriation, by the Comptroller for the purpose of (i)
2 providing appropriations to the Illinois Gaming Board for the
3 administration and enforcement of the Illinois Gambling Act and
4 the applicable provisions of the Chicago Casino Development
5 Authority Act and (ii) payment of vouchers that are outstanding
6 for more than 60 days. Whenever practical, the Comptroller must
7 prioritize voucher payments for expenses related to medical
8 assistance under the Illinois Public Aid Code, the Children's
9 Health Insurance Program Act, and the Covering ALL KIDS Health
10 Insurance Act.

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

18 (d) The Fund shall not be subject to administrative charges
19 or chargebacks, including, but not limited to, those authorized
20 under subsection (h) of Section 8 of this Act.

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

23 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

24 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, 26.8, 26.9, 27, 30, 30.5, 31, 32.1, 36, 40,
24 and 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
25 34.3, 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 or gambling with table games positioned
7 within an electronic gaming facility as defined in the Illinois
8 Gambling Act or defined by the Illinois Gaming Board that is
9 conducted at a race track pursuant to an electronic gaming
10 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 gaming license issued under the Illinois Gambling Act, the fee
14 for registration of stable names shall not exceed \$150, and the
15 application fee for an occupation license shall not exceed \$75,
16 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 gaming pursuant to an electronic
14 gaming license issued under the Illinois Gambling Act, the
15 Board may charge each applicant a reasonable non-refundable fee
16 to defray the costs associated with the background
17 investigation conducted by the Board. This fee shall be
18 exclusive of any other fee or fees charged in connection with
19 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 2016 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 5/26.8)

22 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~
23 ~~December 31, 2018~~, each wagering licensee may impose a
24 surcharge of up to 0.5% on winning wagers and winnings from
25 wagers. The surcharge shall be deducted from winnings prior to

1 payout. All amounts collected from the imposition of this
2 surcharge shall be evenly distributed to the organization
3 licensee and the purse account of the organization licensee
4 with which the licensee is affiliated. The amounts distributed
5 under this Section shall be in addition to the amounts paid
6 pursuant to paragraph (10) of subsection (h) of Section 26,
7 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

8 (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.)

9 (230 ILCS 5/26.9)

10 Sec. 26.9. Beginning on February 1, 2014 ~~and through~~
11 ~~December 31, 2018~~, in addition to the surcharge imposed in
12 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each
13 licensee shall impose a surcharge of 0.2% on winning wagers and
14 winnings from wagers. The surcharge shall be deducted from
15 winnings prior to payout. All amounts collected from the
16 surcharges imposed under this Section shall be remitted to the
17 Board. From amounts collected under this Section, the Board
18 shall deposit an amount not to exceed \$100,000 annually into
19 the Quarter Horse Purse Fund and all remaining amounts into the
20 Horse Racing Fund.

21 (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.)

22 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

23 Sec. 27. (a) In addition to the organization license fee
24 provided by this Act, until January 1, 2000, a graduated

1 privilege tax is hereby imposed for conducting the pari-mutuel
2 system of wagering permitted under this Act. Until January 1,
3 2000, except as provided in subsection (g) of Section 27 of
4 this Act, all of the breakage of each racing day held by any
5 licensee in the State shall be paid to the State. Until January
6 1, 2000, such daily graduated privilege tax shall be paid by
7 the licensee from the amount permitted to be retained under
8 this Act. Until January 1, 2000, each day's graduated privilege
9 tax, breakage, and Horse Racing Tax Allocation funds shall be
10 remitted to the Department of Revenue within 48 hours after the
11 close of the racing day upon which it is assessed or within
12 such other time as the Board prescribes. The privilege tax
13 hereby imposed, until January 1, 2000, shall be a flat tax at
14 the rate of 2% of the daily pari-mutuel handle except as
15 provided in Section 27.1.

16 In addition, every organization licensee, except as
17 provided in Section 27.1 of this Act, which conducts multiple
18 wagering shall pay, until January 1, 2000, as a privilege tax
19 on multiple wagers an amount equal to 1.25% of all moneys
20 wagered each day on such multiple wagers, plus an additional
21 amount equal to 3.5% of the amount wagered each day on any
22 other multiple wager which involves a single betting interest
23 on 3 or more horses. The licensee shall remit the amount of
24 such taxes to the Department of Revenue within 48 hours after
25 the close of the racing day on which it is assessed or within
26 such other time as the Board prescribes.

1 This subsection (a) shall be inoperative and of no force
2 and effect on and after January 1, 2000.

3 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
4 at the rate of 1.5% of the daily pari-mutuel handle is imposed
5 at all pari-mutuel wagering facilities and on advance deposit
6 wagering from a location other than a wagering facility, except
7 as otherwise provided for in this subsection (a-5). In addition
8 to the pari-mutuel tax imposed on advance deposit wagering
9 pursuant to this subsection (a-5), beginning on August 24, 2012
10 (the effective date of Public Act 97-1060) ~~and through December~~
11 ~~31, 2018~~, an additional pari-mutuel tax at the rate of 0.25%
12 shall be imposed on advance deposit wagering. Until August 25,
13 2012, the additional 0.25% pari-mutuel tax imposed on advance
14 deposit wagering by Public Act 96-972 shall be deposited into
15 the Quarter Horse Purse Fund, which shall be created as a
16 non-appropriated trust fund administered by the Board for
17 grants to thoroughbred organization licensees for payment of
18 purses for quarter horse races conducted by the organization
19 licensee. Beginning on August 26, 2012, the additional 0.25%
20 pari-mutuel tax imposed on advance deposit wagering shall be
21 deposited into the Standardbred Purse Fund, which shall be
22 created as a non-appropriated trust fund administered by the
23 Board, for grants to the standardbred organization licensees
24 for payment of purses for standardbred horse races conducted by
25 the organization licensee. Thoroughbred organization licensees
26 may petition the Board to conduct quarter horse racing and

1 receive purse grants from the Quarter Horse Purse Fund. The
2 Board shall have complete discretion in distributing the
3 Quarter Horse Purse Fund to the petitioning organization
4 licensees. Beginning on July 26, 2010 (the effective date of
5 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of
6 the daily pari-mutuel handle is imposed at a pari-mutuel
7 facility whose license is derived from a track located in a
8 county that borders the Mississippi River and conducted live
9 racing in the previous year. The pari-mutuel tax imposed by
10 this subsection (a-5) shall be remitted to the Department of
11 Revenue within 48 hours after the close of the racing day upon
12 which it is assessed or within such other time as the Board
13 prescribes.

14 (a-10) Beginning on the date when an organization licensee
15 begins conducting electronic gaming pursuant to an electronic
16 gaming license, the following pari-mutuel tax is imposed upon
17 an organization licensee on Illinois races at the licensee's
18 race track:

19 1.5% of the pari-mutuel handle at or below the average
20 daily pari-mutuel handle for 2011.

21 2% of the pari-mutuel handle above the average daily
22 pari-mutuel handle for 2011 up to 125% of the average daily
23 pari-mutuel handle for 2011.

24 2.5% of the pari-mutuel handle 125% or more above the
25 average daily pari-mutuel handle for 2011 up to 150% of the
26 average daily pari-mutuel handle for 2011.

1 3% of the pari-mutuel handle 150% or more above the
2 average daily pari-mutuel handle for 2011 up to 175% of the
3 average daily pari-mutuel handle for 2011.

4 3.5% of the pari-mutuel handle 175% or more above the
5 average daily pari-mutuel handle for 2011.

6 The pari-mutuel tax imposed by this subsection (a-10) shall
7 be remitted to the Board within 48 hours after the close of the
8 racing day upon which it is assessed or within such other time
9 as the Board prescribes.

10 (b) On or before December 31, 1999, in the event that any
11 organization licensee conducts 2 separate programs of races on
12 any day, each such program shall be considered a separate
13 racing day for purposes of determining the daily handle and
14 computing the privilege tax on such daily handle as provided in
15 subsection (a) of this Section.

16 (c) Licensees shall at all times keep accurate books and
17 records of all monies wagered on each day of a race meeting and
18 of the taxes paid to the Department of Revenue under the
19 provisions of this Section. The Board or its duly authorized
20 representative or representatives shall at all reasonable
21 times have access to such records for the purpose of examining
22 and checking the same and ascertaining whether the proper
23 amount of taxes is being paid as provided. The Board shall
24 require verified reports and a statement of the total of all
25 monies wagered daily at each wagering facility upon which the
26 taxes are assessed and may prescribe forms upon which such

1 reports and statement shall be made.

2 (d) Before a license is issued or re-issued, the licensee
3 shall post a bond in the sum of \$500,000 to the State of
4 Illinois. The bond shall be used to guarantee that the licensee
5 faithfully makes the payments, keeps the books and records and
6 makes reports, and conducts games of chance in conformity with
7 this Act and the rules adopted by the Board. The bond shall not
8 be canceled by a surety on less than 30 days' notice in writing
9 to the Board. If a bond is canceled and the licensee fails to
10 file a new bond with the Board in the required amount on or
11 before the effective date of cancellation, the licensee's
12 license shall be revoked. The total and aggregate liability of
13 the surety on the bond is limited to the amount specified in
14 the bond. Any licensee failing or refusing to pay the amount of
15 any tax due under this Section shall be guilty of a business
16 offense and upon conviction shall be fined not more than \$5,000
17 in addition to the amount found due as tax under this Section.
18 Each day's violation shall constitute a separate offense. All
19 finances paid into Court by a licensee hereunder shall be
20 transmitted and paid over by the Clerk of the Court to the
21 Board.

22 (e) No other license fee, privilege tax, excise tax, or
23 racing fee, except as provided in this Act, shall be assessed
24 or collected from any such licensee by the State.

25 (f) No other license fee, privilege tax, excise tax or
26 racing fee shall be assessed or collected from any such

1 licensee by units of local government except as provided in
2 paragraph 10.1 of subsection (h) and subsection (f) of Section
3 26 of this Act. However, any municipality that has a Board
4 licensed horse race meeting at a race track wholly within its
5 corporate boundaries or a township that has a Board licensed
6 horse race meeting at a race track wholly within the
7 unincorporated area of the township may charge a local
8 amusement tax not to exceed 10¢ per admission to such horse
9 race meeting by the enactment of an ordinance. However, any
10 municipality or county that has a Board licensed inter-track
11 wagering location facility wholly within its corporate
12 boundaries may each impose an admission fee not to exceed \$1.00
13 per admission to such inter-track wagering location facility,
14 so that a total of not more than \$2.00 per admission may be
15 imposed. Except as provided in subparagraph (g) of Section 27
16 of this Act, the inter-track wagering location licensee shall
17 collect any and all such fees and ~~within 48 hours~~ remit the
18 fees to the Board as the Board prescribes, which shall,
19 pursuant to rule, cause the fees to be distributed to the
20 county or municipality.

21 (g) Notwithstanding any provision in this Act to the
22 contrary, if in any calendar year the total taxes and fees from
23 wagering on live racing and from inter-track wagering required
24 to be collected from licensees and distributed under this Act
25 to all State and local governmental authorities exceeds the
26 amount of such taxes and fees distributed to each State and

1 local governmental authority to which each State and local
2 governmental authority was entitled under this Act for calendar
3 year 1994, then the first \$11 million of that excess amount
4 shall be allocated at the earliest possible date for
5 distribution as purse money for the succeeding calendar year.
6 Upon reaching the 1994 level, and until the excess amount of
7 taxes and fees exceeds \$11 million, the Board shall direct all
8 licensees to cease paying the subject taxes and fees and the
9 Board shall direct all licensees to allocate any such excess
10 amount for purses as follows:

11 (i) the excess amount shall be initially divided
12 between thoroughbred and standardbred purses based on the
13 thoroughbred's and standardbred's respective percentages
14 of total Illinois live wagering in calendar year 1994;

15 (ii) each thoroughbred and standardbred organization
16 licensee issued an organization licensee in that
17 succeeding allocation year shall be allocated an amount
18 equal to the product of its percentage of total Illinois
19 live thoroughbred or standardbred wagering in calendar
20 year 1994 (the total to be determined based on the sum of
21 1994 on-track wagering for all organization licensees
22 issued organization licenses in both the allocation year
23 and the preceding year) multiplied by the total amount
24 allocated for standardbred or thoroughbred purses,
25 provided that the first \$1,500,000 of the amount allocated
26 to standardbred purses under item (i) shall be allocated to

1 the Department of Agriculture to be expended with the
2 assistance and advice of the Illinois Standardbred
3 Breeders Funds Advisory Board for the purposes listed in
4 subsection (g) of Section 31 of this Act, before the amount
5 allocated to standardbred purses under item (i) is
6 allocated to standardbred organization licensees in the
7 succeeding allocation year.

8 To the extent the excess amount of taxes and fees to be
9 collected and distributed to State and local governmental
10 authorities exceeds \$11 million, that excess amount shall be
11 collected and distributed to State and local authorities as
12 provided for under this Act.

13 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 99-756,
14 eff. 8-12-16.)

15 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

16 Sec. 30. (a) The General Assembly declares that it is the
17 policy of this State to encourage the breeding of thoroughbred
18 horses in this State and the ownership of such horses by
19 residents of this State in order to provide for: sufficient
20 numbers of high quality thoroughbred horses to participate in
21 thoroughbred racing meetings in this State, and to establish
22 and preserve the agricultural and commercial benefits of such
23 breeding and racing industries to the State of Illinois. It is
24 the intent of the General Assembly to further this policy by
25 the provisions of this Act.

1 (b) Each organization licensee conducting a thoroughbred
2 racing meeting pursuant to this Act shall provide at least two
3 races each day limited to Illinois conceived and foaled horses
4 or Illinois foaled horses or both. A minimum of 6 races shall
5 be conducted each week limited to Illinois conceived and foaled
6 or Illinois foaled horses or both. No horses shall be permitted
7 to start in such races unless duly registered under the rules
8 of the Department of Agriculture.

9 (c) Conditions of races under subsection (b) shall be
10 commensurate with past performance, quality, and class of
11 Illinois conceived and foaled and Illinois foaled horses
12 available. If, however, sufficient competition cannot be had
13 among horses of that class on any day, the races may, with
14 consent of the Board, be eliminated for that day and substitute
15 races provided.

16 (d) There is hereby created a special fund of the State
17 Treasury to be known as the Illinois Thoroughbred Breeders
18 Fund.

19 Beginning on the effective date of this amendatory Act of
20 the 100th General Assembly, the Illinois Thoroughbred Breeders
21 Fund shall become a non-appropriated trust fund held separately
22 from State moneys. Expenditures from this Fund shall no longer
23 be subject to appropriation.

24 Except as provided in subsection (g) of Section 27 of this
25 Act, 8.5% of all the monies received by the State as privilege
26 taxes on Thoroughbred racing meetings shall be paid into the

1 Illinois Thoroughbred Breeders Fund.

2 Notwithstanding any provision of law to the contrary,
3 amounts deposited into the Illinois Thoroughbred Breeders Fund
4 from revenues generated by electronic gaming after the
5 effective date of this amendatory Act of the 100th General
6 Assembly shall be in addition to tax and fee amounts paid under
7 this Section for calendar year 2017 and thereafter.

8 (e) The Illinois Thoroughbred Breeders Fund shall be
9 administered by the Department of Agriculture with the advice
10 and assistance of the Advisory Board created in subsection (f)
11 of this Section.

12 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
13 shall consist of the Director of the Department of Agriculture,
14 who shall serve as Chairman; a member of the Illinois Racing
15 Board, designated by it; 2 representatives of the organization
16 licensees conducting thoroughbred racing meetings, recommended
17 by them; 2 representatives of the Illinois Thoroughbred
18 Breeders and Owners Foundation, recommended by it; one
19 representative ~~and 2 representatives~~ of the Horsemen's
20 Benevolent Protective Association; and one representative from
21 the Illinois Thoroughbred Horsemen's Association ~~or any~~
22 ~~successor organization established in Illinois comprised of~~
23 ~~the largest number of owners and trainers, recommended by it,~~
24 ~~with one representative of the Horsemen's Benevolent and~~
25 ~~Protective Association to come from its Illinois Division, and~~
26 ~~one from its Chicago Division.~~ Advisory Board members shall

1 serve for 2 years commencing January 1 of each odd numbered
2 year. If representatives of the organization licensees
3 conducting thoroughbred racing meetings, the Illinois
4 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
5 Horsemen's Benevolent Protection Association, and the Illinois
6 Thoroughbred Horsemen's Association have not been recommended
7 by January 1, of each odd numbered year, the Director of the
8 Department of Agriculture shall make an appointment for the
9 organization failing to so recommend a member of the Advisory
10 Board. Advisory Board members shall receive no compensation for
11 their services as members but shall be reimbursed for all
12 actual and necessary expenses and disbursements incurred in the
13 execution of their official duties.

14 (g) ~~No monies shall be expended from the Illinois~~
15 ~~Thoroughbred Breeders Fund except as appropriated by the~~
16 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
17 Illinois Thoroughbred Breeders Fund shall be expended by the
18 Department of Agriculture, with the advice and assistance of
19 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
20 following purposes only:

21 (1) To provide purse supplements to owners of horses
22 participating in races limited to Illinois conceived and
23 foaled and Illinois foaled horses. Any such purse
24 supplements shall not be included in and shall be paid in
25 addition to any purses, stakes, or breeders' awards offered
26 by each organization licensee as determined by agreement

1 between such organization licensee and an organization
2 representing the horsemen. No monies from the Illinois
3 Thoroughbred Breeders Fund shall be used to provide purse
4 supplements for claiming races in which the minimum
5 claiming price is less than \$7,500.

6 (2) To provide stakes and awards to be paid to the
7 owners of the winning horses in certain races limited to
8 Illinois conceived and foaled and Illinois foaled horses
9 designated as stakes races.

10 (2.5) To provide an award to the owner or owners of an
11 Illinois conceived and foaled or Illinois foaled horse that
12 wins a maiden special weight, an allowance, overnight
13 handicap race, or claiming race with claiming price of
14 \$10,000 or more providing the race is not restricted to
15 Illinois conceived and foaled or Illinois foaled horses.
16 Awards shall also be provided to the owner or owners of
17 Illinois conceived and foaled and Illinois foaled horses
18 that place second or third in those races. To the extent
19 that additional moneys are required to pay the minimum
20 additional awards of 40% of the purse the horse earns for
21 placing first, second or third in those races for Illinois
22 foaled horses and of 60% of the purse the horse earns for
23 placing first, second or third in those races for Illinois
24 conceived and foaled horses, those moneys shall be provided
25 from the purse account at the track where earned.

26 (3) To provide stallion awards to the owner or owners

1 of any stallion that is duly registered with the Illinois
2 Thoroughbred Breeders Fund Program ~~prior to the effective~~
3 ~~date of this amendatory Act of 1995~~ whose duly registered
4 Illinois conceived and foaled offspring wins a race
5 conducted at an Illinois thoroughbred racing meeting other
6 than a claiming race, provided that the stallion stood
7 service within Illinois at the time the offspring was
8 conceived and that the stallion did not stand for service
9 outside of Illinois at any time during the year in which
10 the offspring was conceived. ~~Such award shall not be paid~~
11 ~~to the owner or owners of an Illinois stallion that served~~
12 ~~outside this State at any time during the calendar year in~~
13 ~~which such race was conducted.~~

14 (4) To provide \$75,000 annually for purses to be
15 distributed to county fairs that provide for the running of
16 races during each county fair exclusively for the
17 thoroughbreds conceived and foaled in Illinois. The
18 conditions of the races shall be developed by the county
19 fair association and reviewed by the Department with the
20 advice and assistance of the Illinois Thoroughbred
21 Breeders Fund Advisory Board. There shall be no wagering of
22 any kind on the running of Illinois conceived and foaled
23 races at county fairs.

24 (4.1) To provide purse money for an Illinois stallion
25 stakes program.

26 (5) No less than 90% ~~80%~~ of all monies appropriated

1 from the Illinois Thoroughbred Breeders Fund shall be
2 expended for the purposes in (1), (2), (2.5), (3), (4),
3 (4.1), and (5) as shown above.

4 (6) To provide for educational programs regarding the
5 thoroughbred breeding industry.

6 (7) To provide for research programs concerning the
7 health, development and care of the thoroughbred horse.

8 (8) To provide for a scholarship and training program
9 for students of equine veterinary medicine.

10 (9) To provide for dissemination of public information
11 designed to promote the breeding of thoroughbred horses in
12 Illinois.

13 (10) To provide for all expenses incurred in the
14 administration of the Illinois Thoroughbred Breeders Fund.

15 (h) The Illinois Thoroughbred Breeders Fund is not subject
16 to administrative charges or chargebacks, including, but not
17 limited to, those authorized under Section 8h of the State
18 Finance Act. Whenever the Governor finds that the amount in the
19 Illinois Thoroughbred Breeders Fund is more than the total of
20 the outstanding appropriations from such fund, the Governor
21 shall notify the State Comptroller and the State Treasurer of
22 such fact. The Comptroller and the State Treasurer, upon
23 receipt of such notification, shall transfer such excess amount
24 from the Illinois Thoroughbred Breeders Fund to the General
25 Revenue Fund.

26 (i) A sum equal to 13% of the first prize money of every

1 purse won by an Illinois foaled or Illinois conceived and
2 foaled horse in races not limited to Illinois foaled horses or
3 Illinois conceived and foaled horses, or both, shall be paid by
4 the organization licensee conducting the horse race meeting.
5 Such sum shall be paid 50% from the organization licensee's
6 share of the money wagered and 50% from the purse account as
7 follows: 11 1/2% to the breeder of the winning horse and 1 1/2%
8 to the organization representing thoroughbred breeders and
9 owners who representative serves on the Illinois Thoroughbred
10 Breeders Fund Advisory Board for verifying the amounts of
11 breeders' awards earned, ensuring their distribution in
12 accordance with this Act, and servicing and promoting the
13 Illinois thoroughbred horse racing industry. Beginning in the
14 calendar year in which an organization licensee that is
15 eligible to receive payments under paragraph (13) of subsection
16 (g) of Section 26 of this Act begins to receive funds from
17 electronic gaming, a sum equal to 21 1/2% of the first prize
18 money of every purse won by an Illinois foaled or an Illinois
19 conceived and foaled horse in races not limited to an Illinois
20 conceived and foaled horse, or both, shall be paid 30% from the
21 organization licensee's account and 70% from the purse account
22 as follows: 20% to the breeder of the winning horse and 1 1/2%
23 to the organization representing thoroughbred breeders and
24 owners whose representatives serves on the Illinois
25 Thoroughbred Breeders Fund Advisory Board for verifying the
26 amounts of breeders' awards earned, assuring their

1 distribution in accordance with this Act, and servicing and
2 promoting the Illinois Thoroughbred racing industry. A sum
3 equal to 12 1/2% of the first prize money of every purse won by
4 an Illinois foaled or an Illinois conceived and foaled horse in
5 races not limited to Illinois foaled horses or Illinois
6 conceived and foaled horses, or both, shall be paid by the
7 organization licensee conducting the horse race meeting. Such
8 sum shall be paid from the organization licensee's share of the
9 money wagered as follows: 11 1/2% to the breeder of the winning
10 horse and 1% to the organization representing thoroughbred
11 breeders and owners whose representative serves on the Illinois
12 Thoroughbred Breeders Fund Advisory Board for verifying the
13 amounts of breeders' awards earned, assuring their
14 distribution in accordance with this Act, and servicing and
15 promoting the Illinois thoroughbred horse racing industry. The
16 organization representing thoroughbred breeders and owners
17 shall cause all expenditures of monies received under this
18 subsection (i) to be audited at least annually by a registered
19 public accountant. The organization shall file copies of each
20 annual audit with the Racing Board, the Clerk of the House of
21 Representatives and the Secretary of the Senate, and shall make
22 copies of each annual audit available to the public upon
23 request and upon payment of the reasonable cost of photocopying
24 the requested number of copies. Such payments shall not reduce
25 any award to the owner of the horse or reduce the taxes payable
26 under this Act. Upon completion of its racing meet, each

1 organization licensee shall deliver to the organization
2 representing thoroughbred breeders and owners whose
3 representative serves on the Illinois Thoroughbred Breeders
4 Fund Advisory Board a listing of all the Illinois foaled and
5 the Illinois conceived and foaled horses which won breeders'
6 awards and the amount of such breeders' awards under this
7 subsection to verify accuracy of payments and assure proper
8 distribution of breeders' awards in accordance with the
9 provisions of this Act. Such payments shall be delivered by the
10 organization licensee within 30 days of the end of each race
11 meeting.

12 (j) A sum equal to 13% of the first prize money won in
13 every race limited to Illinois foaled horses or Illinois
14 conceived and foaled horses, or both, shall be paid in the
15 following manner by the organization licensee conducting the
16 horse race meeting, 50% from the organization licensee's share
17 of the money wagered and 50% from the purse account as follows:
18 11 1/2% to the breeders of the horses in each such race which
19 are the official first, second, third, and fourth finishers and
20 1 1/2% to the organization representing thoroughbred breeders
21 and owners whose representatives serves on the Illinois
22 Thoroughbred Breeders Fund Advisory Board for verifying the
23 amounts of breeders' awards earned, ensuring their proper
24 distribution in accordance with this Act, and servicing and
25 promoting the Illinois horse racing industry. Beginning in the
26 calendar year in which an organization licensee that is

1 eligible to receive payments under paragraph (13) of subsection
2 (g) of Section 26 of this Act begins to receive funds from
3 electronic gaming, a sum of 21 1/2% of every purse in a race
4 limited to Illinois foaled horses or Illinois conceived and
5 foaled horses, or both, shall be paid by the organization
6 licensee conducting the horse race meeting. Such sum shall be
7 paid 30% from the organization licensee's account and 70% from
8 the purse account as follows: 20% to the breeders of the horses
9 in each such race who are official first, second, third and
10 fourth finishers and 1 1/2% to the organization representing
11 thoroughbred breeders and owners whose representatives serve
12 on the Illinois Thoroughbred Breeders Fund Advisory Board for
13 verifying the amounts of breeders' awards earned, ensuring
14 their proper distribution in accordance with this Act, and
15 servicing and promoting the Illinois thoroughbred horse racing
16 industry. The organization representing thoroughbred breeders
17 and owners shall cause all expenditures of moneys received
18 under this subsection (j) to be audited at least annually by a
19 registered public accountant. The organization shall file
20 copies of each annual audit with the Racing Board, the Clerk of
21 the House of Representatives and the Secretary of the Senate,
22 and shall make copies of each annual audit available to the
23 public upon request and upon payment of the reasonable cost of
24 photocopying the requested number of copies. A sum equal to 12
25 1/2% of the first prize money won in each race limited to
26 Illinois foaled horses or Illinois conceived and foaled horses,

1 ~~er both, shall be paid in the following manner by the~~
2 ~~organization licensee conducting the horse race meeting, from~~
3 ~~the organization licensee's share of the money wagered: 11 1/2%~~
4 ~~to the breeders of the horses in each such race which are the~~
5 ~~official first, second, third and fourth finishers and 1% to~~
6 ~~the organization representing thoroughbred breeders and owners~~
7 ~~whose representative serves on the Illinois Thoroughbred~~
8 ~~Breeders Fund Advisory Board for verifying the amounts of~~
9 ~~breeders' awards earned, assuring their proper distribution in~~
10 ~~accordance with this Act, and servicing and promoting the~~
11 ~~Illinois thoroughbred horse racing industry. The organization~~
12 ~~representing thoroughbred breeders and owners shall cause all~~
13 ~~expenditures of monies received under this subsection (j) to be~~
14 ~~audited at least annually by a registered public accountant.~~
15 ~~The organization shall file copies of each annual audit with~~
16 ~~the Racing Board, the Clerk of the House of Representatives and~~
17 ~~the Secretary of the Senate, and shall make copies of each~~
18 ~~annual audit available to the public upon request and upon~~
19 ~~payment of the reasonable cost of photocopying the requested~~
20 ~~number of copies.~~

21 The amounts ~~11 1/2%~~ paid to the breeders in accordance with
22 this subsection shall be distributed as follows:

23 (1) 60% of such sum shall be paid to the breeder of the
24 horse which finishes in the official first position;

25 (2) 20% of such sum shall be paid to the breeder of the
26 horse which finishes in the official second position;

1 (3) 15% of such sum shall be paid to the breeder of the
2 horse which finishes in the official third position; and

3 (4) 5% of such sum shall be paid to the breeder of the
4 horse which finishes in the official fourth position.

5 Such payments shall not reduce any award to the owners of a
6 horse or reduce the taxes payable under this Act. Upon
7 completion of its racing meet, each organization licensee shall
8 deliver to the organization representing thoroughbred breeders
9 and owners whose representative serves on the Illinois
10 Thoroughbred Breeders Fund Advisory Board a listing of all the
11 Illinois foaled and the Illinois conceived and foaled horses
12 which won breeders' awards and the amount of such breeders'
13 awards in accordance with the provisions of this Act. Such
14 payments shall be delivered by the organization licensee within
15 30 days of the end of each race meeting.

16 (k) The term "breeder", as used herein, means the owner of
17 the mare at the time the foal is dropped. An "Illinois foaled
18 horse" is a foal dropped by a mare which enters this State on
19 or before December 1, in the year in which the horse is bred,
20 provided the mare remains continuously in this State until its
21 foal is born. An "Illinois foaled horse" also means a foal born
22 of a mare in the same year as the mare enters this State on or
23 before March 1, and remains in this State at least 30 days
24 after foaling, is bred back during the season of the foaling to
25 an Illinois Registered Stallion (unless a veterinarian
26 certifies that the mare should not be bred for health reasons),

1 and is not bred to a stallion standing in any other state
2 during the season of foaling. An "Illinois foaled horse" also
3 means a foal born in Illinois of a mare purchased at public
4 auction subsequent to the mare entering this State on or before
5 March 1 ~~prior to February 1~~ of the foaling year providing the
6 mare is owned solely by one or more Illinois residents or an
7 Illinois entity that is entirely owned by one or more Illinois
8 residents.

9 (1) The Department of Agriculture shall, by rule, with the
10 advice and assistance of the Illinois Thoroughbred Breeders
11 Fund Advisory Board:

12 (1) Qualify stallions for Illinois breeding; such
13 stallions to stand for service within the State of Illinois
14 at the time of a foal's conception. Such stallion must not
15 stand for service at any place outside the State of
16 Illinois during the calendar year in which the foal is
17 conceived. The Department of Agriculture may assess and
18 collect an application fee of up to \$500 ~~fees~~ for the
19 registration of Illinois-eligible stallions. All fees
20 collected are to be held in trust accounts for the purposes
21 set forth in this Act and in accordance with Section 205-15
22 of the Department of Agriculture Law ~~paid into the Illinois~~
23 ~~Thoroughbred Breeders Fund.~~

24 (2) Provide for the registration of Illinois conceived
25 and foaled horses and Illinois foaled horses. No such horse
26 shall compete in the races limited to Illinois conceived

1 and foaled horses or Illinois foaled horses or both unless
2 registered with the Department of Agriculture. The
3 Department of Agriculture may prescribe such forms as are
4 necessary to determine the eligibility of such horses. The
5 Department of Agriculture may assess and collect
6 application fees for the registration of Illinois-eligible
7 foals. All fees collected are to be held in trust accounts
8 for the purposes set forth in this Act and in accordance
9 with Section 205-15 of the Department of Agriculture Law
10 ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No
11 person shall knowingly prepare or cause preparation of an
12 application for registration of such foals containing
13 false information.

14 (m) The Department of Agriculture, with the advice and
15 assistance of the Illinois Thoroughbred Breeders Fund Advisory
16 Board, shall provide that certain races limited to Illinois
17 conceived and foaled and Illinois foaled horses be stakes races
18 and determine the total amount of stakes and awards to be paid
19 to the owners of the winning horses in such races.

20 In determining the stakes races and the amount of awards
21 for such races, the Department of Agriculture shall consider
22 factors, including but not limited to, the amount of money
23 appropriated for the Illinois Thoroughbred Breeders Fund
24 program, organization licensees' contributions, availability
25 of stakes caliber horses as demonstrated by past performances,
26 whether the race can be coordinated into the proposed racing

1 dates within organization licensees' racing dates, opportunity
2 for colts and fillies and various age groups to race, public
3 wagering on such races, and the previous racing schedule.

4 (n) The Board and the organizational licensee shall notify
5 the Department of the conditions and minimum purses for races
6 limited to Illinois conceived and foaled and Illinois foaled
7 horses conducted for each organizational licensee conducting a
8 thoroughbred racing meeting. The Department of Agriculture
9 with the advice and assistance of the Illinois Thoroughbred
10 Breeders Fund Advisory Board may allocate monies for purse
11 supplements for such races. In determining whether to allocate
12 money and the amount, the Department of Agriculture shall
13 consider factors, including but not limited to, the amount of
14 money appropriated for the Illinois Thoroughbred Breeders Fund
15 program, the number of races that may occur, and the
16 organizational licensee's purse structure.

17 (o) (Blank).

18 (Source: P.A. 98-692, eff. 7-1-14.)

19 (230 ILCS 5/30.5)

20 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

21 (a) The General Assembly declares that it is the policy of
22 this State to encourage the breeding of racing quarter horses
23 in this State and the ownership of such horses by residents of
24 this State in order to provide for sufficient numbers of high
25 quality racing quarter horses in this State and to establish

1 and preserve the agricultural and commercial benefits of such
2 breeding and racing industries to the State of Illinois. It is
3 the intent of the General Assembly to further this policy by
4 the provisions of this Act.

5 (b) There is hereby created non-appropriated trust ~~a~~
6 ~~special fund in the State Treasury~~ to be known as the Illinois
7 Racing Quarter Horse Breeders Fund, which is held separately
8 from State moneys. Except as provided in subsection (g) of
9 Section 27 of this Act, 8.5% of all the moneys received by the
10 State as pari-mutuel taxes on quarter horse racing shall be
11 paid into the Illinois Racing Quarter Horse Breeders Fund. The
12 Illinois Racing Quarter Horse Breeders Fund shall not be
13 subject to administrative charges or chargebacks, including,
14 but not limited to, those authorized under Section 8h of the
15 State Finance Act.

16 (c) The Illinois Racing Quarter Horse Breeders Fund shall
17 be administered by the Department of Agriculture with the
18 advice and assistance of the Advisory Board created in
19 subsection (d) of this Section.

20 (d) The Illinois Racing Quarter Horse Breeders Fund
21 Advisory Board shall consist of the Director of the Department
22 of Agriculture, who shall serve as Chairman; a member of the
23 Illinois Racing Board, designated by it; one representative of
24 the organization licensees conducting pari-mutuel quarter
25 horse racing meetings, recommended by them; 2 representatives
26 of the Illinois Running Quarter Horse Association, recommended

1 by it; and the Superintendent of Fairs and Promotions from the
2 Department of Agriculture. Advisory Board members shall serve
3 for 2 years commencing January 1 of each odd numbered year. If
4 representatives have not been recommended by January 1 of each
5 odd numbered year, the Director of the Department of
6 Agriculture may make an appointment for the organization
7 failing to so recommend a member of the Advisory Board.
8 Advisory Board members shall receive no compensation for their
9 services as members but may be reimbursed for all actual and
10 necessary expenses and disbursements incurred in the execution
11 of their official duties.

12 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
13 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
14 ~~the General Assembly. Moneys appropriated from~~ the Illinois
15 Racing Quarter Horse Breeders Fund shall be expended by the
16 Department of Agriculture, with the advice and assistance of
17 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
18 for the following purposes only:

19 (1) To provide stakes and awards to be paid to the
20 owners of the winning horses in certain races. This
21 provision is limited to Illinois conceived and foaled
22 horses.

23 (2) To provide an award to the owner or owners of an
24 Illinois conceived and foaled horse that wins a race when
25 pari-mutuel wagering is conducted; providing the race is
26 not restricted to Illinois conceived and foaled horses.

1 (3) To provide purse money for an Illinois stallion
2 stakes program.

3 (4) To provide for purses to be distributed for the
4 running of races during the Illinois State Fair and the
5 DuQuoin State Fair exclusively for quarter horses
6 conceived and foaled in Illinois.

7 (5) To provide for purses to be distributed for the
8 running of races at Illinois county fairs exclusively for
9 quarter horses conceived and foaled in Illinois.

10 (6) To provide for purses to be distributed for running
11 races exclusively for quarter horses conceived and foaled
12 in Illinois at locations in Illinois determined by the
13 Department of Agriculture with advice and consent of the
14 Illinois Racing Quarter Horse Breeders Fund Advisory
15 Board.

16 (7) No less than 90% of all moneys appropriated from
17 the Illinois Racing Quarter Horse Breeders Fund shall be
18 expended for the purposes in items (1), (2), (3), (4), and
19 (5) of this subsection (e).

20 (8) To provide for research programs concerning the
21 health, development, and care of racing quarter horses.

22 (9) To provide for dissemination of public information
23 designed to promote the breeding of racing quarter horses
24 in Illinois.

25 (10) To provide for expenses incurred in the
26 administration of the Illinois Racing Quarter Horse

1 Breeders Fund.

2 (f) The Department of Agriculture shall, by rule, with the
3 advice and assistance of the Illinois Racing Quarter Horse
4 Breeders Fund Advisory Board:

5 (1) Qualify stallions for Illinois breeding; such
6 stallions to stand for service within the State of
7 Illinois, at the time of a foal's conception. Such stallion
8 must not stand for service at any place outside the State
9 of Illinois during the calendar year in which the foal is
10 conceived. The Department of Agriculture may assess and
11 collect application fees for the registration of
12 Illinois-eligible stallions. All fees collected are to be
13 paid into the Illinois Racing Quarter Horse Breeders Fund.

14 (2) Provide for the registration of Illinois conceived
15 and foaled horses. No such horse shall compete in the races
16 limited to Illinois conceived and foaled horses unless it
17 is registered with the Department of Agriculture. The
18 Department of Agriculture may prescribe such forms as are
19 necessary to determine the eligibility of such horses. The
20 Department of Agriculture may assess and collect
21 application fees for the registration of Illinois-eligible
22 foals. All fees collected are to be paid into the Illinois
23 Racing Quarter Horse Breeders Fund. No person shall
24 knowingly prepare or cause preparation of an application
25 for registration of such foals that contains false
26 information.

1 (g) The Department of Agriculture, with the advice and
2 assistance of the Illinois Racing Quarter Horse Breeders Fund
3 Advisory Board, shall provide that certain races limited to
4 Illinois conceived and foaled be stakes races and determine the
5 total amount of stakes and awards to be paid to the owners of
6 the winning horses in such races.

7 (Source: P.A. 98-463, eff. 8-16-13.)

8 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

9 Sec. 31. (a) The General Assembly declares that it is the
10 policy of this State to encourage the breeding of standardbred
11 horses in this State and the ownership of such horses by
12 residents of this State in order to provide for: sufficient
13 numbers of high quality standardbred horses to participate in
14 harness racing meetings in this State, and to establish and
15 preserve the agricultural and commercial benefits of such
16 breeding and racing industries to the State of Illinois. It is
17 the intent of the General Assembly to further this policy by
18 the provisions of this Section of this Act.

19 (b) Each organization licensee conducting a harness racing
20 meeting pursuant to this Act shall provide for at least two
21 races each race program limited to Illinois conceived and
22 foaled horses. A minimum of 6 races shall be conducted each
23 week limited to Illinois conceived and foaled horses. No horses
24 shall be permitted to start in such races unless duly
25 registered under the rules of the Department of Agriculture.

1 (b-5) Organization licensees, not including the Illinois
2 State Fair or the DuQuoin State Fair, shall provide stake races
3 and early closer races for Illinois conceived and foaled horses
4 so that purses distributed for such races shall be no less than
5 17% of total purses distributed for harness racing in that
6 calendar year in addition to any stakes payments and starting
7 fees contributed by horse owners.

8 (b-10) Each organization licensee conducting a harness
9 racing meeting pursuant to this Act shall provide an owner
10 award to be paid from the purse account equal to 25% of the
11 amount earned by Illinois conceived and foaled horses in races
12 that are not restricted to Illinois conceived and foaled
13 horses. The owner awards shall not be paid on races below the
14 \$10,000 claiming class.

15 (c) Conditions of races under subsection (b) shall be
16 commensurate with past performance, quality and class of
17 Illinois conceived and foaled horses available. If, however,
18 sufficient competition cannot be had among horses of that class
19 on any day, the races may, with consent of the Board, be
20 eliminated for that day and substitute races provided.

21 (d) There is hereby created a special fund of the State
22 Treasury to be known as the Illinois Standardbred Breeders
23 Fund.

24 During the calendar year 1981, and each year thereafter,
25 except as provided in subsection (g) of Section 27 of this Act,
26 eight and one-half per cent of all the monies received by the

1 State as privilege taxes on harness racing meetings shall be
2 paid into the Illinois Standardbred Breeders Fund.

3 (e) The Illinois Standardbred Breeders Fund shall be
4 administered by the Department of Agriculture with the
5 assistance and advice of the Advisory Board created in
6 subsection (f) of this Section.

7 (f) The Illinois Standardbred Breeders Fund Advisory Board
8 is hereby created. The Advisory Board shall consist of the
9 Director of the Department of Agriculture, who shall serve as
10 Chairman; the Superintendent of the Illinois State Fair; a
11 member of the Illinois Racing Board, designated by it; a
12 representative of the largest association of Illinois
13 standardbred owners and breeders, recommended by it; a
14 representative of a statewide association representing
15 agricultural fairs in Illinois, recommended by it, such
16 representative to be from a fair at which Illinois conceived
17 and foaled racing is conducted; a representative of the
18 organization licensees conducting harness racing meetings,
19 recommended by them; a representative of the Breeder's
20 Committee of the association representing the largest number of
21 standardbred owners, breeders, trainers, caretakers, and
22 drivers, recommended by it; and a representative of the
23 association representing the largest number of standardbred
24 owners, breeders, trainers, caretakers, and drivers,
25 recommended by it. Advisory Board members shall serve for 2
26 years commencing January 1 of each odd numbered year. If

1 representatives of the largest association of Illinois
2 standardbred owners and breeders, a statewide association of
3 agricultural fairs in Illinois, the association representing
4 the largest number of standardbred owners, breeders, trainers,
5 caretakers, and drivers, a member of the Breeder's Committee of
6 the association representing the largest number of
7 standardbred owners, breeders, trainers, caretakers, and
8 drivers, and the organization licensees conducting harness
9 racing meetings have not been recommended by January 1 of each
10 odd numbered year, the Director of the Department of
11 Agriculture shall make an appointment for the organization
12 failing to so recommend a member of the Advisory Board.
13 Advisory Board members shall receive no compensation for their
14 services as members but shall be reimbursed for all actual and
15 necessary expenses and disbursements incurred in the execution
16 of their official duties.

17 (g) No monies shall be expended from the Illinois
18 Standardbred Breeders Fund except as appropriated by the
19 General Assembly. Monies appropriated from the Illinois
20 Standardbred Breeders Fund shall be expended by the Department
21 of Agriculture, with the assistance and advice of the Illinois
22 Standardbred Breeders Fund Advisory Board for the following
23 purposes only:

24 1. To provide purses for races limited to Illinois
25 conceived and foaled horses at the State Fair and the
26 DuQuoin State Fair.

1 2. To provide purses for races limited to Illinois
2 conceived and foaled horses at county fairs.

3 3. To provide purse supplements for races limited to
4 Illinois conceived and foaled horses conducted by
5 associations conducting harness racing meetings.

6 4. No less than 75% of all monies in the Illinois
7 Standardbred Breeders Fund shall be expended for purses in
8 1, 2 and 3 as shown above.

9 5. In the discretion of the Department of Agriculture
10 to provide awards to harness breeders of Illinois conceived
11 and foaled horses which win races conducted by organization
12 licensees conducting harness racing meetings. A breeder is
13 the owner of a mare at the time of conception. No more than
14 10% of all monies appropriated from the Illinois
15 Standardbred Breeders Fund shall be expended for such
16 harness breeders awards. No more than 25% of the amount
17 expended for harness breeders awards shall be expended for
18 expenses incurred in the administration of such harness
19 breeders awards.

20 6. To pay for the improvement of racing facilities
21 located at the State Fair and County fairs.

22 7. To pay the expenses incurred in the administration
23 of the Illinois Standardbred Breeders Fund.

24 8. To promote the sport of harness racing, including
25 grants up to a maximum of \$7,500 per fair per year for
26 conducting pari-mutuel wagering during the advertised

1 dates of a county fair.

2 9. To pay up to \$50,000 annually for the Department of
3 Agriculture to conduct drug testing at county fairs racing
4 standardbred horses.

5 10. To pay up to \$100,000 annually for distribution to
6 Illinois county fairs to supplement premiums offered in
7 junior classes.

8 11. To pay up to \$100,000 annually for division and
9 equal distribution to the animal sciences department of
10 each Illinois public university system engaged in equine
11 research and education on or before the effective date of
12 this amendatory Act of the 100th General Assembly for
13 equine research and education.

14 (h) (Blank) ~~Whenever the Governor finds that the amount in~~
15 ~~the Illinois Standardbred Breeders Fund is more than the total~~
16 ~~of the outstanding appropriations from such fund, the Governor~~
17 ~~shall notify the State Comptroller and the State Treasurer of~~
18 ~~such fact. The Comptroller and the State Treasurer, upon~~
19 ~~receipt of such notification, shall transfer such excess amount~~
20 ~~from the Illinois Standardbred Breeders Fund to the General~~
21 ~~Revenue Fund.~~

22 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
23 the gross every purse won by an Illinois conceived and foaled
24 horse shall be paid 50% by the organization licensee conducting
25 the horse race meeting to the breeder of such winning horse
26 from the organization licensee's account and 50% from the purse

1 account of the licensee ~~share of the money wagered~~. Such
2 payment shall not reduce any award to the owner of the horse or
3 reduce the taxes payable under this Act. Such payment shall be
4 delivered by the organization licensee at the end of each
5 quarter ~~race meeting~~.

6 (j) The Department of Agriculture shall, by rule, with the
7 assistance and advice of the Illinois Standardbred Breeders
8 Fund Advisory Board:

9 1. Qualify stallions for Illinois Standardbred
10 Breeders Fund breeding; ~~such stallion shall be owned by a~~
11 ~~resident of the State of Illinois or by an Illinois~~
12 ~~corporation all of whose shareholders, directors, officers~~
13 ~~and incorporators are residents of the State of Illinois.~~
14 Such stallion shall stand for service at and within the
15 State of Illinois at the time of a foal's conception, and
16 such stallion must not stand for service at any place, ~~nor~~
17 ~~may semen from such stallion be transported,~~ outside the
18 State of Illinois during that calendar year in which the
19 foal is conceived ~~and that the owner of the stallion was~~
20 ~~for the 12 months prior, a resident of Illinois.~~ Foals
21 conceived outside the State of Illinois from shipped semen
22 from a stallion qualified for breeders' awards under this
23 Section are not eligible to participate in the Illinois
24 conceived and foaled program. ~~The articles of agreement of~~
25 ~~any partnership, joint venture, limited partnership,~~
26 ~~syndicate, association or corporation and any bylaws and~~

1 ~~stock certificates must contain a restriction that~~
2 ~~provides that the ownership or transfer of interest by any~~
3 ~~one of the persons a party to the agreement can only be~~
4 ~~made to a person who qualifies as an Illinois resident.~~

5 2. Provide for the registration of Illinois conceived
6 and foaled horses and no such horse shall compete in the
7 races limited to Illinois conceived and foaled horses
8 unless registered with the Department of Agriculture. The
9 Department of Agriculture may prescribe such forms as may
10 be necessary to determine the eligibility of such horses.
11 No person shall knowingly prepare or cause preparation of
12 an application for registration of such foals containing
13 false information. A mare (dam) must be in the state at
14 least 180 ~~30~~ days prior to foaling or remain in the State
15 at least 30 days at the time of foaling. Beginning with the
16 1996 breeding season and for foals of 1997 and thereafter,
17 a foal conceived in the State of Illinois by transported
18 fresh semen may be eligible for Illinois conceived and
19 foaled registration provided all breeding and foaling
20 requirements are met. The stallion must be qualified for
21 Illinois Standardbred Breeders Fund breeding at the time of
22 conception and the mare must be inseminated within the
23 State of Illinois. The foal must be dropped in Illinois and
24 properly registered with the Department of Agriculture in
25 accordance with this Act.

26 3. Provide that at least a 5 day racing program shall

1 be conducted at the State Fair each year, which program
2 shall include at least the following races limited to
3 Illinois conceived and foaled horses: (a) a two year old
4 Trot and Pace, and Filly Division of each; (b) a three year
5 old Trot and Pace, and Filly Division of each; (c) an aged
6 Trot and Pace, and Mare Division of each.

7 4. Provide for the payment of nominating, sustaining
8 and starting fees for races promoting the sport of harness
9 racing and for the races to be conducted at the State Fair
10 as provided in subsection (j) 3 of this Section provided
11 that the nominating, sustaining and starting payment
12 required from an entrant shall not exceed 2% of the purse
13 of such race. All nominating, sustaining and starting
14 payments shall be held for the benefit of entrants and
15 shall be paid out as part of the respective purses for such
16 races. Nominating, sustaining and starting fees shall be
17 held in trust accounts for the purposes as set forth in
18 this Act and in accordance with Section 205-15 of the
19 Department of Agriculture Law (20 ILCS 205/205-15).

20 5. Provide for the registration with the Department of
21 Agriculture of Colt Associations or county fairs desiring
22 to sponsor races at county fairs.

23 6. Provide for the promotion of producing standardbred
24 racehorses by providing a bonus award program for owners of
25 2-year-old horses that win multiple major stakes races that
26 are limited to Illinois conceived and foaled horses.

1 (k) The Department of Agriculture, with the advice and
2 assistance of the Illinois Standardbred Breeders Fund Advisory
3 Board, may allocate monies for purse supplements for such
4 races. In determining whether to allocate money and the amount,
5 the Department of Agriculture shall consider factors,
6 including but not limited to, the amount of money appropriated
7 for the Illinois Standardbred Breeders Fund program, the number
8 of races that may occur, and an organizational licensee's purse
9 structure. The organizational licensee shall notify the
10 Department of Agriculture of the conditions and minimum purses
11 for races limited to Illinois conceived and foaled horses to be
12 conducted by each organizational licensee conducting a harness
13 racing meeting for which purse supplements have been
14 negotiated.

15 (l) All races held at county fairs and the State Fair which
16 receive funds from the Illinois Standardbred Breeders Fund
17 shall be conducted in accordance with the rules of the United
18 States Trotting Association unless otherwise modified by the
19 Department of Agriculture.

20 (m) At all standardbred race meetings held or conducted
21 under authority of a license granted by the Board, and at all
22 standardbred races held at county fairs which are approved by
23 the Department of Agriculture or at the Illinois or DuQuoin
24 State Fairs, no one shall jog, train, warm up or drive a
25 standardbred horse unless he or she is wearing a protective
26 safety helmet, with the chin strap fastened and in place, which

1 meets the standards and requirements as set forth in the 1984
2 Standard for Protective Headgear for Use in Harness Racing and
3 Other Equestrian Sports published by the Snell Memorial
4 Foundation, or any standards and requirements for headgear the
5 Illinois Racing Board may approve. Any other standards and
6 requirements so approved by the Board shall equal or exceed
7 those published by the Snell Memorial Foundation. Any
8 equestrian helmet bearing the Snell label shall be deemed to
9 have met those standards and requirements.

10 (Source: P.A. 99-756, eff. 8-12-16.)

11 (230 ILCS 5/32.1)

12 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
13 real estate equalization.

14 (a) In order to encourage new investment in Illinois
15 racetrack facilities and mitigate differing real estate tax
16 burdens among all racetracks, the licensees affiliated or
17 associated with each racetrack that has been awarded live
18 racing dates in the current year shall receive an immediate
19 pari-mutuel tax credit in an amount equal to the greater of (i)
20 50% of the amount of the real estate taxes paid in the prior
21 year attributable to that racetrack, or (ii) the amount by
22 which the real estate taxes paid in the prior year attributable
23 to that racetrack exceeds 60% of the average real estate taxes
24 paid in the prior year for all racetracks awarded live horse
25 racing meets in the current year.

1 Each year, regardless of whether the organization licensee
2 conducted live racing in the year of certification, the Board
3 shall certify in writing, prior to December 31, the real estate
4 taxes paid in that year for each racetrack and the amount of
5 the pari-mutuel tax credit that each organization licensee,
6 inter-track ~~intertrack~~ wagering licensee, and inter-track
7 ~~intertrack~~ wagering location licensee that derives its license
8 from such racetrack is entitled in the succeeding calendar
9 year. The real estate taxes considered under this Section for
10 any racetrack shall be those taxes on the real estate parcels
11 and related facilities used to conduct a horse race meeting and
12 inter-track wagering at such racetrack under this Act. In no
13 event shall the amount of the tax credit under this Section
14 exceed the amount of pari-mutuel taxes otherwise calculated
15 under this Act. The amount of the tax credit under this Section
16 shall be retained by each licensee and shall not be subject to
17 any reallocation or further distribution under this Act. The
18 Board may promulgate emergency rules to implement this Section.

19 (b) After the end of the 7-year period beginning on January
20 1 of the calendar year immediately following the effective date
21 of this amendatory Act of the 100th General Assembly, the
22 organization licensee shall be ineligible to receive a tax
23 credit under this Section.

24 (Source: P.A. 91-40, eff. 6-25-99; revised 9-2-16.)

1 Sec. 34.3. Drug testing. The Illinois Racing Board and the
2 Department of Agriculture shall jointly establish a program for
3 the purpose of conducting drug testing of horses at county
4 fairs and shall adopt any rules necessary for enforcement of
5 the program. The rules shall include appropriate penalties for
6 violations.

7 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

8 Sec. 36. (a) Whoever administers or conspires to administer
9 to any horse a hypnotic, narcotic, stimulant, depressant or any
10 chemical substance which may affect the speed of a horse at any
11 time in any race where the purse or any part of the purse is
12 made of money authorized by any Section of this Act, except
13 those chemical substances permitted by ruling of the Board,
14 internally, externally or by hypodermic method in a race or
15 prior thereto, or whoever knowingly enters a horse in any race
16 within a period of 24 hours after any hypnotic, narcotic,
17 stimulant, depressant or any other chemical substance which may
18 affect the speed of a horse at any time, except those chemical
19 substances permitted by ruling of the Board, has been
20 administered to such horse either internally or externally or
21 by hypodermic method for the purpose of increasing or retarding
22 the speed of such horse shall be guilty of a Class 4 felony.
23 The Board shall suspend or revoke such violator's license.

24 (b) The term "hypnotic" as used in this Section includes
25 all barbituric acid preparations and derivatives.

1 (c) The term "narcotic" as used in this Section includes
2 opium and all its alkaloids, salts, preparations and
3 derivatives, cocaine and all its salts, preparations and
4 derivatives and substitutes.

5 (d) The provisions of this Section 36 and the treatment
6 authorized herein apply to horses entered in and competing in
7 race meetings as defined in Section 3.07 of this Act and to
8 horses entered in and competing at any county fair.

9 (Source: P.A. 79-1185.)

10 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

11 Sec. 40. (a) The imposition of any fine or penalty provided
12 in this Act shall not preclude the Board in its rules and
13 regulations from imposing a fine or penalty for any other
14 action which, in the Board's discretion, is a detriment or
15 impediment to horse racing.

16 (b) The Director of Agriculture or his or her authorized
17 representative shall impose the following monetary penalties
18 and hold administrative hearings as required for failure to
19 submit the following applications, lists, or reports within the
20 time period, date or manner required by statute or rule or for
21 removing a foal from Illinois prior to inspection:

22 (1) late filing of a renewal application for offering
23 or standing stallion for service:

24 (A) if an application is submitted no more than 30
25 days late, \$50;

1 (B) if an application is submitted no more than 45
2 days late, \$150; or

3 (C) if an application is submitted more than 45
4 days late, if filing of the application is allowed
5 under an administrative hearing, \$250;

6 (2) late filing of list or report of mares bred:

7 (A) if a list or report is submitted no more than
8 30 days late, \$50;

9 (B) if a list or report is submitted no more than
10 60 days late, \$150; or

11 (C) if a list or report is submitted more than 60
12 days late, if filing of the list or report is allowed
13 under an administrative hearing, \$250;

14 (3) filing an Illinois foaled thoroughbred mare status
15 report after the statutory deadline as provided in
16 subsection (k) of Section 30 of this Act ~~December 31:~~

17 (A) if a report is submitted no more than 30 days
18 late, \$50;

19 (B) if a report is submitted no more than 90 days
20 late, \$150;

21 (C) if a report is submitted no more than 150 days
22 late, \$250; or

23 (D) if a report is submitted more than 150 days
24 late, if filing of the report is allowed under an
25 administrative hearing, \$500;

26 (4) late filing of application for foal eligibility

1 certificate:

2 (A) if an application is submitted no more than 30
3 days late, \$50;

4 (B) if an application is submitted no more than 90
5 days late, \$150;

6 (C) if an application is submitted no more than 150
7 days late, \$250; or

8 (D) if an application is submitted more than 150
9 days late, if filing of the application is allowed
10 under an administrative hearing, \$500;

11 (5) failure to report the intent to remove a foal from
12 Illinois prior to inspection, identification and
13 certification by a Department of Agriculture investigator,
14 \$50; and

15 (6) if a list or report of mares bred is incomplete,
16 \$50 per mare not included on the list or report.

17 Any person upon whom monetary penalties are imposed under
18 this Section 3 times within a 5-year ~~5-year~~ period shall have
19 any further monetary penalties imposed at double the amounts
20 set forth above. All monies assessed and collected for
21 violations relating to thoroughbreds shall be paid into the
22 Illinois Thoroughbred Breeders Fund. All monies assessed and
23 collected for violations relating to standardbreds shall be
24 paid into the Illinois Standardbred Breeders Fund.

25 (Source: P.A. 99-933, eff. 1-27-17.)

1 (230 ILCS 5/54.75)

2 Sec. 54.75. Horse Racing Equity Trust Fund.

3 (a) There is created a Fund to be known as the Horse Racing
4 Equity Trust Fund, which is a non-appropriated trust fund held
5 separate and apart from State moneys. The Fund shall consist of
6 moneys paid into it by owners licensees under the Illinois
7 ~~Riverboat~~ Gambling Act for the purposes described in this
8 Section. The Fund shall be administered by the Board. Moneys in
9 the Fund shall be distributed as directed and certified by the
10 Board in accordance with the provisions of subsection (b).

11 (b) The moneys deposited into the Fund, plus any accrued
12 interest on those moneys, shall be distributed within 10 days
13 after those moneys are deposited into the Fund as follows:

14 (1) Sixty percent of all moneys distributed under this
15 subsection shall be distributed to organization licensees
16 to be distributed at their race meetings as purses.
17 Fifty-seven percent of the amount distributed under this
18 paragraph (1) shall be distributed for thoroughbred race
19 meetings and 43% shall be distributed for standardbred race
20 meetings. Within each breed, moneys shall be allocated to
21 each organization licensee's purse fund in accordance with
22 the ratio between the purses generated for that breed by
23 that licensee during the prior calendar year and the total
24 purses generated throughout the State for that breed during
25 the prior calendar year by licensees in the current
26 calendar year.

1 (2) The remaining 40% of the moneys distributed under
2 this subsection (b) shall be distributed as follows:

3 (A) 11% shall be distributed to any person (or its
4 successors or assigns) who had operating control of a
5 racetrack that conducted live racing in 2002 at a
6 racetrack in a county with at least 230,000 inhabitants
7 that borders the Mississippi River and is a licensee in
8 the current year; and

9 (B) the remaining 89% shall be distributed pro rata
10 according to the aggregate proportion of total handle
11 from wagering on live races conducted in Illinois
12 (irrespective of where the wagers are placed) for
13 calendar years 2004 and 2005 to any person (or its
14 successors or assigns) who (i) had majority operating
15 control of a racing facility at which live racing was
16 conducted in calendar year 2002, (ii) is a licensee in
17 the current year, and (iii) is not eligible to receive
18 moneys under subparagraph (A) of this paragraph (2).

19 The moneys received by an organization licensee
20 under this paragraph (2) shall be used by each
21 organization licensee to improve, maintain, market,
22 and otherwise operate its racing facilities to conduct
23 live racing, which shall include backstretch services
24 and capital improvements related to live racing and the
25 backstretch. Any organization licensees sharing common
26 ownership may pool the moneys received and spent at all

1 racing facilities commonly owned in order to meet these
2 requirements.

3 If any person identified in this paragraph (2) becomes
4 ineligible to receive moneys from the Fund, such amount
5 shall be redistributed among the remaining persons in
6 proportion to their percentages otherwise calculated.

7 (c) The Board shall monitor organization licensees to
8 ensure that moneys paid to organization licensees under this
9 Section are distributed by the organization licensees as
10 provided in subsection (b).

11 (Source: P.A. 95-1008, eff. 12-15-08.)

12 (230 ILCS 5/56 new)

13 Sec. 56. Electronic gaming.

14 (a) A person, firm, corporation, or limited liability
15 company having operating control of a race track may apply to
16 the Gaming Board for an electronic gaming license. An
17 electronic gaming license shall authorize its holder to conduct
18 electronic gaming on the grounds of the race track controlled
19 by the licensee's race track. Only one electronic gaming
20 license may be awarded for any race track. A holder of an
21 electronic gaming license shall be subject to the Illinois
22 Gambling Act and rules of the Illinois Gaming Board concerning
23 electronic gaming. If the person, firm, corporation, or limited
24 liability company having operating control of a race track is
25 found by the Illinois Gaming Board to be unsuitable for an

1 electronic gaming license under the Illinois Gambling Act and
2 rules of the Gaming Board, that person, firm, corporation, or
3 limited liability company shall not be granted an electronic
4 gaming license. Each license shall specify the number of gaming
5 positions that its holder may operate.

6 An electronic gaming licensee may not permit persons under
7 21 years of age to be present in its electronic gaming
8 facility, but the licensee may accept wagers on live racing and
9 inter-track wagers at its electronic gaming facility.

10 (b) For purposes of this subsection, "adjusted gross
11 receipts" means an electronic gaming licensee's gross receipts
12 less winnings paid to wagerers and shall also include any
13 amounts that would otherwise be deducted pursuant to subsection
14 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted
15 gross receipts by an electronic gaming licensee from electronic
16 gaming remaining after the payment of taxes under Section 13 of
17 the Illinois Gambling Act shall be distributed as follows:

18 (1) Amounts shall be paid to the purse account at the
19 track at which the organization licensee is conducting
20 racing equal to the following:

21 12.75% of annual adjusted gross receipts up to and
22 including \$75,000,000;

23 20% of annual adjusted gross receipts in excess of
24 \$75,000,000 but not exceeding \$100,000,000;

25 26.5% of annual adjusted gross receipts in excess
26 of \$100,000,000 but not exceeding \$125,000,000; and

1 20.5% of annual adjusted gross receipts in excess
2 of \$125,000,000.

3 (2) The remainder shall be retained by the electronic
4 gaming licensee.

5 (c) Electronic gaming receipts placed into the purse
6 account of an organization licensee racing thoroughbred horses
7 shall be used for purses, for health care services or worker's
8 compensation for racing industry workers, for equine research,
9 for programs to care for and transition injured and retired
10 thoroughbred horses that race at the race track, or for horse
11 ownership promotion, in accordance with the agreement of the
12 horsemen's association representing the largest number of
13 owners and trainers who race at that organization licensee's
14 race meetings.

15 Annually, from the purse account of an organization
16 licensee racing thoroughbred horses in this State, except for
17 in Madison County, an amount equal to 12% of the electronic
18 gaming receipts placed into the purse accounts shall be paid to
19 the Illinois Thoroughbred Breeders Fund and shall be used for
20 owner awards; a stallion program pursuant to paragraph (3) of
21 subsection (g) of Section 30 of this Act; and Illinois
22 conceived and foaled stakes races pursuant to paragraph (2) of
23 subsection (g) of Section 30 of this Act, as specifically
24 designated by the horsemen's association representing the
25 largest number of owners and trainers who race at the
26 organization licensee's race meetings.

1 Annually, from the purse account of an organization
2 licensee racing thoroughbred horses in Madison County, an
3 amount equal to 10% of the electronic gaming receipts placed
4 into the purse accounts shall be paid to the Illinois
5 Thoroughbred Breeders Fund and shall be used for owner awards;
6 a stallion program pursuant to paragraph (3) of subsection (g)
7 of Section 30 of this Act; and Illinois conceived and foaled
8 stakes races pursuant to paragraph (2) of subsection (g) of
9 Section 30 of this Act, as specifically designated by the
10 horsemen's association representing the largest number of
11 owners and trainers who race at the organization licensee's
12 race meetings.

13 Annually, from the purse account of an organization
14 licensee conducting thoroughbred races at a race track in
15 Madison County, an amount equal to 1% of the electronic gaming
16 receipts distributed to purses per subsection (b) of this
17 Section 56 shall be paid as follows: 0.33 1/3% to Southern
18 Illinois University Department of Animal Sciences for equine
19 research and education, an amount equal to 0.33 1/3% of the
20 electronic gaming receipts shall be used to operate laundry
21 facilities or a kitchen for backstretch workers at that race
22 track, and an amount equal to 0.33 1/3% of the electronic
23 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
24 non-profit organization that cares for injured and unwanted
25 horses that race at that race track.

26 Annually, from the purse account of organization licensees

1 conducting thoroughbred races at race tracks in Cook County,
2 \$100,000 shall be paid for division and equal distribution to
3 the animal sciences department of each Illinois public
4 university system engaged in equine research and education on
5 or before the effective date of this amendatory Act of the
6 100th General Assembly for equine research and education.

7 (d) Annually, from the purse account of an organization
8 licensee racing standardbred horses, an amount equal to 15% of
9 the electronic gaming receipts placed into that purse account
10 shall be paid to the Illinois Colt Stakes Purse Distribution
11 Fund. Moneys deposited into the Illinois Colt Stakes Purse
12 Distribution Fund shall be used for standardbred racing as
13 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of
14 subsection (g) of Section 31 of this Act and for bonus awards
15 as authorized under paragraph 6 of subsection (j) of Section 31
16 of this Act.

17 Section 90-40. The Riverboat Gambling Act is amended by
18 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
19 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
20 and 24 and by adding Sections 5.3, 7.7, 7.8, 7.9, 7.10, 7.11,
21 7.12, and 7.13 as follows:

22 (230 ILCS 10/1) (from Ch. 120, par. 2401)

23 Sec. 1. Short title. This Act shall be known and may be
24 cited as the Illinois ~~Riverboat~~ Gambling Act.

1 (Source: P.A. 86-1029.)

2 (230 ILCS 10/2) (from Ch. 120, par. 2402)

3 Sec. 2. Legislative Intent.

4 (a) This Act is intended to benefit the people of the State
5 of Illinois by assisting economic development, ~~and~~ promoting
6 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues
7 available to the State to assist and support education, and to
8 defray State expenses, including unpaid bills.

9 (b) While authorization of riverboat and casino gambling
10 will enhance investment, beautification, development and
11 tourism in Illinois, it is recognized that it will do so
12 successfully only if public confidence and trust in the
13 credibility and integrity of the gambling operations and the
14 regulatory process is maintained. Therefore, regulatory
15 provisions of this Act are designed to strictly regulate the
16 facilities, persons, associations and practices related to
17 gambling operations pursuant to the police powers of the State,
18 including comprehensive law enforcement supervision.

19 (c) The Illinois Gaming Board established under this Act
20 should, as soon as possible, inform each applicant for an
21 owners license of the Board's intent to grant or deny a
22 license.

23 (Source: P.A. 93-28, eff. 6-20-03.)

24 (230 ILCS 10/3) (from Ch. 120, par. 2403)

1 Sec. 3. ~~Riverboat~~ Gambling Authorized.

2 (a) Riverboat and casino gambling operations and
3 electronic gaming operations ~~and the system of wagering~~
4 ~~incorporated therein~~, as defined in this Act, are hereby
5 authorized to the extent that they are carried out in
6 accordance with the provisions of this Act.

7 (b) This Act does not apply to the pari-mutuel system of
8 wagering used or intended to be used in connection with the
9 horse-race meetings as authorized under the Illinois Horse
10 Racing Act of 1975, lottery games authorized under the Illinois
11 Lottery Law, bingo authorized under the Bingo License and Tax
12 Act, charitable games authorized under the Charitable Games Act
13 or pull tabs and jar games conducted under the Illinois Pull
14 Tabs and Jar Games Act. This Act applies to electronic gaming
15 authorized under the Illinois Horse Racing Act of 1975 to the
16 extent provided in that Act and in this Act.

17 (c) Riverboat gambling conducted pursuant to this Act may
18 be authorized upon any water within the State of Illinois or
19 any water other than Lake Michigan which constitutes a boundary
20 of the State of Illinois. Notwithstanding any provision in this
21 subsection (c) to the contrary, a licensee that receives its
22 license pursuant to subsection (e-5) of Section 7 may conduct
23 riverboat gambling on Lake Michigan from a home dock located on
24 Lake Michigan subject to any limitations contained in Section
25 7. Notwithstanding any provision in this subsection (c) to the
26 contrary, a licensee may conduct gambling at its home dock

1 facility as provided in Sections 7 and 11. A licensee may
2 conduct riverboat gambling authorized under this Act
3 regardless of whether it conducts excursion cruises. A licensee
4 may permit the continuous ingress and egress of passengers for
5 the purpose of gambling.

6 (d) Gambling that is conducted in accordance with this Act
7 using slot machines and video games of chance and other
8 electronic gambling games as defined in both this Act and the
9 Illinois Horse Racing Act of 1975 is authorized.

10 (Source: P.A. 91-40, eff. 6-25-99.)

11 (230 ILCS 10/4) (from Ch. 120, par. 2404)

12 Sec. 4. Definitions. As used in this Act:

13 ~~(a)~~ "Board" means the Illinois Gaming Board.

14 ~~(b)~~ "Occupational license" means a license issued by the
15 Board to a person or entity to perform an occupation which the
16 Board has identified as requiring a license to engage in
17 riverboat gambling, casino gambling, or electronic gaming in
18 Illinois.

19 ~~(c)~~ "Gambling game" includes, but is not limited to,
20 baccarat, twenty-one, poker, craps, slot machine, video game of
21 chance, roulette wheel, klondike table, punchboard, faro
22 layout, keno layout, numbers ticket, push card, jar ticket, or
23 pull tab which is authorized by the Board as a wagering device
24 under this Act.

25 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a

1 permanently moored barge, or permanently moored barges that are
2 permanently fixed together to operate as one vessel, on which
3 lawful gambling is authorized and licensed as provided in this
4 Act.

5 "Slot machine" means any mechanical, electrical, or other
6 device, contrivance, or machine that is authorized by the Board
7 as a wagering device under this Act which, upon insertion of a
8 coin, currency, token, or similar object therein, or upon
9 payment of any consideration whatsoever, is available to play
10 or operate, the play or operation of which may deliver or
11 entitle the person playing or operating the machine to receive
12 cash, premiums, merchandise, tokens, or anything of value
13 whatsoever, whether the payoff is made automatically from the
14 machine or in any other manner whatsoever. A slot machine:

15 (1) may utilize spinning reels or video displays or
16 both;

17 (2) may or may not dispense coins, tickets, or tokens
18 to winning patrons;

19 (3) may use an electronic credit system for receiving
20 wagers and making payouts; and

21 (4) may simulate a table game.

22 "Slot machine" does not include table games authorized by
23 the Board as a wagering device under this Act.

24 ~~(e)~~ "Managers license" means a license issued by the Board
25 to a person or entity to manage gambling operations conducted
26 by the State pursuant to Section 7.3.

1 ~~(f)~~ "Dock" means the location where a riverboat moors for
2 the purpose of embarking passengers for and disembarking
3 passengers from the riverboat.

4 ~~(g)~~ "Gross receipts" means the total amount of money
5 exchanged for the purchase of chips, tokens, or electronic
6 cards by riverboat patrons.

7 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
8 winnings paid to wagerers.

9 ~~(i)~~ "Cheat" means to alter the selection of criteria which
10 determine the result of a gambling game or the amount or
11 frequency of payment in a gambling game.

12 ~~(j)~~ ~~(Blank)~~.

13 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
14 gambling games authorized under this Act upon a riverboat or in
15 a casino or authorized under this Act and the Illinois Horse
16 Racing Act of 1975 at an electronic gaming facility.

17 ~~(l)~~ "License bid" means the lump sum amount of money that
18 an applicant bids and agrees to pay the State in return for an
19 owners license that is issued or re-issued on or after July 1,
20 2003.

21 "Table game" means a live gaming apparatus upon which
22 gaming is conducted or that determines an outcome that is the
23 object of a wager, including, but not limited to, baccarat,
24 twenty-one, blackjack, poker, craps, roulette wheel, klondike
25 table, punchboard, faro layout, keno layout, numbers ticket,
26 push card, jar ticket, pull tab, or other similar games that

1 are authorized by the Board as a wagering device under this
2 Act. "Table game" does not include slot machines or video games
3 of chance.

4 ~~(m)~~ The terms "minority person", "female", and "person with
5 a disability" shall have the same meaning as defined in Section
6 2 of the Business Enterprise for Minorities, Females, and
7 Persons with Disabilities Act.

8 "Authority" means the Chicago Casino Development
9 Authority.

10 "Casino" means a facility at which lawful gambling is
11 authorized as provided in this Act.

12 "Owners license" means a license to conduct riverboat or
13 casino gambling operations, but does not include an electronic
14 gaming license.

15 "Licensed owner" means a person who holds an owners
16 license.

17 "Electronic gaming" means slot machine gambling or
18 gambling with table games positioned within an electronic
19 gaming facility as defined in the Illinois Gambling Act, as
20 defined in this Act, or defined by the Board that is conducted
21 at a race track pursuant to an electronic gaming license.

22 "Electronic gaming facility" means the area where the Board
23 has authorized electronic gaming at a race track of an
24 organization licensee under the Illinois Horse Racing Act of
25 1975 that holds an electronic gaming license.

26 "Electronic gaming license" means a license issued by the

1 Board under Section 7.7 of this Act authorizing electronic
2 gaming at an electronic gaming facility.

3 "Electronic gaming licensee" means an entity that holds an
4 electronic gaming license.

5 "Organization licensee" means an entity authorized by the
6 Illinois Racing Board to conduct pari-mutuel wagering in
7 accordance with the Illinois Horse Racing Act of 1975. With
8 respect only to electronic gaming, "organization licensee"
9 includes the authorization for electronic gaming created under
10 subsection (a) of Section 56 of the Illinois Horse Racing Act
11 of 1975.

12 "Casino operator license" means the license held by the
13 person or entity selected by the Authority to manage and
14 operate a riverboat or casino within the geographic area of the
15 authorized municipality pursuant to this Act and the Chicago
16 Casino Development Authority Act.

17 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

18 (230 ILCS 10/5) (from Ch. 120, par. 2405)

19 Sec. 5. Gaming Board.

20 (a) (1) There is hereby established the Illinois Gaming
21 Board, which shall have the powers and duties specified in this
22 Act and in the Chicago Casino Development Authority Act, and
23 all other powers necessary and proper to fully and effectively
24 execute this Act for the purpose of administering, regulating,
25 and enforcing the system of riverboat and casino gambling and

1 electronic gaming established by this Act and by the Chicago
2 Casino Development Authority Act. Its jurisdiction shall
3 extend under this Act and the Chicago Casino Development
4 Authority Act to every person, association, corporation,
5 partnership and trust involved in riverboat and casino gambling
6 operations and electronic gaming in the State of Illinois.

7 (2) The Board shall consist of 5 members to be appointed by
8 the Governor with the advice and consent of the Senate, one of
9 whom shall be designated by the Governor to be chairperson
10 ~~chairman~~. Each member shall have a reasonable knowledge of the
11 practice, procedure and principles of gambling operations.
12 Each member shall either be a resident of Illinois or shall
13 certify that he or she will become a resident of Illinois
14 before taking office.

15 On and after the effective date of this amendatory Act of
16 the 100th General Assembly, new appointees to the Board must
17 include the following:

18 (A) One member who has received, at a minimum, a
19 bachelor's degree from an accredited school and at least 10
20 years of verifiable training and experience in the fields
21 of investigation and law enforcement.

22 (B) One member who is a certified public accountant
23 with experience in auditing and with knowledge of complex
24 corporate structures and transactions.

25 (C) One member who has 5 years' experience as a
26 principal, senior officer, or director of a company or

1 business with either material responsibility for the daily
2 operations and management of the overall company or
3 business or material responsibility for the policy making
4 of the company or business.

5 (D) One member who is a lawyer licensed to practice law
6 in Illinois.

7 Notwithstanding any provision of this subsection (a), the
8 requirements of subparagraphs (A) through (D) of this paragraph
9 (2) shall not apply to any person reappointed pursuant to
10 paragraph (3).

11 No more than 3 members of the Board may be from the same
12 political party. The Board should reflect the ethnic, cultural,
13 and geographic diversity of the State. No Board member shall,
14 within a period of one year immediately preceding nomination,
15 have been employed or received compensation or fees for
16 services from a person or entity, or its parent or affiliate,
17 that has engaged in business with the Board, a licensee, or a
18 licensee under the Illinois Horse Racing Act of 1975. Board
19 members must publicly disclose all prior affiliations with
20 gaming interests, including any compensation, fees, bonuses,
21 salaries, and other reimbursement received from a person or
22 entity, or its parent or affiliate, that has engaged in
23 business with the Board, a licensee, or a licensee under the
24 Illinois Horse Racing Act of 1975. This disclosure must be made
25 within 30 days after nomination but prior to confirmation by
26 the Senate and must be made available to the members of the

1 ~~Senate. At least one member shall be experienced in law~~
2 ~~enforcement and criminal investigation, at least one member~~
3 ~~shall be a certified public accountant experienced in~~
4 ~~accounting and auditing, and at least one member shall be a~~
5 ~~lawyer licensed to practice law in Illinois.~~

6 (3) The terms of office of the Board members shall be 3
7 years, except that the terms of office of the initial Board
8 members appointed pursuant to this Act will commence from the
9 effective date of this Act and run as follows: one for a term
10 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
11 a term ending July 1, 1993. Upon the expiration of the
12 foregoing terms, the successors of such members shall serve a
13 term for 3 years and until their successors are appointed and
14 qualified for like terms. Vacancies in the Board shall be
15 filled for the unexpired term in like manner as original
16 appointments. Each member of the Board shall be eligible for
17 reappointment at the discretion of the Governor with the advice
18 and consent of the Senate.

19 (4) Each member of the Board shall receive \$300 for each
20 day the Board meets and for each day the member conducts any
21 hearing pursuant to this Act. Each member of the Board shall
22 also be reimbursed for all actual and necessary expenses and
23 disbursements incurred in the execution of official duties.

24 (5) No person shall be appointed a member of the Board or
25 continue to be a member of the Board who is, or whose spouse,
26 child or parent is, a member of the board of directors of, or a

1 person financially interested in, any gambling operation
2 subject to the jurisdiction of this Board, or any race track,
3 race meeting, racing association or the operations thereof
4 subject to the jurisdiction of the Illinois Racing Board. No
5 Board member shall hold any other public office. No person
6 shall be a member of the Board who is not of good moral
7 character or who has been convicted of, or is under indictment
8 for, a felony under the laws of Illinois or any other state, or
9 the United States.

10 (5.5) No member of the Board shall engage in any political
11 activity. For the purposes of this Section, "political" means
12 any activity in support of or in connection with any campaign
13 for federal, State, or local elective office or any political
14 organization, but does not include activities (i) relating to
15 the support or opposition of any executive, legislative, or
16 administrative action (as those terms are defined in Section 2
17 of the Lobbyist Registration Act), (ii) relating to collective
18 bargaining, or (iii) that are otherwise in furtherance of the
19 person's official State duties or governmental and public
20 service functions.

21 (6) Any member of the Board may be removed by the Governor
22 for neglect of duty, misfeasance, malfeasance, or nonfeasance
23 in office or for engaging in any political activity.

24 (7) Before entering upon the discharge of the duties of his
25 office, each member of the Board shall take an oath that he
26 will faithfully execute the duties of his office according to

1 the laws of the State and the rules and regulations adopted
2 therewith and shall give bond to the State of Illinois,
3 approved by the Governor, in the sum of \$25,000. Every such
4 bond, when duly executed and approved, shall be recorded in the
5 office of the Secretary of State. Whenever the Governor
6 determines that the bond of any member of the Board has become
7 or is likely to become invalid or insufficient, he shall
8 require such member forthwith to renew his bond, which is to be
9 approved by the Governor. Any member of the Board who fails to
10 take oath and give bond within 30 days from the date of his
11 appointment, or who fails to renew his bond within 30 days
12 after it is demanded by the Governor, shall be guilty of
13 neglect of duty and may be removed by the Governor. The cost of
14 any bond given by any member of the Board under this Section
15 shall be taken to be a part of the necessary expenses of the
16 Board.

17 (7.5) For the examination of all mechanical,
18 electromechanical, or electronic table games, slot machines,
19 slot accounting systems, and other electronic gaming equipment
20 for compliance with this Act, the Board may utilize the
21 services of one or more independent outside testing
22 laboratories that have been accredited by a national
23 accreditation body and that, in the judgment of the Board, are
24 qualified to perform such examinations.

25 (8) The Board shall employ such personnel as may be
26 necessary to carry out its functions and shall determine the

1 salaries of all personnel, except those personnel whose
2 salaries are determined under the terms of a collective
3 bargaining agreement. No person shall be employed to serve the
4 Board who is, or whose spouse, parent or child is, an official
5 of, or has a financial interest in or financial relation with,
6 any operator engaged in gambling operations within this State
7 or any organization engaged in conducting horse racing within
8 this State. For the one year immediately preceding employment,
9 an employee shall not have been employed or received
10 compensation or fees for services from a person or entity, or
11 its parent or affiliate, that has engaged in business with the
12 Board, a licensee, or a licensee under the Illinois Horse
13 Racing Act of 1975. Any employee violating these prohibitions
14 shall be subject to termination of employment. In addition, all
15 Board members and employees are subject to the restrictions set
16 forth in Section 5-45 of the State Officials and Employees
17 Ethics Act.

18 (9) An Administrator shall perform any and all duties that
19 the Board shall assign him. The salary of the Administrator
20 shall be determined by the Board and, in addition, he shall be
21 reimbursed for all actual and necessary expenses incurred by
22 him in discharge of his official duties. The Administrator
23 shall keep records of all proceedings of the Board and shall
24 preserve all records, books, documents and other papers
25 belonging to the Board or entrusted to its care. The
26 Administrator shall devote his full time to the duties of the

1 office and shall not hold any other office or employment.

2 (b) The Board shall have general responsibility for the
3 implementation of this Act. Its duties include, without
4 limitation, the following:

5 (1) To decide promptly and in reasonable order all
6 license applications. Any party aggrieved by an action of
7 the Board denying, suspending, revoking, restricting or
8 refusing to renew a license may request a hearing before
9 the Board. A request for a hearing must be made to the
10 Board in writing within 5 days after service of notice of
11 the action of the Board. Notice of the action of the Board
12 shall be served either by personal delivery or by certified
13 mail, postage prepaid, to the aggrieved party. Notice
14 served by certified mail shall be deemed complete on the
15 business day following the date of such mailing. The Board
16 shall conduct all requested hearings promptly and in
17 reasonable order;

18 (2) To conduct all hearings pertaining to civil
19 violations of this Act or rules and regulations promulgated
20 hereunder;

21 (3) To promulgate such rules and regulations as in its
22 judgment may be necessary to protect or enhance the
23 credibility and integrity of gambling operations
24 authorized by this Act and the regulatory process
25 hereunder;

26 (4) To provide for the establishment and collection of

1 all license and registration fees and taxes imposed by this
2 Act and the rules and regulations issued pursuant hereto.
3 All such fees and taxes shall be deposited into the State
4 Gaming Fund;

5 (5) To provide for the levy and collection of penalties
6 and fines for the violation of provisions of this Act and
7 the rules and regulations promulgated hereunder. All such
8 fines and penalties shall be deposited into the Education
9 Assistance Fund, created by Public Act 86-0018, of the
10 State of Illinois;

11 (6) To be present through its inspectors and agents any
12 time gambling operations are conducted on any riverboat, in
13 any casino, or at any electronic gaming facility for the
14 purpose of certifying the revenue thereof, receiving
15 complaints from the public, and conducting such other
16 investigations into the conduct of the gambling games and
17 the maintenance of the equipment as from time to time the
18 Board may deem necessary and proper;

19 (7) To review and rule upon any complaint by a licensee
20 regarding any investigative procedures of the State which
21 are unnecessarily disruptive of gambling operations. The
22 need to inspect and investigate shall be presumed at all
23 times. The disruption of a licensee's operations shall be
24 proved by clear and convincing evidence, and establish
25 that: (A) the procedures had no reasonable law enforcement
26 purposes, and (B) the procedures were so disruptive as to

1 unreasonably inhibit gambling operations;

2 (8) To hold at least one meeting each quarter of the
3 fiscal year. In addition, special meetings may be called by
4 the Chairman or any 2 Board members upon 72 hours written
5 notice to each member. All Board meetings shall be subject
6 to the Open Meetings Act. Three members of the Board shall
7 constitute a quorum, and 3 votes shall be required for any
8 final determination by the Board. The Board shall keep a
9 complete and accurate record of all its meetings. A
10 majority of the members of the Board shall constitute a
11 quorum for the transaction of any business, for the
12 performance of any duty, or for the exercise of any power
13 which this Act requires the Board members to transact,
14 perform or exercise en banc, except that, upon order of the
15 Board, one of the Board members or an administrative law
16 judge designated by the Board may conduct any hearing
17 provided for under this Act or by Board rule and may
18 recommend findings and decisions to the Board. The Board
19 member or administrative law judge conducting such hearing
20 shall have all powers and rights granted to the Board in
21 this Act. The record made at the time of the hearing shall
22 be reviewed by the Board, or a majority thereof, and the
23 findings and decision of the majority of the Board shall
24 constitute the order of the Board in such case;

25 (9) To maintain records which are separate and distinct
26 from the records of any other State board or commission.

1 Such records shall be available for public inspection and
2 shall accurately reflect all Board proceedings;

3 (10) To file a written annual report with the Governor
4 on or before March 1 each year and such additional reports
5 as the Governor may request. The annual report shall
6 include a statement of receipts and disbursements by the
7 Board, actions taken by the Board, and any additional
8 information and recommendations which the Board may deem
9 valuable or which the Governor may request;

10 (11) (Blank);

11 (12) (Blank);

12 (13) To assume responsibility for administration and
13 enforcement of the Video Gaming Act; ~~and~~

14 (13.1) To assume responsibility for the administration
15 and enforcement of operations at electronic gaming
16 facilities pursuant to this Act and the Illinois Horse
17 Racing Act of 1975;

18 (13.2) To assume responsibility for the administration
19 and enforcement of gambling operations at the Chicago
20 Casino Development Authority's casino pursuant to this Act
21 and the Chicago Casino Development Authority Act; and

22 (14) To adopt, by rule, a code of conduct governing
23 Board members and employees that ensure, to the maximum
24 extent possible, that persons subject to this Code avoid
25 situations, relationships, or associations that may
26 represent or lead to a conflict of interest.

1 Internal controls and changes submitted by licensees must
2 be reviewed and either approved or denied with cause within 90
3 days after receipt of submission is deemed final by the
4 Illinois Gaming Board. In the event an internal control
5 submission or change does not meet the standards set by the
6 Board, staff of the Board must provide technical assistance to
7 the licensee to rectify such deficiencies within 90 days after
8 the initial submission and the revised submission must be
9 reviewed and approved or denied with cause within 90 days after
10 the date the revised submission is deemed final by the Board.
11 For the purposes of this paragraph, "with cause" means that the
12 approval of the submission would jeopardize the integrity of
13 gaming. In the event the Board staff has not acted within the
14 timeframe, the submission shall be deemed approved.

15 (c) The Board shall have jurisdiction over and shall
16 supervise all gambling operations governed by this Act and the
17 Chicago Casino Development Authority Act. The Board shall have
18 all powers necessary and proper to fully and effectively
19 execute the provisions of this Act and the Chicago Casino
20 Development Authority Act, including, but not limited to, the
21 following:

22 (1) To investigate applicants and determine the
23 eligibility of applicants for licenses and to select among
24 competing applicants the applicants which best serve the
25 interests of the citizens of Illinois.

26 (2) To have jurisdiction and supervision over all

1 ~~riverboat~~ gambling operations authorized under this Act
2 and the Chicago Casino Development Authority Act ~~in this~~
3 ~~State~~ and all persons in places ~~on riverboats~~ where
4 gambling operations are conducted.

5 (3) To promulgate rules and regulations for the purpose
6 of administering the provisions of this Act and the Chicago
7 Casino Development Authority Act and to prescribe rules,
8 regulations and conditions under which all ~~riverboat~~
9 gambling operations subject to this Act and the Chicago
10 Casino Development Authority Act ~~in the State~~ shall be
11 conducted. Such rules and regulations are to provide for
12 the prevention of practices detrimental to the public
13 interest and for the best interests of ~~riverboat~~ gambling,
14 including rules and regulations regarding the inspection
15 of electronic gaming facilities, casinos, and such
16 riverboats, and the review of any permits or licenses
17 necessary to operate a riverboat, casino, or electronic
18 gaming facilities under any laws or regulations applicable
19 to riverboats, casinos, or electronic gaming facilities
20 and to impose penalties for violations thereof.

21 (4) To enter the office, riverboats, casinos,
22 electronic gaming facilities, and other facilities, or
23 other places of business of a licensee, where evidence of
24 the compliance or noncompliance with the provisions of this
25 Act and the Chicago Casino Development Authority Act is
26 likely to be found.

1 (5) To investigate alleged violations of this Act, the
2 Chicago Casino Development Authority Act, or the rules of
3 the Board and to take appropriate disciplinary action
4 against a licensee or a holder of an occupational license
5 for a violation, or institute appropriate legal action for
6 enforcement, or both.

7 (6) To adopt standards for the licensing of all persons
8 and entities under this Act and the Chicago Casino
9 Development Authority Act, as well as for electronic or
10 mechanical gambling games, and to establish fees for such
11 licenses.

12 (7) To adopt appropriate standards for all electronic
13 gaming facilities, riverboats, casinos, and other
14 facilities authorized under this Act and the Chicago Casino
15 Development Authority Act.

16 (8) To require that the records, including financial or
17 other statements of any licensee under this Act and the
18 Chicago Casino Development Authority Act, shall be kept in
19 such manner as prescribed by the Board and that any such
20 licensee involved in the ownership or management of
21 gambling operations submit to the Board an annual balance
22 sheet and profit and loss statement, list of the
23 stockholders or other persons having a 1% or greater
24 beneficial interest in the gambling activities of each
25 licensee, and any other information the Board deems
26 necessary in order to effectively administer this Act and

1 the Chicago Casino Development Authority Act and all rules,
2 regulations, orders and final decisions promulgated under
3 this Act and the Chicago Casino Development Authority Act.

4 (9) To conduct hearings, issue subpoenas for the
5 attendance of witnesses and subpoenas duces tecum for the
6 production of books, records and other pertinent documents
7 in accordance with the Illinois Administrative Procedure
8 Act, and to administer oaths and affirmations to the
9 witnesses, when, in the judgment of the Board, it is
10 necessary to administer or enforce this Act, the Chicago
11 Casino Development Authority Act, or the Board rules.

12 (10) To prescribe a form to be used by any licensee
13 involved in the ownership or management of gambling
14 operations as an application for employment for their
15 employees.

16 (11) To revoke or suspend licenses, other than the
17 license issued to the Chicago Casino Development
18 Authority, as the Board may see fit and in compliance with
19 applicable laws of the State regarding administrative
20 procedures, and to review applications for the renewal of
21 licenses. The Board may suspend an owners license (other
22 than the license issued to the Chicago Casino Development
23 Authority), electronic gaming license, or casino operator
24 license, without notice or hearing upon a determination
25 that the safety or health of patrons or employees is
26 jeopardized by continuing a gambling operation conducted

1 under that license ~~riverboat's operation~~. The suspension
2 may remain in effect until the Board determines that the
3 cause for suspension has been abated. The Board may revoke
4 an ~~the~~ owners license (other than the license issued to the
5 Chicago Casino Development Authority), electronic gaming
6 license, or casino operator license upon a determination
7 that the licensee ~~owner~~ has not made satisfactory progress
8 toward abating the hazard.

9 (12) To eject or exclude or authorize the ejection or
10 exclusion of, any person from ~~riverboat~~ gambling
11 facilities where that ~~such~~ person is in violation of this
12 Act or the Chicago Casino Development Authority Act, rules
13 and regulations thereunder, or final orders of the Board,
14 or where such person's conduct or reputation is such that
15 his or her presence within the ~~riverboat~~ gambling
16 facilities may, in the opinion of the Board, call into
17 question the honesty and integrity of the gambling
18 operations or interfere with the orderly conduct thereof;
19 provided that the propriety of such ejection or exclusion
20 is subject to subsequent hearing by the Board.

21 (13) To require all licensees of gambling operations to
22 utilize a cashless wagering system whereby all players'
23 money is converted to tokens, electronic cards, or chips
24 which shall be used only for wagering in the gambling
25 establishment.

26 (14) (Blank).

1 (15) To suspend, revoke or restrict licenses, other
2 than the license issued to the Chicago Casino Development
3 Authority, to require the removal of a licensee or an
4 employee of a licensee for a violation of this Act, the
5 Chicago Casino Development Authority Act, or a Board rule
6 or for engaging in a fraudulent practice, and to impose
7 civil penalties of up to \$5,000 against individuals and up
8 to \$10,000 or an amount equal to the daily gross receipts,
9 whichever is larger, against licensees for each violation
10 of any provision of the Act, the Chicago Casino Development
11 Authority Act, any rules adopted by the Board, any order of
12 the Board or any other action which, in the Board's
13 discretion, is a detriment or impediment to ~~riverboat~~
14 gambling operations.

15 (16) To hire employees to gather information, conduct
16 investigations and carry out any other tasks contemplated
17 under this Act or the Chicago Casino Development Authority
18 Act.

19 (17) To establish minimum levels of insurance to be
20 maintained by licensees.

21 (18) To authorize a licensee to sell or serve alcoholic
22 liquors, wine or beer as defined in the Liquor Control Act
23 of 1934 on board a riverboat or in a casino and to have
24 exclusive authority to establish the hours for sale and
25 consumption of alcoholic liquor on board a riverboat or in
26 a casino, notwithstanding any provision of the Liquor

1 Control Act of 1934 or any local ordinance, and regardless
2 of whether the riverboat makes excursions. The
3 establishment of the hours for sale and consumption of
4 alcoholic liquor on board a riverboat or in a casino is an
5 exclusive power and function of the State. A home rule unit
6 may not establish the hours for sale and consumption of
7 alcoholic liquor on board a riverboat or in a casino. This
8 subdivision (18) amendatory Act of 1991 is a denial and
9 limitation of home rule powers and functions under
10 subsection (h) of Section 6 of Article VII of the Illinois
11 Constitution.

12 (19) After consultation with the U.S. Army Corps of
13 Engineers, to establish binding emergency orders upon the
14 concurrence of a majority of the members of the Board
15 regarding the navigability of water, relative to
16 excursions, in the event of extreme weather conditions,
17 acts of God or other extreme circumstances.

18 (20) To delegate the execution of any of its powers
19 under this Act or the Chicago Casino Development Authority
20 Act for the purpose of administering and enforcing this
21 Act, the Chicago Casino Development Authority Act, and the
22 its rules adopted by the Board under both Acts and
23 regulations hereunder.

24 (20.5) To approve any contract entered into on its
25 behalf.

26 (20.6) To appoint investigators to conduct

1 investigations, searches, seizures, arrests, and other
2 duties imposed under this Act, as deemed necessary by the
3 Board. These investigators have and may exercise all of the
4 rights and powers of peace officers, provided that these
5 powers shall be limited to offenses or violations occurring
6 or committed in a casino, in an electronic gaming facility,
7 or on a riverboat or dock, as defined in subsections (d)
8 and (f) of Section 4, or as otherwise provided by this Act, the Chicago Casino Development Authority Act, or any other
9 law.
10

11 (20.7) To contract with the Department of State Police
12 for the use of trained and qualified State police officers
13 and with the Department of Revenue for the use of trained
14 and qualified Department of Revenue investigators to
15 conduct investigations, searches, seizures, arrests, and
16 other duties imposed under this Act or the Chicago Casino
17 Development Authority Act and to exercise all of the rights
18 and powers of peace officers, provided that the powers of
19 Department of Revenue investigators under this subdivision
20 (20.7) shall be limited to offenses or violations occurring
21 or committed in a casino, in an electronic gaming facility,
22 or on a riverboat or dock, as defined in subsections (d)
23 and (f) of Section 4, or as otherwise provided by this Act
24 or any other law. In the event the Department of State
25 Police or the Department of Revenue is unable to fill
26 contracted police or investigative positions, the Board

1 may appoint investigators to fill those positions pursuant
2 to subdivision (20.6).

3 (21) To adopt rules concerning the conduct of
4 electronic gaming.

5 (22) To have the same jurisdiction and supervision over
6 casinos and electronic gaming facilities as the Board has
7 over riverboats, including, but not limited to, the power
8 to (i) investigate, review, and approve contracts as that
9 power is applied to riverboats, (ii) adopt rules for
10 administering the provisions of this Act or the Chicago
11 Casino Development Authority Act, (iii) adopt standards
12 for the licensing of all persons involved with a casino or
13 electronic gaming facility, (iv) investigate alleged
14 violations of this Act by any person involved with a casino
15 or electronic gaming facility, and (v) require that
16 records, including financial or other statements of any
17 casino or electronic gaming facility, shall be kept in such
18 manner as prescribed by the Board.

19 (23) To supervise and regulate the Chicago Casino
20 Development Authority in accordance with the Chicago
21 Casino Development Authority Act and the provisions of this
22 Act.

23 (24) ~~(21)~~ To take any other action as may be reasonable
24 or appropriate to enforce this Act, the Chicago Casino
25 Development Authority Act, and the rules adopted by the
26 Board under both Acts ~~and regulations hereunder.~~

1 All Board powers enumerated in this Section in relation to
2 licensees shall apply equally to the holder of any casino
3 management contract entered into pursuant to the Chicago Casino
4 Development Authority Act.

5 (d) The Board may seek and shall receive the cooperation of
6 the Department of State Police in conducting background
7 investigations of applicants and in fulfilling its
8 responsibilities under this Section. Costs incurred by the
9 Department of State Police as a result of such cooperation
10 shall be paid by the Board in conformance with the requirements
11 of Section 2605-400 of the Department of State Police Law (20
12 ILCS 2605/2605-400).

13 (e) The Board must authorize to each investigator and to
14 any other employee of the Board exercising the powers of a
15 peace officer a distinct badge that, on its face, (i) clearly
16 states that the badge is authorized by the Board and (ii)
17 contains a unique identifying number. No other badge shall be
18 authorized by the Board.

19 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

20 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

21 Sec. 5.1. Disclosure of records.

22 (a) Notwithstanding any applicable statutory provision to
23 the contrary, the Board shall, on written request from any
24 person, provide information furnished by an applicant or
25 licensee concerning the applicant or licensee, his products,

1 services or gambling enterprises and his business holdings, as
2 follows:

3 (1) The name, business address and business telephone
4 number of any applicant or licensee.

5 (2) An identification of any applicant or licensee
6 including, if an applicant or licensee is not an
7 individual, the names and addresses of all stockholders and
8 directors, if the entity is a corporation; the names and
9 addresses of all members, if the entity is a limited
10 liability company; the names and addresses of all partners,
11 both general and limited, if the entity is a partnership;
12 and the names and addresses of all beneficiaries, if the
13 entity is a trust ~~the state of incorporation or~~
14 ~~registration, the corporate officers, and the identity of~~
15 ~~all shareholders or participants.~~ If an applicant or
16 licensee has a pending registration statement filed with
17 the Securities and Exchange Commission, only the names of
18 those persons or entities holding interest of 5% or more
19 must be provided.

20 (3) An identification of any business, including, if
21 applicable, the state of incorporation or registration, in
22 which an applicant or licensee or an applicant's or
23 licensee's spouse or children has an equity interest of
24 more than 1%. If an applicant or licensee is a corporation,
25 partnership or other business entity, the applicant or
26 licensee shall identify any other corporation, partnership

1 or business entity in which it has an equity interest of 1%
2 or more, including, if applicable, the state of
3 incorporation or registration. This information need not
4 be provided by a corporation, partnership or other business
5 entity that has a pending registration statement filed with
6 the Securities and Exchange Commission.

7 (4) Whether an applicant or licensee has been indicted,
8 convicted, pleaded guilty or nolo contendere, or forfeited
9 bail concerning any criminal offense under the laws of any
10 jurisdiction, either felony or misdemeanor (except for
11 traffic violations), including the date, the name and
12 location of the court, arresting agency and prosecuting
13 agency, the case number, the offense, the disposition and
14 the location and length of incarceration.

15 (5) Whether an applicant or licensee has had any
16 license or certificate issued by a licensing authority in
17 Illinois or any other jurisdiction denied, restricted,
18 suspended, revoked or not renewed and a statement
19 describing the facts and circumstances concerning the
20 denial, restriction, suspension, revocation or
21 non-renewal, including the licensing authority, the date
22 each such action was taken, and the reason for each such
23 action.

24 (6) Whether an applicant or licensee has ever filed or
25 had filed against it a proceeding in bankruptcy or has ever
26 been involved in any formal process to adjust, defer,

1 suspend or otherwise work out the payment of any debt
2 including the date of filing, the name and location of the
3 court, the case and number of the disposition.

4 (7) Whether an applicant or licensee has filed, or been
5 served with a complaint or other notice filed with any
6 public body, regarding the delinquency in the payment of,
7 or a dispute over the filings concerning the payment of,
8 any tax required under federal, State or local law,
9 including the amount, type of tax, the taxing agency and
10 time periods involved.

11 (8) A statement listing the names and titles of all
12 public officials or officers of any unit of government, and
13 relatives of said public officials or officers who,
14 directly or indirectly, own any financial interest in, have
15 any beneficial interest in, are the creditors of or hold
16 any debt instrument issued by, or hold or have any interest
17 in any contractual or service relationship with, an
18 applicant or licensee.

19 (9) Whether an applicant or licensee has made, directly
20 or indirectly, any political contribution, or any loans,
21 donations or other payments, to any candidate or office
22 holder, within 5 years from the date of filing the
23 application, including the amount and the method of
24 payment.

25 (10) The name and business telephone number of the
26 counsel representing an applicant or licensee in matters

1 before the Board.

2 (11) A description of any proposed or approved
3 riverboat or casino gaming or electronic gaming operation,
4 including the type of boat, home dock or casino or
5 electronic gaming location, expected economic benefit to
6 the community, anticipated or actual number of employees,
7 any statement from an applicant or licensee regarding
8 compliance with federal and State affirmative action
9 guidelines, projected or actual admissions and projected
10 or actual adjusted gross gaming receipts.

11 (12) A description of the product or service to be
12 supplied by an applicant for a supplier's license.

13 (b) Notwithstanding any applicable statutory provision to
14 the contrary, the Board shall, on written request from any
15 person, also provide the following information:

16 (1) The amount of the wagering tax and admission tax
17 paid daily to the State of Illinois by the holder of an
18 owner's license.

19 (2) Whenever the Board finds an applicant for an
20 owner's license unsuitable for licensing, a copy of the
21 written letter outlining the reasons for the denial.

22 (3) Whenever the Board has refused to grant leave for
23 an applicant to withdraw his application, a copy of the
24 letter outlining the reasons for the refusal.

25 (c) Subject to the above provisions, the Board shall not
26 disclose any information which would be barred by:

1 (1) Section 7 of the Freedom of Information Act; or
2 (2) The statutes, rules, regulations or
3 intergovernmental agreements of any jurisdiction.

4 (d) The Board may assess fees for the copying of
5 information in accordance with Section 6 of the Freedom of
6 Information Act.

7 (Source: P.A. 96-1392, eff. 1-1-11.)

8 (230 ILCS 10/5.3 new)

9 Sec. 5.3. Ethical conduct.

10 (a) Officials and employees of the corporate authority of a
11 host community must carry out their duties and responsibilities
12 in such a manner as to promote and preserve public trust and
13 confidence in the integrity and conduct of gaming.

14 (b) Officials and employees of the corporate authority of a
15 host community shall not use or attempt to use his or her
16 official position to secure or attempt to secure any privilege,
17 advantage, favor, or influence for himself or herself or
18 others.

19 (c) Officials and employees of the corporate authority of a
20 host community may not have a financial interest, directly or
21 indirectly, in his or her own name or in the name of any other
22 person, partnership, association, trust, corporation, or other
23 entity in any contract or subcontract for the performance of
24 any work for a riverboat or casino that is located in the host
25 community. This prohibition shall extend to the holding or

1 acquisition of an interest in any entity identified by Board
2 action that, in the Board's judgment, could represent the
3 potential for or the appearance of a financial interest. The
4 holding or acquisition of an interest in such entities through
5 an indirect means, such as through a mutual fund, shall not be
6 prohibited, except that the Board may identify specific
7 investments or funds that, in its judgment, are so influenced
8 by gaming holdings as to represent the potential for or the
9 appearance of a conflict of interest.

10 (d) Officials and employees of the corporate authority of a
11 host community may not accept any gift, gratuity, service,
12 compensation, travel, lodging, or thing of value, with the
13 exception of unsolicited items of an incidental nature, from
14 any person, corporation, or entity doing business with the
15 riverboat or casino that is located in the host community.

16 (e) Officials and employees of the corporate authority of a
17 host community shall not, during the period that the person is
18 an official or employee of the corporate authority or for a
19 period of 2 years immediately after leaving such office,
20 knowingly accept employment or receive compensation or fees for
21 services from a person or entity, or its parent or affiliate,
22 that has engaged in business with the riverboat or casino that
23 is located in the host community that resulted in contracts
24 with an aggregate value of at least \$25,000 or if that official
25 or employee has made a decision that directly applied to the
26 person or entity, or its parent or affiliate.

1 (f) A spouse, child, or parent of an official or employee
2 of the corporate authority of a host community may not have a
3 financial interest, directly or indirectly, in his or her own
4 name or in the name of any other person, partnership,
5 association, trust, corporation, or other entity in any
6 contract or subcontract for the performance of any work for a
7 riverboat or casino in the host community. This prohibition
8 shall extend to the holding or acquisition of an interest in
9 any entity identified by Board action that, in the judgment of
10 the Board, could represent the potential for or the appearance
11 of a conflict of interest. The holding or acquisition of an
12 interest in such entities through an indirect means, such as
13 through a mutual fund, shall not be prohibited, except that the
14 Board may identify specific investments or funds that, in its
15 judgment, are so influenced by gaming holdings as to represent
16 the potential for or the appearance of a conflict of interest.

17 (g) A spouse, child, or parent of an official or employee
18 of the corporate authority of a host community may not accept
19 any gift, gratuity, service, compensation, travel, lodging, or
20 thing of value, with the exception of unsolicited items of an
21 incidental nature, from any person, corporation, or entity
22 doing business with the riverboat or casino that is located in
23 the host community.

24 (h) A spouse, child, or parent of an official or employee
25 of the corporate authority of a host community may not, during
26 the period that the person is an official of the corporate

1 authority or for a period of 2 years immediately after leaving
2 such office or employment, knowingly accept employment or
3 receive compensation or fees for services from a person or
4 entity, or its parent or affiliate, that has engaged in
5 business with the riverboat or casino that is located in the
6 host community that resulted in contracts with an aggregate
7 value of at least \$25,000 or if that official or employee has
8 made a decision that directly applied to the person or entity,
9 or its parent or affiliate.

10 (i) Officials and employees of the corporate authority of a
11 host community shall not attempt, in any way, to influence any
12 person or entity doing business with the riverboat or casino
13 that is located in the host community or any officer, agent, or
14 employee thereof to hire or contract with any person or entity
15 for any compensated work.

16 (j) Any communication between an official of the corporate
17 authority of a host community and any applicant for an owners
18 license in the host community, or an officer, director, or
19 employee of a riverboat or casino in the host community,
20 concerning any matter relating in any way to gaming shall be
21 disclosed to the Board. Such disclosure shall be in writing by
22 the official within 30 days after the communication and shall
23 be filed with the Board. Disclosure must consist of the date of
24 the communication, the identity and job title of the person
25 with whom the communication was made, a brief summary of the
26 communication, the action requested or recommended, all

1 responses made, the identity and job title of the person making
2 the response, and any other pertinent information. Public
3 disclosure of the written summary provided to the Board and the
4 Gaming Board shall be subject to the exemptions provided under
5 the Freedom of Information Act.

6 This subsection (j) shall not apply to communications
7 regarding traffic, law enforcement, security, environmental
8 issues, city services, transportation, or other routine
9 matters concerning the ordinary operations of the riverboat or
10 casino. For purposes of this subsection (j), "ordinary
11 operations" means operations relating to the casino or
12 riverboat facility other than the conduct of gambling
13 activities, and "routine matters" includes the application
14 for, issuance of, renewal of, and other processes associated
15 with municipal permits and licenses.

16 (k) Any official or employee who violates any provision of
17 this Section is guilty of a Class 4 felony.

18 (l) For purposes of this Section, "host community" or "host
19 municipality" means a unit of local government that contains a
20 riverboat or casino within its borders, but does not include
21 the City of Chicago or the Chicago Casino Development
22 Authority.

23 (230 ILCS 10/6) (from Ch. 120, par. 2406)

24 Sec. 6. Application for Owners License.

25 (a) A qualified person may apply to the Board for an owners

1 license to conduct a riverboat gambling operation as provided
2 in this Act. The application shall be made on forms provided by
3 the Board and shall contain such information as the Board
4 prescribes, including but not limited to the identity of the
5 riverboat on which such gambling operation is to be conducted,
6 if applicable, and the exact location where such riverboat or
7 casino will be located ~~located~~, a certification that the
8 riverboat will be registered under this Act at all times during
9 which gambling operations are conducted on board, detailed
10 information regarding the ownership and management of the
11 applicant, and detailed personal information regarding the
12 applicant. Any application for an owners license to be
13 re-issued on or after June 1, 2003 shall also include the
14 applicant's license bid in a form prescribed by the Board.
15 Information provided on the application shall be used as a
16 basis for a thorough background investigation which the Board
17 shall conduct with respect to each applicant. An incomplete
18 application shall be cause for denial of a license by the
19 Board.

20 (a-5) In addition to any other information required under
21 this Section, each application for an owners license must
22 include the following information:

23 (1) The history and success of the applicant and each
24 person and entity disclosed under subsection (c) of this
25 Section in developing tourism facilities ancillary to
26 gaming, if applicable.

1 (2) The likelihood that granting a license to the
2 applicant will lead to the creation of quality, living wage
3 jobs and permanent, full-time jobs for residents of the
4 State and residents of the unit of local government that is
5 designated as the home dock of the proposed facility where
6 gambling is to be conducted by the applicant.

7 (3) The projected number of jobs that would be created
8 if the license is granted and the projected number of new
9 employees at the proposed facility where gambling is to be
10 conducted by the applicant.

11 (4) The record, if any, of the applicant and its
12 developer in meeting commitments to local agencies,
13 community-based organizations, and employees at other
14 locations where the applicant or its developer has
15 performed similar functions as they would perform if the
16 applicant were granted a license.

17 (5) Identification of adverse effects that might be
18 caused by the proposed facility where gambling is to be
19 conducted by the applicant, including the costs of meeting
20 increased demand for public health care, child care, public
21 transportation, affordable housing, and social services,
22 and a plan to mitigate those adverse effects.

23 (6) The record, if any, of the applicant and its
24 developer regarding compliance with:

25 (A) federal, state, and local discrimination, wage
26 and hour, disability, and occupational and

1 environmental health and safety laws; and

2 (B) state and local labor relations and employment
3 laws.

4 (7) The applicant's record, if any, in dealing with its
5 employees and their representatives at other locations.

6 (8) A plan concerning the utilization of
7 minority-owned and female-owned businesses and concerning
8 the hiring of minorities and females.

9 (9) Evidence the applicant used its best efforts to
10 reach a goal of 25% ownership representation by minority
11 persons and 5% ownership representation by females.

12 (b) Applicants shall submit with their application all
13 documents, resolutions, and letters of support from the
14 governing body that represents the municipality or county
15 wherein the licensee will be located ~~doek~~.

16 (c) Each applicant shall disclose the identity of every
17 person or entity ~~, association, trust or corporation~~ having a
18 greater than 1% direct or indirect pecuniary interest in the
19 ~~riverboat~~ gambling operation with respect to which the license
20 is sought. If the disclosed entity is a trust, the application
21 shall disclose the names and addresses of all ~~the~~
22 beneficiaries; if a corporation, the names and addresses of all
23 stockholders and directors; if a partnership, the names and
24 addresses of all partners, both general and limited.

25 (d) An application shall be filed and considered in
26 accordance with the rules of the Board. Each application shall

1 be accompanied by a non-refundable ~~An~~ application fee of
2 \$100,000. In addition, a non-refundable fee of \$50,000 shall be
3 paid at the time of filing to defray the costs associated with
4 the background investigation conducted by the Board. If the
5 costs of the investigation exceed \$50,000, the applicant shall
6 pay the additional amount to the Board within 7 days after
7 requested by the Board. If the costs of the investigation are
8 less than \$50,000, the applicant shall receive a refund of the
9 remaining amount. All information, records, interviews,
10 reports, statements, memoranda or other data supplied to or
11 used by the Board in the course of its review or investigation
12 of an application for a license or a renewal under this Act
13 shall be privileged, strictly confidential and shall be used
14 only for the purpose of evaluating an applicant for a license
15 or a renewal. Such information, records, interviews, reports,
16 statements, memoranda or other data shall not be admissible as
17 evidence, nor discoverable in any action of any kind in any
18 court or before any tribunal, board, agency or person, except
19 for any action deemed necessary by the Board. The application
20 fee shall be deposited into the Gaming Facilities Fee Revenue
21 Fund.

22 (e) The Board shall charge each applicant a fee set by the
23 Department of State Police to defray the costs associated with
24 the search and classification of fingerprints obtained by the
25 Board with respect to the applicant's application. These fees
26 shall be paid into the State Police Services Fund.

1 (f) The licensed owner shall be the person primarily
2 responsible for the boat or casino itself. Only one ~~riverboat~~
3 gambling operation may be authorized by the Board on any
4 riverboat or in any casino. The applicant must identify the
5 ~~each~~ riverboat or premises it intends to use and certify that
6 the riverboat or premises: (1) has the authorized capacity
7 required in this Act; (2) is accessible to persons with
8 disabilities; and (3) is fully registered and licensed in
9 accordance with any applicable laws.

10 (g) A person who knowingly makes a false statement on an
11 application is guilty of a Class A misdemeanor.

12 (Source: P.A. 99-143, eff. 7-27-15.)

13 (230 ILCS 10/7) (from Ch. 120, par. 2407)

14 Sec. 7. Owners Licenses.

15 (a) The Board shall issue owners licenses to persons or
16 entities ~~, firms or corporations~~ which apply for such licenses
17 upon payment to the Board of the non-refundable license fee as
18 provided in subsection (e) or (e-5) ~~set by the Board, upon~~
19 ~~payment of a \$25,000 license fee for the first year of~~
20 ~~operation and a \$5,000 license fee for each succeeding year~~ and
21 upon a determination by the Board that the applicant is
22 eligible for an owners license pursuant to this Act, the
23 Chicago Casino Development Authority Act, and the rules of the
24 Board. From the effective date of this amendatory Act of the
25 95th General Assembly until (i) 3 years after the effective

1 date of this amendatory Act of the 95th General Assembly, (ii)
2 the date any organization licensee begins to operate a slot
3 machine or video game of chance under the Illinois Horse Racing
4 Act of 1975 or this Act, (iii) the date that payments begin
5 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
6 wagering tax imposed under Section 13 of this Act is increased
7 by law to reflect a tax rate that is at least as stringent or
8 more stringent than the tax rate contained in subsection (a-3)
9 of Section 13, or (v) when an owners licensee holding a license
10 issued pursuant to Section 7.1 of this Act begins conducting
11 gaming, whichever occurs first, as a condition of licensure and
12 as an alternative source of payment for those funds payable
13 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
14 ~~Gambling~~ Act, any owners licensee that holds or receives its
15 owners license on or after the effective date of this
16 amendatory Act of the 94th General Assembly, other than an
17 owners licensee operating a riverboat with adjusted gross
18 receipts in calendar year 2004 of less than \$200,000,000, must
19 pay into the Horse Racing Equity Trust Fund, in addition to any
20 other payments required under this Act, an amount equal to 3%
21 of the adjusted gross receipts received by the owners licensee.
22 The payments required under this Section shall be made by the
23 owners licensee to the State Treasurer no later than 3:00
24 o'clock p.m. of the day after the day when the adjusted gross
25 receipts were received by the owners licensee. A person, ~~firm~~
26 or entity ~~corporation~~ is ineligible to receive an owners

1 license if:

2 (1) the person has been convicted of a felony under the
3 laws of this State, any other state, or the United States;

4 (2) the person has been convicted of any violation of
5 Article 28 of the Criminal Code of 1961 or the Criminal
6 Code of 2012, or substantially similar laws of any other
7 jurisdiction;

8 (3) the person has submitted an application for a
9 license under this Act or the Chicago Casino Development
10 Authority Act which contains false information;

11 (4) the person is a member of the Board;

12 (5) a person defined in (1), (2), (3) or (4) is an
13 officer, director or managerial employee of the entity ~~firm~~
14 ~~or corporation~~;

15 (6) the entity ~~firm or corporation~~ employs a person
16 defined in (1), (2), (3) or (4) who participates in the
17 management or operation of gambling operations authorized
18 under this Act or the Chicago Casino Development Authority
19 Act;

20 (7) (blank); or

21 (8) a license of the person or entity ~~, firm or~~
22 ~~corporation~~ issued under this Act or the Chicago Casino
23 Development Authority Act, or a license to own or operate
24 gambling facilities in any other jurisdiction, has been
25 revoked.

26 The Board is expressly prohibited from making changes to

1 the requirement that licensees make payment into the Horse
2 Racing Equity Trust Fund without the express authority of the
3 Illinois General Assembly and making any other rule to
4 implement or interpret this amendatory Act of the 95th General
5 Assembly. For the purposes of this paragraph, "rules" is given
6 the meaning given to that term in Section 1-70 of the Illinois
7 Administrative Procedure Act.

8 (a-1) Upon approval of the members of the Chicago Casino
9 Development Board, the Chicago Casino Development Authority's
10 executive director, and the Chicago casino operator licensee,
11 the Board shall issue an owners license to the Chicago Casino
12 Development Authority that authorizes the conduct of gambling
13 operations in a casino located in the City of Chicago.

14 (b) In determining whether to grant an owners license to an
15 applicant other than the Chicago Casino Development Authority,
16 the Board shall consider:

17 (1) the character, reputation, experience and
18 financial integrity of the applicants and of any other or
19 separate person that either:

20 (A) controls, directly or indirectly, such
21 applicant, or

22 (B) is controlled, directly or indirectly, by such
23 applicant or by a person which controls, directly or
24 indirectly, such applicant;

25 (2) the facilities or proposed facilities for the
26 conduct of ~~riverboat~~ gambling;

1 (3) the highest prospective total revenue to be derived
2 by the State from the conduct of ~~riverboat~~ gambling;

3 (4) the extent to which the ownership of the applicant
4 reflects the diversity of the State by including minority
5 persons, females, and persons with a disability and the
6 good faith affirmative action plan of each applicant to
7 recruit, train and upgrade minority persons, females, and
8 persons with a disability in all employment
9 classifications;

10 (5) the financial ability of the applicant to purchase
11 and maintain adequate liability and casualty insurance;

12 (6) whether the applicant has adequate capitalization
13 to provide and maintain, for the duration of a license, a
14 riverboat or casino;

15 (7) the extent to which the applicant exceeds or meets
16 other standards for the issuance of an owners license which
17 the Board may adopt by rule; ~~and~~

18 (8) ~~the~~ the amount of the applicant's license bid; ~~:-~~

19 (9) the extent to which the applicant or the proposed
20 host municipality plans to enter into revenue sharing
21 agreements with communities other than the host
22 municipality; and

23 (10) the extent to which the ownership of an applicant
24 includes the most qualified number of minority persons,
25 females, and persons with a disability.

26 (c) Each owners license shall specify the place where the

1 casino riverboats shall operate or the riverboat shall operate
2 and dock.

3 (d) Each applicant shall submit with his application, on
4 forms provided by the Board, 2 sets of his fingerprints.

5 (e) In addition to any licenses authorized under subsection
6 (e-5) of this Section, the ~~The~~ Board may issue up to 10
7 licenses authorizing the holders of such licenses to own
8 riverboats. In the application for an owners license, the
9 applicant shall state the dock at which the riverboat is based
10 and the water on which the riverboat will be located. The Board
11 shall issue 5 licenses to become effective not earlier than
12 January 1, 1991. Three of such licenses shall authorize
13 riverboat gambling on the Mississippi River, or, with approval
14 by the municipality in which the riverboat was docked on August
15 7, 2003 and with Board approval, be authorized to relocate to a
16 new location, in a municipality that (1) borders on the
17 Mississippi River or is within 5 miles of the city limits of a
18 municipality that borders on the Mississippi River and (2), on
19 August 7, 2003, had a riverboat conducting riverboat gambling
20 operations pursuant to a license issued under this Act; one of
21 which shall authorize riverboat gambling from a home dock in
22 the city of East St. Louis. One other license shall authorize
23 riverboat gambling on the Illinois River in Tazewell County or,
24 with Board approval, shall authorize the riverboat to relocate
25 to a new location that is no more than 10 miles away from its
26 original location, in a municipality that borders on the

1 Illinois River or is within 5 miles of the city limits of a
2 municipality that borders on the Illinois River ~~south of~~
3 ~~Marshall County~~. The Board shall issue one additional license
4 to become effective not earlier than March 1, 1992, which shall
5 authorize riverboat gambling on the Des Plaines River in Will
6 County. The Board may issue 4 additional licenses to become
7 effective not earlier than March 1, 1992. In determining the
8 water upon which riverboats will operate, the Board shall
9 consider the economic benefit which riverboat gambling confers
10 on the State, and shall seek to assure that all regions of the
11 State share in the economic benefits of riverboat gambling.

12 In granting all licenses, the Board may give favorable
13 consideration to economically depressed areas of the State, to
14 applicants presenting plans which provide for significant
15 economic development over a large geographic area, and to
16 applicants who currently operate non-gambling riverboats in
17 Illinois. The Board shall review all applications for owners
18 licenses, and shall inform each applicant of the Board's
19 decision. The Board may grant an owners license to an applicant
20 that has not submitted the highest license bid, but if it does
21 not select the highest bidder, the Board shall issue a written
22 decision explaining why another applicant was selected and
23 identifying the factors set forth in this Section that favored
24 the winning bidder. The fee for issuance or renewal of a
25 license pursuant to this subsection (e) shall be \$100,000.

26 (e-5) In addition to licenses authorized under subsection

1 (e) of this Section:

2 (1) the Board shall issue one owners license
3 authorizing the conduct of casino gambling in the City of
4 Chicago;

5 (2) the Board may issue one owners license authorizing
6 the conduct of riverboat gambling in the City of Danville;

7 (3) the Board may issue one owners license authorizing
8 the conduct of riverboat gambling located in one of the
9 following municipalities in Lake County: Park City, North
10 Chicago, or Waukegan;

11 (4) the Board may issue one owners license authorizing
12 the conduct of riverboat gambling in the City of Rockford;

13 (5) the Board may issue one owners license authorizing
14 the conduct of riverboat gambling in a municipality that is
15 wholly or partially located in one of the following
16 townships of Cook County: Bloom, Bremen, Calumet, Rich,
17 Thornton, or Worth Township; and

18 (6) the Board may issue one owners license authorizing
19 the conduct of riverboat gambling in the unincorporated
20 area of Williamson County adjacent to the Big Muddy River.

21 Each application for a license pursuant to this subsection
22 (e-5) shall be submitted to the Board no later than 6 months
23 after the effective date of this amendatory Act of the 100th
24 General Assembly and shall include the non-refundable
25 application fee and the non-refundable background
26 investigation fee as provided in subsection (d) of Section 6 of

1 this Act. In the event that an applicant submits an application
2 for a license pursuant to this subsection (e-5) prior to the
3 effective date of this amendatory Act of the 100th General
4 Assembly, such applicant shall submit the non-refundable
5 application fee and background investigation fee as provided in
6 subsection (d) of Section 6 of this Act no later than 6 months
7 after the effective date of this amendatory Act of the 100th
8 General Assembly.

9 The Board shall consider issuing a license pursuant to
10 paragraphs (2) through (6) of this subsection only after the
11 corporate authority of the municipality or the county board of
12 the county in which the riverboat shall be located has
13 certified to the Board the following:

14 (i) that the applicant has negotiated with the
15 corporate authority or county board in good faith;

16 (ii) that the applicant and the corporate authority or
17 county board have mutually agreed on the permanent location
18 of the riverboat;

19 (iii) that the applicant and the corporate authority or
20 county board have mutually agreed on the temporary location
21 of the riverboat;

22 (iv) that the applicant and the corporate authority or
23 the county board have mutually agreed on the percentage of
24 revenues that will be shared with the municipality or
25 county, if any; and

26 (v) that the applicant and the corporate authority or

1 county board have mutually agreed on any zoning, licensing,
2 public health, or other issues that are within the
3 jurisdiction of the municipality or county.

4 At least 7 days before the corporate authority of a
5 municipality or county board of the county submits a
6 certification to the Board concerning items (i) through (v) of
7 this subsection, it shall hold a public hearing to discuss
8 items (i) through (v), as well as any other details concerning
9 the proposed riverboat in the municipality or county. The
10 corporate authority or county board must subsequently
11 memorialize the details concerning the proposed riverboat in a
12 resolution that must be adopted by a majority of the corporate
13 authority or county board before any certification is sent to
14 the Board. The Board shall not alter, amend, change, or
15 otherwise interfere with any agreement between the applicant
16 and the corporate authority of the municipality or county board
17 of the county regarding the location of any temporary or
18 permanent facility.

19 In addition, prior to the Board issuing the owners license
20 authorized under paragraph (4) of subsection (e-5), an impact
21 study shall be completed to determine what location in the city
22 will provide the greater impact to the region, including the
23 creation of jobs and the generation of tax revenue.

24 (e-10) The licenses authorized under subsection (e-5) of
25 this Section shall be issued within 12 months after the date
26 the license application is submitted. If the Board does not

1 issue the licenses within that time period, then the Board
2 shall give a written explanation to the applicant as to why it
3 has not reached a determination and when it reasonably expects
4 to make a determination. The fee for the issuance or renewal of
5 a license issued pursuant to this subsection (e-10) shall be
6 \$100,000. Additionally, a licensee located outside of Cook
7 County shall pay a minimum initial fee of \$17,500 per gaming
8 position, and a licensee located in Cook County shall pay a
9 minimum initial fee of \$30,000 per gaming position. The initial
10 fees payable under this subsection (e-10) shall be deposited
11 into the Gaming Facilities Fee Revenue Fund.

12 (e-15) Each licensee of a license authorized under
13 subsection (e-5) of this Section shall make a reconciliation
14 payment 3 years after the date the licensee begins operating in
15 an amount equal to 75% of the adjusted gross receipts for the
16 most lucrative 12-month period of operations, minus an amount
17 equal to the initial payment per gaming position paid by the
18 specific licensee. If this calculation results in a negative
19 amount, then the licensee is not entitled to any reimbursement
20 of fees previously paid. This reconciliation payment may be
21 made in installments over a period of no more than 2 years,
22 subject to Board approval. Any installment payments shall
23 include an annual market interest rate as determined by the
24 Board. All payments by licensees under this subsection (e-15)
25 shall be deposited into the Gaming Facilities Fee Revenue Fund.

26 (e-20) In addition to any other revocation powers granted

1 to the Board under this Act, the Board may revoke the owners
2 license of a licensee, other than the Chicago Casino
3 Development Authority, which fails to begin conducting
4 gambling within 15 months of receipt of the Board's approval of
5 the application if the Board determines that license revocation
6 is in the best interests of the State.

7 (f) The first 10 owners licenses issued under this Act
8 shall permit the holder to own up to 2 riverboats and equipment
9 thereon for a period of 3 years after the effective date of the
10 license. Holders of the first 10 owners licenses must pay the
11 annual license fee for each of the 3 years during which they
12 are authorized to own riverboats.

13 (g) Upon the termination, expiration, or revocation of each
14 of the first 10 licenses, which shall be issued for a 3 year
15 period, all licenses are renewable annually upon payment of the
16 fee and a determination by the Board that the licensee
17 continues to meet all of the requirements of this Act and the
18 Board's rules. However, for licenses renewed on or after May 1,
19 1998, including casino operator licenses, renewal shall be for
20 a period of 4 years, unless the Board sets a shorter period.
21 Notwithstanding any provision in this subsection (g) to the
22 contrary, any license that is awarded to the Chicago Casino
23 Development Authority shall not expire, but it shall be subject
24 to the provisions of this Act and the rules of the Board.

25 (h) An owners license, except for an owners license issued
26 under subsection (e-5) of this Section, shall entitle the

1 licensee to own up to 2 riverboats.

2 An owners licensee of a casino or riverboat that is located
3 in the City of Chicago pursuant to paragraph (1) of subsection
4 (e-5) of this Section shall limit the number of gaming
5 positions to 4,000 for such owner. An owners licensee
6 authorized under paragraphs (2) through (5) of subsection (e-5)
7 of this Section shall limit the number of gaming positions to
8 1,600 for any such owners license, except as further provided
9 in subsection (h-10) of this Section. An owners licensee
10 authorized under paragraph (6) of subsection (e-5) of this
11 Section ~~A licensee~~ shall limit the number of gaming positions
12 ~~gambling participants~~ to 1,200 for ~~any~~ such owner. The initial
13 fee for each gaming position obtained on or after the effective
14 date of this amendatory Act of the 100th General Assembly shall
15 be a minimum of \$17,500 for licensees not located in Cook
16 County and a minimum of \$30,000 for licensees located in Cook
17 County, in addition to the reconciliation payment, as set forth
18 in subsections (e-15) or (h-5) of this Section ~~owners license.~~

19 Each owners licensee shall reserve its gaming positions
20 within 90 days after issuance of its owners license. The Board
21 may grant an extension to this 90-day period, provided that the
22 owners licensee submits a written request and explanation as to
23 why it is unable to reserve its positions within the 90-day
24 period.

25 A licensee may operate both of its riverboats concurrently,
26 provided that the total number of gaming positions ~~gambling~~

1 ~~participants~~ on both riverboats does not exceed the limit
2 established pursuant to this subsection and subsection (h-10)
3 of this Section 1,200. Riverboats licensed to operate on the
4 Mississippi River and the Illinois River south of Marshall
5 County shall have an authorized capacity of at least 500
6 persons. Any other riverboat licensed under this Act shall have
7 an authorized capacity of at least 400 persons.

8 (h-5) An owners licensee who conducted gambling operations
9 prior to January 1, 2012 and purchases positions pursuant to
10 subsection (h-10) of this Section on or after the effective
11 date of this amendatory Act of the 100th General Assembly must
12 pay a minimum initial fee of \$17,500 per gaming position if the
13 licensee is located outside Cook County and a minimum initial
14 fee of \$30,000 per gaming position if the licensee is located
15 in Cook County, as stated in subsection (h) of this Section.
16 These initial fees shall be deposited into the Gaming
17 Facilities Fee Revenue Fund. Additionally, that owners
18 licensee shall make a reconciliation payment 3 years after any
19 additional gaming positions obtained pursuant to subsection
20 (h-10) begin operating in an amount equal to 75% of the owners
21 licensee's average gross receipts for the most lucrative
22 12-month period of operations minus an amount equal to the
23 initial fee that the owners licensee paid per additional gaming
24 position. For purposes of this subsection (h-5), "average gross
25 receipts" means (i) the increase in adjusted gross receipts for
26 the most lucrative 12-month period of operations over the

1 adjusted gross receipts for 2017, multiplied by (ii) the
2 percentage derived by dividing the number of additional gaming
3 positions that an owners licensee had obtained pursuant to
4 subsection (h-10) by the total number of gaming positions
5 operated by the owners licensee. If this calculation results in
6 a negative amount, then the owners licensee is not entitled to
7 any reimbursement of fees previously paid. This reconciliation
8 payment may be made in installments over a period of no more
9 than 2 years, subject to Board approval. Any installment
10 payments shall include an annual market interest rate as
11 determined by the Board. These reconciliation payments shall be
12 deposited into the Gaming Facilities Fee Revenue Fund.

13 (h-10) For owners licensees authorized under paragraphs
14 (2) through (5) of subsection (e-5) of this Section, the
15 application for such new owners licenses shall ask the
16 applicants to stipulate in their applications the number of
17 gaming positions each applicant would like to reserve, up to
18 1,600 gaming positions. Once the last winning applicant for
19 each of these owners licenses has been selected by the Board,
20 the Board shall publish the number of gaming positions reserved
21 and unreserved by each winning applicant, shall accept requests
22 for additional gaming positions from any winning applicants or
23 owners licensee who initially reserved 1,600 gaming positions,
24 and shall allocate expeditiously the unreserved gaming
25 positions to such requesting winning applicants or owners
26 licensees in a manner to maximize revenue to the State;

1 provided, however, that no owners licensee (other than the
2 Chicago Casino Development Authority) shall obtain more than
3 2,000 positions total. The Board may allocate any such unused
4 gaming positions through a competitive bidding process
5 pursuant to Section 7.5 of this Act.

6 In the event that not all of the unreserved gaming
7 positions described in the first and second paragraphs of this
8 subsection (h-10) were requested by owners licensees and
9 applicants, then until there are no longer unreserved gaming
10 positions, the Board periodically shall govern a process to
11 allocate the unreserved gaming positions in a manner to
12 maximize revenue to the State.

13 Unreserved gaming positions retained from and allocated to
14 owners licensees by the Board pursuant to this subsection
15 (h-10) shall not be allocated to electronic gaming licensees
16 pursuant to subsection (e) of Section 7.7 of this Act.

17 (i) A licensed owner is authorized to apply to the Board
18 for and, if approved therefor, to receive all licenses from the
19 Board necessary for the operation of a riverboat or a casino,
20 including a liquor license, a license to prepare and serve food
21 for human consumption, and other necessary licenses. All use,
22 occupation and excise taxes which apply to the sale of food and
23 beverages in this State and all taxes imposed on the sale or
24 use of tangible personal property apply to such sales aboard
25 the riverboat or in the casino.

26 (j) The Board may issue or re-issue a license authorizing a

1 riverboat to dock in a municipality or approve a relocation
2 under Section 11.2 only if, prior to the issuance or
3 re-issuance of the license or approval, the governing body of
4 the municipality in which the riverboat will dock has by a
5 majority vote approved the docking of riverboats in the
6 municipality. The Board may issue or re-issue a license
7 authorizing a riverboat to dock in areas of a county outside
8 any municipality or approve a relocation under Section 11.2
9 only if, prior to the issuance or re-issuance of the license or
10 approval, the governing body of the county has by a majority
11 vote approved of the docking of riverboats within such areas.

12 (k) An owners licensee may conduct land-based gambling
13 operations upon approval by the Board.

14 (l) An owners licensee may conduct gaming at a temporary
15 facility pending the construction of a permanent facility or
16 the remodeling or relocation of an existing facility to
17 accommodate gaming participants for up to 24 months after the
18 temporary facility begins to conduct gaming. Upon request by an
19 owners licensee and upon a showing of good cause by the owners
20 licensee, the Board shall extend the period during which the
21 licensee may conduct gaming at a temporary facility by up to 12
22 months. The Board shall make rules concerning the conduct of
23 gaming from temporary facilities.

24 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

1 Sec. 7.3. State conduct of gambling operations.

2 (a) If, after reviewing each application for a re-issued
3 license, the Board determines that the highest prospective
4 total revenue to the State would be derived from State conduct
5 of the gambling operation in lieu of re-issuing the license,
6 the Board shall inform each applicant of its decision. The
7 Board shall thereafter have the authority, without obtaining an
8 owners license, to conduct casino or riverboat gambling
9 operations as previously authorized by the terminated,
10 expired, revoked, or nonrenewed license through a licensed
11 manager selected pursuant to an open and competitive bidding
12 process as set forth in Section 7.5 and as provided in Section
13 7.4.

14 (b) The Board may locate any casino or riverboat on which a
15 gambling operation is conducted by the State in any home dock
16 or other location authorized by Section 3(c) upon receipt of
17 approval from a majority vote of the governing body of the
18 municipality or county, as the case may be, in which the
19 riverboat will dock.

20 (c) The Board shall have jurisdiction over and shall
21 supervise all gambling operations conducted by the State
22 provided for in this Act and the Chicago Casino Development
23 Authority Act and shall have all powers necessary and proper to
24 fully and effectively execute the provisions of this Act and
25 the Chicago Casino Development Authority Act relating to
26 gambling operations conducted by the State.

1 (d) The maximum number of owners licenses authorized under
2 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
3 which the Board authorizes the State to conduct a casino or
4 riverboat gambling operation under subsection (a) in lieu of
5 re-issuing a license to an applicant under Section 7.1.

6 (Source: P.A. 93-28, eff. 6-20-03.)

7 (230 ILCS 10/7.5)

8 Sec. 7.5. Competitive Bidding. When the Board determines
9 that (i) it will re-issue an owners license pursuant to an open
10 and competitive bidding process, as set forth in Section 7.1,
11 (ii) ~~or that~~ it will issue a managers license pursuant to an
12 open and competitive bidding process, as set forth in Section
13 7.4, (iii) it will issue an owners license pursuant to an open
14 and competitive bidding process, as set forth in Section 7.12,
15 or (iv) it will allocate unused gaming positions pursuant to an
16 open and competitive bidding process, as set forth in
17 subsection (h-10) of Section 7, the open and competitive
18 bidding process shall adhere to the following procedures:

19 (1) The Board shall make applications for owners and
20 managers licenses available to the public and allow a
21 reasonable time for applicants to submit applications to the
22 Board.

23 (2) During the filing period for owners or managers license
24 applications, the Board may retain the services of an
25 investment banking firm to assist the Board in conducting the

1 open and competitive bidding process.

2 (3) After receiving all of the bid proposals, the Board
3 shall open all of the proposals in a public forum and disclose
4 the prospective owners or managers names, venture partners, if
5 any, and, in the case of applicants for owners licenses, the
6 locations of the proposed development sites.

7 (4) The Board shall summarize the terms of the proposals
8 and may make this summary available to the public.

9 (5) The Board shall evaluate the proposals within a
10 reasonable time and select no more than 3 final applicants to
11 make presentations of their proposals to the Board.

12 (6) The final applicants shall make their presentations to
13 the Board on the same day during an open session of the Board.

14 (7) As soon as practicable after the public presentations
15 by the final applicants, the Board, in its discretion, may
16 conduct further negotiations among the 3 final applicants.
17 During such negotiations, each final applicant may increase its
18 license bid or otherwise enhance its bid proposal. At the
19 conclusion of such negotiations, the Board shall select the
20 winning proposal. In the case of negotiations for an owners
21 license, the Board may, at the conclusion of such negotiations,
22 make the determination allowed under Section 7.3(a).

23 (8) Upon selection of a winning bid, the Board shall
24 evaluate the winning bid within a reasonable period of time for
25 licensee suitability in accordance with all applicable
26 statutory and regulatory criteria.

1 (9) If the winning bidder is unable or otherwise fails to
2 consummate the transaction, (including if the Board determines
3 that the winning bidder does not satisfy the suitability
4 requirements), the Board may, on the same criteria, select from
5 the remaining bidders or make the determination allowed under
6 Section 7.3(a).

7 (Source: P.A. 93-28, eff. 6-20-03.)

8 (230 ILCS 10/7.7 new)

9 Sec. 7.7. Electronic gaming.

10 (a) The General Assembly finds that the horse racing and
11 riverboat gambling industries share many similarities and
12 collectively comprise the bulk of the State's gaming industry.
13 One feature common to both industries is that each is highly
14 regulated by the State of Illinois. The General Assembly
15 further finds, however, that despite their shared features each
16 industry is distinct from the other in that horse racing is and
17 continues to be intimately tied to Illinois' agricultural
18 economy and is, at its core, a spectator sport. This
19 distinction requires the General Assembly to utilize different
20 methods to regulate and promote the horse racing industry
21 throughout the State. The General Assembly finds that in order
22 to promote live horse racing as a spectator sport in Illinois
23 and the agricultural economy of this State, it is necessary to
24 allow electronic gaming at Illinois race tracks as an ancillary
25 use given the success of other states in increasing live racing

1 purse accounts and improving the quality of horses
2 participating in horse race meetings.

3 (b) The Illinois Gaming Board shall award one electronic
4 gaming license to each person or entity having operating
5 control of a race track that applies under Section 56 of the
6 Illinois Horse Racing Act of 1975, subject to the application
7 and eligibility requirements of this Section. Within 60 days
8 after the effective date of this amendatory Act of the 100th
9 General Assembly, a person or entity having operating control
10 of a race track may submit an application for an electronic
11 gaming license. The application shall be made on such forms as
12 provided by the Board and shall contain such information as the
13 Board prescribes, including, but not limited to, the identity
14 of any race track at which electronic gaming will be conducted,
15 detailed information regarding the ownership and management of
16 the applicant, and detailed personal information regarding the
17 applicant. The application shall specify the number of gaming
18 positions the applicant intends to use and the place where the
19 electronic gaming facility will operate. A person who knowingly
20 makes a false statement on an application is guilty of a Class
21 A misdemeanor.

22 Each applicant shall disclose the identity of every person
23 or entity having a direct or indirect pecuniary interest
24 greater than 1% in any race track with respect to which the
25 license is sought. If the disclosed entity is a corporation,
26 the applicant shall disclose the names and addresses of all

1 stockholders and directors. If the disclosed entity is a
2 limited liability company, the applicant shall disclose the
3 names and addresses of all members and managers. If the
4 disclosed entity is a partnership, the applicant shall disclose
5 the names and addresses of all partners, both general and
6 limited. If the disclosed entity is a trust, the applicant
7 shall disclose the names and addresses of all beneficiaries.

8 An application shall be filed and considered in accordance
9 with the rules of the Board. Each application for an electronic
10 gaming license shall include a non-refundable application fee
11 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
12 be paid at the time of filing to defray the costs associated
13 with background investigations conducted by the Board. If the
14 costs of the background investigation exceed \$50,000, the
15 applicant shall pay the additional amount to the Board within 7
16 days after a request by the Board. If the costs of the
17 investigation are less than \$50,000, the applicant shall
18 receive a refund of the remaining amount. All information,
19 records, interviews, reports, statements, memoranda, or other
20 data supplied to or used by the Board in the course of this
21 review or investigation of an applicant for an electronic
22 gaming license under this Act shall be privileged and strictly
23 confidential and shall be used only for the purpose of
24 evaluating an applicant for an electronic gaming license or a
25 renewal. Such information, records, interviews, reports,
26 statements, memoranda, or other data shall not be admissible as

1 evidence nor discoverable in any action of any kind in any
2 court or before any tribunal, board, agency or person, except
3 for any action deemed necessary by the Board. The application
4 fee shall be deposited into the Gaming Facilities Fee Revenue
5 Fund.

6 Each applicant shall submit with his or her application, on
7 forms provided by the Board, 2 sets of his or her fingerprints.
8 The Board shall charge each applicant a fee set by the
9 Department of State Police to defray the costs associated with
10 the search and classification of fingerprints obtained by the
11 Board with respect to the applicant's application. This fee
12 shall be paid into the State Police Services Fund.

13 (c) The Board shall determine within 120 days after
14 receiving an application for an electronic gaming license
15 whether to grant an electronic gaming license to the applicant.
16 If the Board does not make a determination within that time
17 period, then the Board shall give a written explanation to the
18 applicant as to why it has not reached a determination and when
19 it reasonably expects to make a determination.

20 The electronic gaming licensee shall purchase up to the
21 amount of electronic gaming positions authorized under this Act
22 within 120 days after receiving its electronic gaming license.
23 If an electronic gaming licensee is prepared to purchase the
24 electronic gaming positions, but is temporarily prohibited
25 from doing so by order of a court of competent jurisdiction or
26 the Board, then the 120-day period is tolled until a resolution

1 is reached.

2 An electronic gaming license shall authorize its holder to
3 conduct gaming under this Act at its racetracks on the same
4 days of the year and hours of the day that owner licenses are
5 allowed to operate under approval of the Board.

6 A license to conduct electronic gaming and any renewal of
7 an electronic gaming license shall authorize electronic gaming
8 for a period of 4 years. The fee for the issuance or renewal of
9 an electronic gaming license shall be \$100,000.

10 (d) To be eligible to conduct electronic gaming, a person
11 or entity having operating control of a race track must (i)
12 obtain an electronic gaming license, (ii) hold an organization
13 license under the Illinois Horse Racing Act of 1975, (iii) hold
14 an inter-track wagering license, (iv) pay an initial fee of
15 \$30,000 per gaming position from electronic gaming licensees
16 where electronic gaming is conducted in Cook County and \$17,500
17 for electronic gaming licensees where electronic gaming is
18 located outside of Cook County before beginning to conduct
19 electronic gaming plus make the reconciliation payment
20 required under subsection (i), (v) conduct at least 240 live
21 races at each track per year or for a licensee that is only
22 authorized 350 gaming positions pursuant to subsection (d) of
23 Section 7.7 of this Act, have a fully operational facility
24 running at least 96 live races over a period of at least 15
25 days per year until such time as the total number of gaming
26 positions is increased to 900, (vi) meet the requirements of

1 subsection (a) of Section 56 of the Illinois Horse Racing Act
2 of 1975, (vii) for organization licensees conducting
3 standardbred race meetings that had an open backstretch in
4 2009, keep backstretch barns and dormitories open and
5 operational year-round unless a lesser schedule is mutually
6 agreed to by the organization licensee and the horsemen's
7 association racing at that organization licensee's race
8 meeting, (viii) for organization licensees conducting
9 thoroughbred race meetings, the organization licensee must
10 maintain accident medical expense liability insurance coverage
11 of \$1,000,000 for jockeys, and (ix) meet all other requirements
12 of this Act that apply to owners licensees. Only those persons
13 or entities (or its successors or assigns) that had operating
14 control of a race track and held an inter-track wagering
15 license authorized by the Illinois Racing Board in 2009 are
16 eligible.

17 An electronic gaming licensee may enter into a joint
18 venture with a licensed owner to own, manage, conduct, or
19 otherwise operate the electronic gaming licensee's electronic
20 gaming facilities, unless the electronic gaming licensee has a
21 parent company or other affiliated company that is, directly or
22 indirectly, wholly owned by a parent company that is also
23 licensed to conduct electronic gaming, casino gaming, or their
24 equivalent in another state.

25 All payments by licensees under this subsection (c) shall
26 be deposited into the Gaming Facilities Fee Revenue Fund.

1 (e) A person or entity is ineligible to receive an
2 electronic gaming license if:

3 (1) the person or entity has been convicted of a felony
4 under the laws of this State, any other state, or the
5 United States, including a conviction under the Racketeer
6 Influenced and Corrupt Organizations Act;

7 (2) the person or entity has been convicted of any
8 violation of Article 28 of the Criminal Code of 2012, or
9 substantially similar laws of any other jurisdiction;

10 (3) the person or entity has submitted an application
11 for a license under this Act that contains false
12 information;

13 (4) the person is a member of the Board;

14 (5) a person defined in (1), (2), (3), or (4) of this
15 subsection (e) is an officer, director, or managerial
16 employee of the entity;

17 (6) the person or entity employs a person defined in
18 (1), (2), (3), or (4) of this subsection (e) who
19 participates in the management or operation of gambling
20 operations authorized under this Act; or

21 (7) a license of the person or entity issued under this
22 Act or a license to own or operate gambling facilities in
23 any other jurisdiction has been revoked.

24 (f) The Board may approve electronic gaming positions
25 statewide as provided in this Section. The authority to operate
26 electronic gaming positions under this Section shall be

1 allocated as follows: up to 1,200 gaming positions for any
2 electronic gaming licensee in Cook County whose electronic
3 gaming license originates with an organization licensee that
4 conducted live racing in calendar year 2016; up to 900 gaming
5 positions for any electronic gaming licensee outside of Cook
6 County whose electronic gaming license originates with an
7 organization licensee that conducted live racing in calendar
8 year 2016; and up to 350 gaming positions for any electronic
9 gaming licensee whose electronic gaming license originates
10 with an organization licensee that did not conduct live racing
11 in calendar year 2010, which shall increase to 900 gaming
12 positions in the calendar year following the year in which the
13 electronic gaming licensee conducts 96 live races.

14 (g) Each applicant for an electronic gaming license shall
15 specify in its application for licensure the number of gaming
16 positions it will operate, up to the applicable limitation set
17 forth in subsection (f) of this Section. Any unreserved gaming
18 positions that are not specified shall be forfeited and
19 retained by the Board. For the purposes of this subsection (g),
20 an electronic gaming licensee that did not conduct live racing
21 in 2010 may reserve up to 900 positions and shall not be
22 penalized under this Section for not operating those positions
23 until it meets the requirements of subsection (f) of this
24 Section, but such licensee shall not request unreserved gaming
25 positions under this subsection (g) until its 900 positions are
26 all operational.

1 Thereafter, the Board shall publish the number of
2 unreserved electronic gaming positions and shall accept
3 requests for additional positions from any electronic gaming
4 licensee that initially reserved all of the positions that were
5 offered. The Board shall allocate expeditiously the unreserved
6 electronic gaming positions to requesting electronic gaming
7 licensees in a manner that maximizes revenue to the State. The
8 Board may allocate any such unused electronic gaming positions
9 pursuant to an open and competitive bidding process, as
10 provided under Section 7.5 of this Act. This process shall
11 continue until all unreserved gaming positions have been
12 purchased. All positions obtained pursuant to this process and
13 all positions the electronic gaming licensee specified it would
14 operate in its application must be in operation within 18
15 months after they were obtained or the electronic gaming
16 licensee forfeits the right to operate those positions, but is
17 not entitled to a refund of any fees paid. The Board may, after
18 holding a public hearing, grant extensions so long as the
19 electronic gaming licensee is working in good faith to make the
20 positions operational. The extension may be for a period of 6
21 months. If, after the period of the extension, the electronic
22 gaming licensee has not made the positions operational, then
23 another public hearing must be held by the Board before it may
24 grant another extension.

25 Unreserved gaming positions retained from and allocated to
26 electronic gaming licensees by the Board pursuant to this

1 subsection (g) shall not be allocated to owners licenses
2 pursuant to subsection (h-10) of Section 7 of this Act.

3 For the purpose of this subsection (g), the unreserved
4 gaming positions for each electronic gaming licensee shall be
5 the applicable limitation set forth in subsection (f) of this
6 Section, less the number of reserved gaming positions by such
7 electronic gaming licensee, and the total unreserved gaming
8 positions shall be the aggregate of the unreserved gaming
9 positions for all electronic gaming licensees.

10 (h) Subject to the approval of the Illinois Gaming Board,
11 an electronic gaming licensee may make modification or
12 additions to any existing buildings and structures to comply
13 with the requirements of this Act. The Illinois Gaming Board
14 shall make its decision after consulting with the Illinois
15 Racing Board. In no case, however, shall the Illinois Gaming
16 Board approve any modification or addition that alters the
17 grounds of the organization licensee such that the act of live
18 racing is an ancillary activity to electronic gaming.
19 Electronic gaming may take place in existing structures where
20 inter-track wagering is conducted at the race track or a
21 facility within 300 yards of the race track in accordance with
22 the provisions of this Act and the Illinois Horse Racing Act of
23 1975.

24 (i) An electronic gaming licensee may conduct electronic
25 gaming at a temporary facility pending the construction of a
26 permanent facility or the remodeling or relocation of an

1 existing facility to accommodate electronic gaming
2 participants for up to 24 months after the temporary facility
3 begins to conduct electronic gaming. Upon request by an
4 electronic gaming licensee and upon a showing of good cause by
5 the electronic gaming licensee, the Board shall extend the
6 period during which the licensee may conduct electronic gaming
7 at a temporary facility by up to 12 months. The Board shall
8 make rules concerning the conduct of electronic gaming from
9 temporary facilities.

10 Electronic gaming may take place in existing structures
11 where inter-track wagering is conducted at the race track or a
12 facility within 300 yards of the race track in accordance with
13 the provisions of this Act and the Illinois Horse Racing Act of
14 1975.

15 (j) The Illinois Gaming Board must adopt emergency rules in
16 accordance with Section 5-45 of the Illinois Administrative
17 Procedure Act as necessary to ensure compliance with the
18 provisions of this amendatory Act of the 100th General Assembly
19 concerning electronic gaming. The adoption of emergency rules
20 authorized by this subsection (j) shall be deemed to be
21 necessary for the public interest, safety, and welfare.

22 (k) Each electronic gaming licensee who obtains electronic
23 gaming positions must make a reconciliation payment 3 years
24 after the date the electronic gaming licensee begins operating
25 the positions in an amount equal to 75% of the difference
26 between its adjusted gross receipts from electronic gaming and

1 amounts paid to its purse accounts pursuant to item (1) of
2 subsection (b) of Section 56 of the Illinois Horse Racing Act
3 of 1975 for the 12-month period for which such difference was
4 the largest, minus an amount equal to the initial per position
5 fee paid by the electronic gaming licensee. If this calculation
6 results in a negative amount, then the electronic gaming
7 licensee is not entitled to any reimbursement of fees
8 previously paid. This reconciliation payment may be made in
9 installments over a period of no more than 2 years, subject to
10 Board approval. Any installment payments shall include an
11 annual market interest rate as determined by the Board.

12 All payments by licensees under this subsection (i) shall
13 be deposited into the Gaming Facilities Fee Revenue Fund.

14 (1) As soon as practical after a request is made by the
15 Illinois Gaming Board, to minimize duplicate submissions by the
16 applicant, the Illinois Racing Board must provide information
17 on an applicant for an electronic gaming license to the
18 Illinois Gaming Board.

19 (230 ILCS 10/7.8 new)

20 Sec. 7.8. Home rule. The regulation and licensing of
21 electronic gaming and electronic gaming licensees are
22 exclusive powers and functions of the State. A home rule unit
23 may not regulate or license electronic gaming or electronic
24 gaming licensees. This Section is a denial and limitation of
25 home rule powers and functions under subsection (h) of Section

1 6 of Article VII of the Illinois Constitution.

2 (230 ILCS 10/7.9 new)

3 Sec. 7.9. Casino operator license.

4 (a) A qualified person may apply to the Board for a casino
5 operator license to operate and manage any gambling operation
6 conducted by the Authority. The application shall be made on
7 forms provided by the Board and shall contain such information
8 as the Board prescribes, including but not limited to
9 information required in Sections 6(a), (b), and (c) and
10 information relating to the applicant's proposed price to
11 manage the Authority's gambling operations and to provide the
12 casino, gambling equipment, and supplies necessary to conduct
13 Authority gambling operations. The application shall also
14 include a non-refundable application fee of \$100,000. This
15 application fee shall be deposited into the Gaming Facilities
16 Fee Revenue Fund.

17 (b) A person or entity is ineligible to receive a casino
18 operator 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 2012, or substantially
23 similar laws of any other jurisdiction;

24 (3) the person has submitted an application for a
25 license under this Act or the Chicago Casino Development

1 Authority Act which contains false information;

2 (4) the person is a member of the Board or the Chicago
3 Casino Development Board or the person is an official or
4 employee of the Chicago Casino Development Authority or the
5 City of Chicago;

6 (5) a person defined in (1), (2), (3), or (4) is an
7 officer, director, or managerial employee of the entity;

8 (6) the entity employs a person defined in (1), (2),
9 (3), or (4) who participates in the management or operation
10 of gambling 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 (c) In determining whether to grant a casino operator
15 license, the Board shall consider:

16 (1) the character, reputation, experience and
17 financial integrity of the applicants and of any other or
18 separate person that either:

19 (A) controls, directly or indirectly, such
20 applicant, or

21 (B) is controlled, directly or indirectly, by such
22 applicant or by a person which controls, directly or
23 indirectly, such applicant;

24 (2) the facilities or proposed facilities for the
25 conduct of gambling;

26 (3) the preference of the municipality in which the

1 licensee will operate;

2 (4) the extent to which the ownership of the applicant
3 reflects the diversity of the State by including minority
4 persons and females and the good faith affirmative action
5 plan of each applicant to recruit, train, and upgrade
6 minority persons and females in all employment
7 classifications;

8 (5) the financial ability of the applicant to purchase
9 and maintain adequate liability and casualty insurance;

10 (6) whether the applicant has adequate capitalization
11 to provide and maintain, for the duration of a license, a
12 casino; and

13 (7) the extent to which the applicant exceeds or meets
14 other standards for the issuance of a casino operator
15 license that the Board may adopt by rule.

16 (d) Each applicant shall submit with his or her
17 application, on forms prescribed by the Board, 2 sets of his or
18 her fingerprints. The Board shall charge each applicant a fee
19 set by the Department of State Police to defray the costs
20 associated with the search and classification of fingerprints
21 obtained by the Board with respect to the applicant's
22 application. This fee shall be paid into the State Police
23 Services Fund.

24 (e) A person who knowingly makes a false statement on an
25 application is guilty of a Class A misdemeanor.

26 (f) The Board shall charge each applicant a non-refundable

1 fee of \$50,000 to defray the costs associated with the
2 background investigation conducted by the Board. This fee shall
3 be exclusive of any other fee or fees charged in connection
4 with an application for and, if applicable, the issuance of, a
5 casino operator license. If the costs of the investigation
6 exceed \$50,000, the Board shall immediately notify the
7 applicant of the additional amount owed, payment of which must
8 be submitted to the Board within 7 days after such
9 notification. All information, records, interviews, reports,
10 statements, memoranda, or other data supplied to or used by the
11 Board in the course of its review or investigation of an
12 application for a license or a renewal under this Act shall be
13 privileged and strictly confidential and shall be used only for
14 the purpose of evaluating an applicant for a license or a
15 renewal. Such information, records, interviews, reports,
16 statements, memoranda, or other data shall not be admissible as
17 evidence, nor discoverable in any action of any kind in any
18 court or before any tribunal, board, agency, or person, except
19 for any action deemed necessary by the Board.

20 (g) The casino operator license shall be issued only upon
21 proof that the applicant has entered into a labor peace
22 agreement with each labor organization that is actively engaged
23 in representing and attempting to represent casino and
24 hospitality industry workers in this State. The labor peace
25 agreement must be a valid and enforceable agreement under 29
26 U.S.C. 185 that protects the city's and State's revenues from

1 the operation of the casino facility by prohibiting the labor
2 organization and its members from engaging in any picketing,
3 work stoppages, boycotts, or any other economic interference
4 with the casino facility for at least the first 5 years of the
5 casino license and must cover all operations at the casino
6 facility that are conducted by lessees or tenants or under
7 management agreements.

8 (h) The casino operator license shall be for a term of 4
9 years, shall be renewable by the Board, and shall contain such
10 terms and provisions as the Board deems necessary to protect or
11 enhance the credibility and integrity of State gambling
12 operations, achieve the highest prospective total revenue to
13 the State, and otherwise serve the interests of the citizens of
14 Illinois. The Board may suspend, restrict, or revoke the
15 license:

16 (1) for violation of any provision of this Act;

17 (2) for violation of any rules of the Board;

18 (3) for any cause which, if known to the Board, would
19 have disqualified the applicant from receiving the
20 license; or

21 (4) for any other just cause.

22 (230 ILCS 10/7.10 new)

23 Sec. 7.10. Diversity program.

24 (a) Each owners licensee, electronic gaming licensee,
25 casino operator licensee, and suppliers licensee shall

1 establish and maintain a diversity program to ensure
2 non-discrimination in the award and administration of
3 contracts. The programs shall establish goals of awarding not
4 less than 20% of the annual dollar value of all contracts,
5 purchase orders, or other agreements to minority-owned
6 businesses and 5% of the annual dollar value of all contracts
7 to female-owned businesses.

8 (b) Each owners licensee, electronic gaming licensee,
9 casino operator licensee, and suppliers licensee shall
10 establish and maintain a diversity program designed to promote
11 equal opportunity for employment. The program shall establish
12 hiring goals as the Board and each licensee determines
13 appropriate. The Board shall monitor the progress of the gaming
14 licensee's progress with respect to the program's goals.

15 (c) No later than May 31 of each year, each licensee shall
16 report to the Board (1) the number of respective employees and
17 the number of its respective employees who have designated
18 themselves as members of a minority group and gender and (2)
19 the total goals achieved under subsection (a) of this Section
20 as a percentage of the total contracts awarded by the license.
21 In addition, all licensees shall submit a report with respect
22 to the minority-owned and female-owned businesses program
23 created in this Section to the Board.

24 (d) When considering whether to re-issue or renew a license
25 to an owners licensee, electronic gaming licensee, casino
26 operator licensee, or suppliers licensee, the Board shall take

1 into account the licensee's success in complying with the
2 provisions of this Section. If an owners licensee, electronic
3 gaming licensee, casino operator licensee, or suppliers
4 licensee has not satisfied the goals contained in this Section,
5 the Board shall require a written explanation as to why the
6 licensee is not in compliance and shall require the licensee to
7 file multi-year metrics designed to achieve compliance with the
8 provisions by the next renewal period, consistent with State
9 and federal law.

10 (230 ILCS 10/7.11 new)

11 Sec. 7.11. Annual report on diversity.

12 (a) Each licensee that receives a license under Sections 7,
13 7.1, and 7.7 shall execute and file a report with the Board no
14 later than December 31 of each year that shall contain, but not
15 be limited to, the following information:

16 (i) a good faith affirmative action plan to recruit,
17 train, and upgrade minority persons, females, and persons
18 with a disability in all employment classifications;

19 (ii) the total dollar amount of contracts that were
20 awarded to businesses owned by minority persons, females,
21 and persons with a disability;

22 (iii) the total number of businesses owned by minority
23 persons, females, and persons with a disability that were
24 utilized by the licensee;

25 (iv) the utilization of businesses owned by minority

1 persons, females, and persons with disabilities during the
2 preceding year; and

3 (v) the outreach efforts used by the licensee to
4 attract investors and businesses consisting of minority
5 persons, females, and persons with a disability.

6 (b) The Board shall forward a copy of each licensee's
7 annual reports to the General Assembly no later than February 1
8 of each year.

9 (230 ILCS 10/7.12 new)

10 Sec. 7.12. Issuance of new owners licenses.

11 (a) Except for the owners license issued to the Chicago
12 Casino Development Authority, owners licenses newly authorized
13 pursuant to this amendatory Act of the 100th General Assembly
14 may be issued by the Board to a qualified applicant pursuant to
15 an open and competitive bidding process, as set forth in
16 Section 7.5, and subject to the maximum number of authorized
17 licenses set forth in subsection (e-5) of Section 7 of this
18 Act.

19 (b) To be a qualified applicant, a person or entity may not
20 be ineligible to receive an owners license under subsection (a)
21 of Section 7 of this Act and must submit an application for an
22 owners license that complies with Section 6 of this Act.

23 (c) In determining whether to grant an owners license to an
24 applicant, the Board shall consider all of the factors set
25 forth in subsections (b) and (e-10) of Section 7 of this Act,

1 as well as the amount of the applicant's license bid. The Board
2 may grant the owners license to an applicant that has not
3 submitted the highest license bid, but if it does not select
4 the highest bidder, the Board shall issue a written decision
5 explaining why another applicant was selected and identifying
6 the factors set forth in subsections (b) and (e-10) of Section
7 7 of this Act that favored the winning bidder.

8 (230 ILCS 10/7.13 new)

9 Sec. 7.13. Environmental standards. All permanent
10 casinos, riverboats, and electronic gaming facilities shall
11 consist of buildings that are certified as meeting the U.S.
12 Green Building Council's Leadership in Energy and
13 Environmental Design standards. The provisions of this Section
14 apply to a holder of an owners license, casino operator
15 license, or electronic gaming license that (i) begins
16 operations on or after January 1, 2017 or (ii) relocates its
17 facilities on or after the effective date of this amendatory
18 Act of the 100th General Assembly.

19 (230 ILCS 10/8) (from Ch. 120, par. 2408)

20 Sec. 8. Suppliers licenses.

21 (a) The Board may issue a suppliers license to such
22 persons, firms or corporations which apply therefor upon the
23 payment of a non-refundable application fee set by the Board,
24 upon a determination by the Board that the applicant is

1 eligible for a suppliers license and upon payment of a \$5,000
2 annual license fee.

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

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

10 (d) A person, firm or corporation is ineligible to receive
11 a suppliers license if:

12 (1) the person has been convicted of a felony under the
13 laws of this State, any other state, or the United States;

14 (2) the person has been convicted of any violation of
15 Article 28 of the Criminal Code of 1961 or the Criminal
16 Code of 2012, or substantially similar laws of any other
17 jurisdiction;

18 (3) the person has submitted an application for a
19 license under this Act which contains false information;

20 (4) the person is a member of the Board;

21 (5) the entity ~~firm or corporation~~ is one in which a
22 person defined in (1), (2), (3) or (4), is an officer,
23 director or managerial employee;

24 (6) the firm or corporation employs a person who
25 participates in the management or operation of riverboat
26 gambling authorized under this Act or the Chicago Casino

1 Development Authority Act;

2 (7) the license of the person, firm or corporation
3 issued under this Act or the Chicago Casino Development
4 Authority Act, or a license to own or operate gambling
5 facilities in any other jurisdiction, has been revoked.

6 (e) Any person that supplies any equipment, devices, or
7 supplies to a licensed riverboat gambling operation or casino
8 or electronic gaming operation must first obtain a suppliers
9 license. A supplier shall furnish to the Board a list of all
10 equipment, devices and supplies offered for sale or lease in
11 connection with gambling games authorized under this Act. A
12 supplier shall keep books and records for the furnishing of
13 equipment, devices and supplies to gambling operations
14 separate and distinct from any other business that the supplier
15 might operate. A supplier shall file a quarterly return with
16 the Board listing all sales and leases. A supplier shall
17 permanently affix its name or a distinctive logo or other mark
18 or design element identifying the manufacturer or supplier to
19 all its equipment, devices, and supplies, except gaming chips
20 without a value impressed, engraved, or imprinted on it, for
21 gambling operations. The Board may waive this requirement for
22 any specific product or products if it determines that the
23 requirement is not necessary to protect the integrity of the
24 game. Items purchased from a licensed supplier may continue to
25 be used even though the supplier subsequently changes its name,
26 distinctive logo, or other mark or design element; undergoes a

1 change in ownership; or ceases to be licensed as a supplier for
2 any reason. Any supplier's equipment, devices or supplies which
3 are used by any person in an unauthorized gambling operation
4 shall be forfeited to the State. A holder of an owners license
5 or an electronic gaming license ~~A licensed owner~~ may own its
6 own equipment, devices and supplies. Each holder of an owners
7 license or an electronic gaming license under the Act shall
8 file an annual report listing its inventories of gambling
9 equipment, devices and supplies.

10 (f) Any person who knowingly makes a false statement on an
11 application is guilty of a Class A misdemeanor.

12 (g) Any gambling equipment, devices and supplies provided
13 by any licensed supplier may either be repaired on the
14 riverboat, in the casino, or at the electronic gaming facility
15 or removed from the riverboat, casino, or electronic gaming
16 facility to a ~~an on-shore~~ facility owned by the holder of an
17 owners license or electronic gaming license for repair.

18 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;
19 98-756, eff. 7-16-14.)

20 (230 ILCS 10/9) (from Ch. 120, par. 2409)

21 Sec. 9. Occupational licenses.

22 (a) The Board may issue an occupational license to an
23 applicant upon the payment of a non-refundable fee set by the
24 Board, upon a determination by the Board that the applicant is
25 eligible for an occupational license and upon payment of an

1 annual license fee in an amount to be established. To be
2 eligible for an occupational license, an applicant must:

3 (1) be at least 21 years of age if the applicant will
4 perform any function involved in gaming by patrons. Any
5 applicant seeking an occupational license for a non-gaming
6 function shall be at least 18 years of age;

7 (2) not have been convicted of a felony offense, a
8 violation of Article 28 of the Criminal Code of 1961 or the
9 Criminal Code of 2012, or a similar statute of any other
10 jurisdiction;

11 (2.5) not have been convicted of a crime, other than a
12 crime described in item (2) of this subsection (a),
13 involving dishonesty or moral turpitude, except that the
14 Board may, in its discretion, issue an occupational license
15 to a person who has been convicted of a crime described in
16 this item (2.5) more than 10 years prior to his or her
17 application and has not subsequently been convicted of any
18 other crime;

19 (3) have demonstrated a level of skill or knowledge
20 which the Board determines to be necessary in order to
21 operate gambling aboard a riverboat, in a casino, or at an
22 electronic gaming facility; and

23 (4) have met standards for the holding of an
24 occupational license as adopted by rules of the Board. Such
25 rules shall provide that any person or entity seeking an
26 occupational license to manage gambling operations under

1 this Act or the Chicago Casino Development Authority Act
2 ~~hereunder~~ shall be subject to background inquiries and
3 further requirements similar to those required of
4 applicants for an owners license. Furthermore, such rules
5 shall provide that each such entity shall be permitted to
6 manage gambling operations for only one licensed owner.

7 (b) Each application for an occupational license shall be
8 on forms prescribed by the Board and shall contain all
9 information required by the Board. The applicant shall set
10 forth in the application: whether he has been issued prior
11 gambling related licenses; whether he has been licensed in any
12 other state under any other name, and, if so, such name and his
13 age; and whether or not a permit or license issued to him in
14 any other state has been suspended, restricted or revoked, and,
15 if so, for what period of time.

16 (c) Each applicant shall submit with his application, on
17 forms provided by the Board, 2 sets of his fingerprints. The
18 Board shall charge each applicant a fee set by the Department
19 of State Police to defray the costs associated with the search
20 and classification of fingerprints obtained by the Board with
21 respect to the applicant's application. These fees shall be
22 paid into the State Police Services Fund.

23 (d) The Board may in its discretion refuse an occupational
24 license to any person: (1) who is unqualified to perform the
25 duties required of such applicant; (2) who fails to disclose or
26 states falsely any information called for in the application;

1 (3) who has been found guilty of a violation of this Act or the
2 Chicago Casino Development Authority Act or whose prior
3 gambling related license or application therefor has been
4 suspended, restricted, revoked or denied for just cause in any
5 other state; or (4) for any other just cause.

6 (e) The Board may suspend, revoke or restrict any
7 occupational licensee: (1) for violation of any provision of
8 this Act; (2) for violation of any of the rules and regulations
9 of the Board; (3) for any cause which, if known to the Board,
10 would have disqualified the applicant from receiving such
11 license; or (4) for default in the payment of any obligation or
12 debt due to the State of Illinois; or (5) for any other just
13 cause.

14 (f) A person who knowingly makes a false statement on an
15 application is guilty of a Class A misdemeanor.

16 (g) Any license issued pursuant to this Section shall be
17 valid for a period of one year from the date of issuance.

18 (h) Nothing in this Act shall be interpreted to prohibit a
19 licensed owner or electronic gaming licensee from entering into
20 an agreement with a public community college or a school
21 approved under the Private Business and Vocational Schools Act
22 of 2012 for the training of any occupational licensee. Any
23 training offered by such a school shall be in accordance with a
24 written agreement between the licensed owner or electronic
25 gaming licensee and the school.

26 (i) Any training provided for occupational licensees may be

1 conducted either at the site of the gambling facility ~~on the~~
2 ~~riverboat~~ or at a school with which a licensed owner or
3 electronic gaming licensee has entered into an agreement
4 pursuant to subsection (h).

5 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
6 97-1150, eff. 1-25-13.)

7 (230 ILCS 10/11) (from Ch. 120, par. 2411)

8 Sec. 11. Conduct of gambling. Gambling may be conducted by
9 licensed owners or licensed managers on behalf of the State
10 aboard riverboats. Gambling may be conducted by electronic
11 gaming licensees at electronic gaming facilities. Gambling may
12 be conducted by a casino operator licensee at a casino.
13 Gambling authorized under this Section is⁷ subject to the
14 following standards:

15 (1) A licensee may conduct riverboat gambling
16 authorized under this Act regardless of whether it conducts
17 excursion cruises. A licensee may permit the continuous
18 ingress and egress of patrons ~~passengers~~ on a riverboat not
19 used for excursion cruises for the purpose of gambling.
20 Excursion cruises shall not exceed 4 hours for a round
21 trip. However, the Board may grant express approval for an
22 extended cruise on a case-by-case basis.

23 (2) (Blank).

24 (3) Minimum and maximum wagers on games shall be set by
25 the licensee.

1 (4) Agents of the Board and the Department of State
2 Police may board and inspect any riverboat, enter and
3 inspect any portion of a casino, or enter and inspect any
4 portion of an electronic gaming facility at any time for
5 the purpose of determining whether this Act or the Chicago
6 Casino Development Authority Act is being complied with.
7 Every riverboat, if under way and being hailed by a law
8 enforcement officer or agent of the Board, must stop
9 immediately and lay to.

10 (5) Employees of the Board shall have the right to be
11 present on the riverboat or in the casino or on adjacent
12 facilities under the control of the licensee and at the
13 electronic gaming facility under the control of the
14 electronic gaming licensee.

15 (6) Gambling equipment and supplies customarily used
16 in conducting riverboat or casino gambling or electronic
17 gaming must be purchased or leased only from suppliers
18 licensed for such purpose under this Act. The Board may
19 approve the transfer, sale, or lease of gambling equipment
20 and supplies by a licensed owner from or to an affiliate of
21 the licensed owner as long as the gambling equipment and
22 supplies were initially acquired from a supplier licensed
23 in Illinois.

24 (7) Persons licensed under this Act or the Chicago
25 Casino Development Authority Act shall permit no form of
26 wagering on gambling games except as permitted by this Act.

1 (8) Wagers may be received only from a person present
2 on a licensed riverboat, in a casino, or at an electronic
3 gaming facility. No person present on a licensed riverboat,
4 in a casino, or at an electronic gaming facility shall
5 place or attempt to place a wager on behalf of another
6 person who is not present on the riverboat, in a casino, or
7 at the electronic gaming facility.

8 (9) Wagering, including electronic gaming, shall not
9 be conducted with money or other negotiable currency.

10 (10) A person under age 21 shall not be permitted on an
11 area of a riverboat or casino where gambling is being
12 conducted or at an electronic gaming facility where
13 gambling is being conducted, except for a person at least
14 18 years of age who is an employee of the riverboat or
15 casino gambling operation or electronic gaming operation.
16 No employee under age 21 shall perform any function
17 involved in gambling by the patrons. No person under age 21
18 shall be permitted to make a wager under this Act or the
19 Chicago Casino Development Authority Act, and any winnings
20 that are a result of a wager by a person under age 21,
21 whether or not paid by a licensee, shall be treated as
22 winnings for the privilege tax purposes, confiscated, and
23 forfeited to the State and deposited into the Education
24 Assistance Fund.

25 (11) Gambling excursion cruises are permitted only
26 when the waterway for which the riverboat is licensed is

1 navigable, as determined by the Board in consultation with
2 the U.S. Army Corps of Engineers. This paragraph (11) does
3 not limit the ability of a licensee to conduct gambling
4 authorized under this Act when gambling excursion cruises
5 are not permitted.

6 (12) All tokens, chips or electronic cards used to make
7 wagers must be purchased (i) from a licensed owner or
8 manager, in the case of a riverboat, either aboard a
9 riverboat or at an onshore facility which has been approved
10 by the Board and which is located where the riverboat
11 docks, (ii) in the case of a casino, from a licensed owner
12 or licensed casino operator at the casino, or (iii) from an
13 electronic gaming licensee at the electronic gaming
14 facility. The tokens, chips or electronic cards may be
15 purchased by means of an agreement under which the owner,
16 ~~or~~ manager, or licensed casino operator extends credit to
17 the patron. Such tokens, chips or electronic cards may be
18 used while aboard the riverboat, in the casino, or at the
19 electronic gaming facility only for the purpose of making
20 wagers on gambling games.

21 (13) Notwithstanding any other Section of this Act or
22 the Chicago Casino Development Authority Act, in addition
23 to the other licenses authorized under this Act or the
24 Chicago Casino Development Authority Act, the Board may
25 issue special event licenses allowing persons who are not
26 otherwise licensed to conduct riverboat gambling to

1 conduct such gambling on a specified date or series of
2 dates. Riverboat gambling under such a license may take
3 place on a riverboat not normally used for riverboat
4 gambling. The Board shall establish standards, fees and
5 fines for, and limitations upon, such licenses, which may
6 differ from the standards, fees, fines and limitations
7 otherwise applicable under this Act or the Chicago Casino
8 Development Authority Act. All such fees shall be deposited
9 into the State Gaming Fund. All such fines shall be
10 deposited into the Education Assistance Fund, created by
11 Public Act 86-0018, of the State of Illinois.

12 (14) In addition to the above, gambling must be
13 conducted in accordance with all rules adopted by the
14 Board.

15 (Source: P.A. 96-1392, eff. 1-1-11.)

16 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

17 Sec. 11.1. Collection of amounts owing under credit
18 agreements. Notwithstanding any applicable statutory provision
19 to the contrary, a licensed owner, licensed ~~or~~ manager,
20 licensed casino operator, or electronic gaming licensee who
21 extends credit to a ~~riverboat~~ gambling patron or an electronic
22 gaming patron pursuant to Section 11 (a) (12) of this Act is
23 expressly authorized to institute a cause of action to collect
24 any amounts due and owing under the extension of credit, as
25 well as the licensed owner's, licensed ~~or~~ manager's, licensed

1 casino operator's, or electronic gaming licensee's costs,
2 expenses and reasonable attorney's fees incurred in
3 collection.

4 (Source: P.A. 93-28, eff. 6-20-03.)

5 (230 ILCS 10/12) (from Ch. 120, par. 2412)

6 Sec. 12. Admission tax; fees.

7 (a) A tax is hereby imposed upon admissions to riverboat
8 and casino gambling facilities ~~riverboats~~ operated by licensed
9 owners authorized pursuant to this Act and the Chicago Casino
10 Development Authority Act. Until July 1, 2002, the rate is \$2
11 per person admitted. From July 1, 2002 until July 1, 2003, the
12 rate is \$3 per person admitted. From July 1, 2003 until August
13 23, 2005 (the effective date of Public Act 94-673), for a
14 licensee that admitted 1,000,000 persons or fewer in the
15 previous calendar year, the rate is \$3 per person admitted; for
16 a licensee that admitted more than 1,000,000 but no more than
17 2,300,000 persons in the previous calendar year, the rate is \$4
18 per person admitted; and for a licensee that admitted more than
19 2,300,000 persons in the previous calendar year, the rate is \$5
20 per person admitted. Beginning on August 23, 2005 (the
21 effective date of Public Act 94-673), for a licensee that
22 admitted 1,000,000 persons or fewer in calendar year 2004, the
23 rate is \$2 per person admitted, and for all other licensees,
24 including licensees that were not conducting gambling
25 operations in 2004, the rate is \$3 per person admitted. This

1 admission tax is imposed upon the licensed owner conducting
2 gambling.

3 (1) The admission tax shall be paid for each admission,
4 except that a person who exits a riverboat gambling
5 facility and reenters that riverboat gambling facility
6 within the same gaming day shall be subject only to the
7 initial admission tax.

8 (2) (Blank).

9 (3) The riverboat licensee may issue tax-free passes to
10 actual and necessary officials and employees of the
11 licensee or other persons actually working on the
12 riverboat.

13 (4) 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 (a-5) A fee is hereby imposed upon admissions operated by
18 licensed managers on behalf of the State pursuant to Section
19 7.3 at the rates provided in this subsection (a-5). For a
20 licensee that admitted 1,000,000 persons or fewer in the
21 previous calendar year, the rate is \$3 per person admitted; for
22 a licensee that admitted more than 1,000,000 but no more than
23 2,300,000 persons in the previous calendar year, the rate is \$4
24 per person admitted; and for a licensee that admitted more than
25 2,300,000 persons in the previous calendar year, the rate is \$5
26 per person admitted.

1 (1) The admission fee shall be paid for each admission.

2 (2) (Blank).

3 (3) The licensed manager may issue fee-free passes to
4 actual and necessary officials and employees of the manager
5 or other persons actually working on the riverboat.

6 (4) The number and issuance of fee-free passes is
7 subject to the rules of the Board, and a list of all
8 persons to whom the fee-free passes are issued shall be
9 filed with the Board.

10 (b) Except as provided in subsection (b-5), from ~~From~~ the
11 tax imposed under subsection (a) and the fee imposed under
12 subsection (a-5), a municipality shall receive from the State
13 \$1 for each person embarking on a riverboat docked within the
14 municipality or entering a casino located within the
15 municipality, and a county shall receive \$1 for each person
16 entering a casino or embarking on a riverboat docked within the
17 county but outside the boundaries of any municipality. The
18 municipality's or county's share shall be collected by the
19 Board on behalf of the State and remitted quarterly by the
20 State, subject to appropriation, to the treasurer of the unit
21 of local government for deposit in the general fund.

22 (b-5) From the tax imposed under subsection (a) and the fee
23 imposed under subsection (a-5), \$1 for each person embarking on
24 a riverboat designated in paragraph (4) of subsection (e-5) of
25 Section 7 shall be divided as follows: \$0.70 to the City of
26 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village

1 of Machesney Park, and \$0.20 to Winnebago County.

2 The municipality's or county's share shall be collected by
3 the Board on behalf of the State and remitted monthly by the
4 State, subject to appropriation, to the treasurer of the unit
5 of local government for deposit in the general fund.

6 (c) The licensed owner shall pay the entire admission tax
7 to the Board and the licensed manager or the casino operator
8 licensee shall pay the entire admission fee to the Board. Such
9 payments shall be made daily. Accompanying each payment shall
10 be a return on forms provided by the Board which shall include
11 other information regarding admissions as the Board may
12 require. Failure to submit either the payment or the return
13 within the specified time may result in suspension or
14 revocation of the owners or managers license.

15 (c-5) A tax is imposed on admissions to electronic gaming
16 facilities at the rate of \$3 per person admitted by an
17 electronic gaming licensee. The tax is imposed upon the
18 electronic gaming licensee.

19 (1) The admission tax shall be paid for each admission,
20 except that a person who exits an electronic gaming
21 facility and reenters that electronic gaming facility
22 within the same gaming day, as the term "gaming day" is
23 defined by the Board by rule, shall be subject only to the
24 initial admission tax. The Board shall establish, by rule,
25 a procedure to determine whether a person admitted to an
26 electronic gaming facility has paid the admission tax.

1 (2) An electronic gaming licensee may issue tax-free
2 passes to actual and necessary officials and employees of
3 the licensee and other persons associated with electronic
4 gaming operations.

5 (3) The number and issuance of tax-free passes is
6 subject to the rules of the Board, and a list of all
7 persons to whom the tax-free passes are issued shall be
8 filed with the Board.

9 (4) The electronic gaming licensee shall pay the entire
10 admission tax to the Board.

11 Such payments shall be made daily. Accompanying each
12 payment shall be a return on forms provided by the Board, which
13 shall include other information regarding admission as the
14 Board may require. Failure to submit either the payment or the
15 return within the specified time may result in suspension or
16 revocation of the electronic gaming license.

17 From the tax imposed under this subsection (c-5), a
18 municipality other than the Village of Stickney or the City of
19 Collinsville in which an electronic gaming facility is located,
20 or if the electronic gaming facility is not located within a
21 municipality, then the county in which the electronic gaming
22 facility is located, except as otherwise provided in this
23 Section, shall receive, subject to appropriation, \$1 for each
24 person who enters the electronic gaming facility. For each
25 admission to the electronic gaming facility in excess of
26 1,500,000 in a year, from the tax imposed under this subsection

1 (c-5), the county in which the electronic gaming facility is
2 located shall receive, subject to appropriation, \$0.30, which
3 shall be in addition to any other moneys paid to the county
4 under this Section.

5 From the tax imposed under this subsection (c-5) on an
6 electronic gaming facility located in the Village of Stickney,
7 \$1 for each person who enters the electronic gaming facility
8 shall be distributed as follows, subject to appropriation:
9 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
10 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
11 Health District, and \$0.05 to the City of Bridgeview.

12 From the tax imposed under this subsection (c-5) on an
13 electronic gaming facility located in the City of Collinsville,
14 \$1 for each person who enters the electronic gaming facility
15 shall be distributed as follows, subject to appropriation:
16 \$0.45 to the City of Alton, \$0.45 to the City of East St.
17 Louis, and \$0.10 to the City of Collinsville.

18 After payments required under this subsection (c-5) have
19 been made, all remaining amounts shall be deposited into the
20 Education Assistance Fund.

21 (d) The Board shall administer and collect the admission
22 tax imposed by this Section, to the extent practicable, in a
23 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
24 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
25 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act.

1 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

2 (230 ILCS 10/13) (from Ch. 120, par. 2413)

3 Sec. 13. Wagering tax; rate; distribution.

4 (a) Until January 1, 1998, a tax is imposed on the adjusted
5 gross receipts received from gambling games authorized under
6 this Act at the rate of 20%.

7 (a-1) From January 1, 1998 until July 1, 2002, a privilege
8 tax is imposed on persons engaged in the business of conducting
9 riverboat gambling operations, based on the adjusted gross
10 receipts received by a licensed owner from gambling games
11 authorized under this Act at the following rates:

12 15% of annual adjusted gross receipts up to and
13 including \$25,000,000;

14 20% of annual adjusted gross receipts in excess of
15 \$25,000,000 but not exceeding \$50,000,000;

16 25% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 30% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 35% of annual adjusted gross receipts in excess of
21 \$100,000,000.

22 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
23 is imposed on persons engaged in the business of conducting
24 riverboat gambling operations, other than licensed managers
25 conducting riverboat gambling operations on behalf of the

1 State, based on the adjusted gross receipts received by a
2 licensed owner from gambling games authorized under this Act at
3 the following rates:

4 15% of annual adjusted gross receipts up to and
5 including \$25,000,000;

6 22.5% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$50,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$75,000,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$75,000,000 but not exceeding \$100,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$100,000,000 but not exceeding \$150,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$150,000,000 but not exceeding \$200,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$200,000,000.

18 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
19 persons engaged in the business of conducting riverboat
20 gambling operations, other than licensed managers conducting
21 riverboat gambling operations on behalf of the State, based on
22 the adjusted gross receipts received by a licensed owner from
23 gambling games authorized under this Act at the following
24 rates:

25 15% of annual adjusted gross receipts up to and
26 including \$25,000,000;

1 27.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$37,500,000;

3 32.5% of annual adjusted gross receipts in excess of
4 \$37,500,000 but not exceeding \$50,000,000;

5 37.5% of annual adjusted gross receipts in excess of
6 \$50,000,000 but not exceeding \$75,000,000;

7 45% of annual adjusted gross receipts in excess of
8 \$75,000,000 but not exceeding \$100,000,000;

9 50% of annual adjusted gross receipts in excess of
10 \$100,000,000 but not exceeding \$250,000,000;

11 70% of annual adjusted gross receipts in excess of
12 \$250,000,000.

13 An amount equal to the amount of wagering taxes collected
14 under this subsection (a-3) that are in addition to the amount
15 of wagering taxes that would have been collected if the
16 wagering tax rates under subsection (a-2) were in effect shall
17 be paid into the Common School Fund.

18 The privilege tax imposed under this subsection (a-3) shall
19 no longer be imposed beginning on the earlier of (i) July 1,
20 2005; (ii) the first date after June 20, 2003 that riverboat
21 gambling operations are conducted pursuant to a dormant
22 license; or (iii) the first day that riverboat gambling
23 operations are conducted under the authority of an owners
24 license that is in addition to the 10 owners licenses initially
25 authorized under this Act. For the purposes of this subsection
26 (a-3), the term "dormant license" means an owners license that

1 is authorized by this Act under which no riverboat gambling
2 operations are being conducted on June 20, 2003.

3 (a-4) Beginning on the first day on which the tax imposed
4 under subsection (a-3) is no longer imposed and ending upon the
5 imposition of the privilege tax under subsection (a-5) of this
6 Section, a privilege tax is imposed on persons engaged in the
7 business of conducting riverboat or casino gambling or
8 electronic gaming operations, other than licensed managers
9 conducting riverboat gambling operations on behalf of the
10 State, based on the adjusted gross receipts received by a
11 licensed owner from gambling games authorized under this Act at
12 the following rates:

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 22.5% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 27.5% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 32.5% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 37.5% of annual adjusted gross receipts in excess of
22 \$100,000,000 but not exceeding \$150,000,000;

23 45% of annual adjusted gross receipts in excess of
24 \$150,000,000 but not exceeding \$200,000,000;

25 50% of annual adjusted gross receipts in excess of
26 \$200,000,000.

1 For the imposition of the privilege tax in this subsection
2 (a-4), amounts paid pursuant to item (1) of subsection (b) of
3 Section 56 of the Illinois Horse Racing Act of 1975 shall not
4 be included in the determination of adjusted gross receipts.

5 (a-5) Beginning in the fiscal year following the opening of
6 the casino at which gambling operations are conducted pursuant
7 to the Chicago Casino Development Authority Act, but not before
8 July 1, 2019, a privilege tax is imposed on persons engaged in
9 the business of conducting riverboat or casino gambling or
10 electronic gaming operations, other than licensed managers
11 conducting riverboat gambling operations on behalf of the
12 State, based on the adjusted gross receipts received by such
13 licensee from the gambling games authorized under this Act and
14 the Chicago Casino Development Authority Act. The privilege tax
15 for all gambling games other than table games, including, but
16 not limited to, slot machines, video game of chance gambling,
17 and electronic gambling games shall be at the following rates:

18 10% of annual adjusted gross receipts up to and
19 including \$25,000,000;

20 17.5% of annual adjusted gross receipts in excess of
21 \$25,000,000 but not exceeding \$50,000,000;

22 22.5% of annual adjusted gross receipts in excess of
23 \$50,000,000 but not exceeding \$75,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$75,000,000 but not exceeding \$100,000,000;

26 32.5% of annual adjusted gross receipts in excess of

1 \$100,000,000 but not exceeding \$150,000,000;

2 35% of annual adjusted gross receipts in excess of
3 \$150,000,000 but not exceeding \$200,000,000;

4 40% of annual adjusted gross receipts in excess of
5 \$200,000,000 but not exceeding \$300,000,000;

6 30% of annual adjusted gross receipts in excess of
7 \$300,000,000 but not exceeding \$350,000,000;

8 20% of annual adjusted gross receipts in excess of
9 \$350,000,000, but not exceeding \$800,000,000;

10 50% of annual adjusted gross receipts in excess of
11 \$800,000,000.

12 The privilege tax for table games shall be at the following
13 rates:

14 10% of annual adjusted gross receipts up to and
15 including \$25,000,000;

16 17.5% of annual adjusted gross receipts in excess of
17 \$25,000,000 but not exceeding \$50,000,000;

18 22.5% of annual adjusted gross receipts in excess of
19 \$50,000,000 but not exceeding \$70,000,000;

20 16% of annual adjusted gross receipts in excess of
21 \$70,000,000.

22 For the imposition of the privilege tax in this subsection
23 (a-5), amounts paid pursuant to item (1) of subsection (b) of
24 Section 56 of the Illinois Horse Racing Act of 1975 shall not
25 be included in the determination of adjusted gross receipts.

26 (a-6) From the effective date of this amendatory Act of the

1 100th General Assembly until June 30, 2021, an owners licensee
2 that conducted gambling operations prior to January 1, 2011
3 shall receive a dollar-for-dollar credit against the tax
4 imposed under this Section for any renovation or construction
5 costs paid by the owners licensee, but in no event shall the
6 credit exceed \$2,000,000.

7 Additionally, from the effective date of this amendatory
8 Act of the 100th General Assembly until December 31, 2020, an
9 owners licensee that (i) is located within 15 miles of the
10 Missouri border, and (ii) has at least 3 riverboats, casinos,
11 or their equivalent within a 45-mile radius, may be authorized
12 to relocate to a new location with the approval of both the
13 unit of local government designated as the home dock and the
14 Board, so long as the new location is within the same unit of
15 local government and no more than 3 miles away from its
16 original location. Such owners licensee shall receive a credit
17 against the tax imposed under this Section equal to 8% of the
18 total project costs, as approved by the Board, for any
19 renovation or construction costs paid by the owners licensee
20 for the construction of the new facility, provided that the new
21 facility is operational by July 1, 2020. In determining whether
22 or not to approve a relocation, the Board must consider the
23 extent to which the relocation will diminish the gaming
24 revenues received by other Illinois gaming facilities.

25 (a-8) Riverboat gambling operations conducted by a
26 licensed manager on behalf of the State are not subject to the

1 tax imposed under this Section.

2 (a-9) Beginning on January 1, 2018, the calculation of
3 gross receipts or adjusted gross receipts, for the purposes of
4 this Section, for a riverboat, casino, or electronic gaming
5 facility shall not include the dollar amount of non-cashable
6 vouchers, coupons, and electronic promotions redeemed by
7 wagerers upon the riverboat, in the casino, or in the
8 electronic gaming facility up to and including an amount not to
9 exceed 30% of a riverboat casino or electronic gaming
10 facility's adjusted gross receipts.

11 The Illinois Gaming Board shall submit to the General
12 Assembly a comprehensive report no later than March 31, 2021
13 detailing, at a minimum, the effect of removing non-cashable
14 vouchers, coupons, and electronic promotions from this
15 calculation on net gaming revenues to the State in calendar
16 years 2018 through 2020, the increase or reduction in wagerers
17 as a result of removing non-cashable vouchers, coupons, and
18 electronic promotions from this calculation, the effect of the
19 tax rates in subsection (a-5) on net gaming revenues to the
20 State, and proposed modifications to the calculation.

21 (a-10) The taxes imposed by this Section shall be paid by
22 the licensed owner or the electronic gaming licensee to the
23 Board not later than 5:00 o'clock p.m. of the day after the day
24 when the wagers were made.

25 (a-15) If the privilege tax imposed under subsection (a-3)
26 is no longer imposed pursuant to item (i) of the last paragraph

1 of subsection (a-3), then by June 15 of each year, each owners
2 licensee, other than an owners licensee that admitted 1,000,000
3 persons or fewer in calendar year 2004, must, in addition to
4 the payment of all amounts otherwise due under this Section,
5 pay to the Board a reconciliation payment in the amount, if
6 any, by which the licensed owner's base amount exceeds the
7 amount of net privilege tax paid by the licensed owner to the
8 Board in the then current State fiscal year. A licensed owner's
9 net privilege tax obligation due for the balance of the State
10 fiscal year shall be reduced up to the total of the amount paid
11 by the licensed owner in its June 15 reconciliation payment.
12 The obligation imposed by this subsection (a-15) is binding on
13 any person, firm, corporation, or other entity that acquires an
14 ownership interest in any such owners license. The obligation
15 imposed under this subsection (a-15) terminates on the earliest
16 of: (i) July 1, 2007, (ii) the first day after the effective
17 date of this amendatory Act of the 94th General Assembly that
18 riverboat gambling operations are conducted pursuant to a
19 dormant license, (iii) the first day that riverboat gambling
20 operations are conducted under the authority of an owners
21 license that is in addition to the 10 owners licenses initially
22 authorized under this Act, or (iv) the first day that a
23 licensee under the Illinois Horse Racing Act of 1975 conducts
24 gaming operations with slot machines or other electronic gaming
25 devices. The Board must reduce the obligation imposed under
26 this subsection (a-15) by an amount the Board deems reasonable

1 for any of the following reasons: (A) an act or acts of God,
2 (B) an act of bioterrorism or terrorism or a bioterrorism or
3 terrorism threat that was investigated by a law enforcement
4 agency, or (C) a condition beyond the control of the owners
5 licensee that does not result from any act or omission by the
6 owners licensee or any of its agents and that poses a hazardous
7 threat to the health and safety of patrons. If an owners
8 licensee pays an amount in excess of its liability under this
9 Section, the Board shall apply the overpayment to future
10 payments required under this Section.

11 For purposes of this subsection (a-15):

12 "Act of God" means an incident caused by the operation of
13 an extraordinary force that cannot be foreseen, that cannot be
14 avoided by the exercise of due care, and for which no person
15 can be held liable.

16 "Base amount" means the following:

17 For a riverboat in Alton, \$31,000,000.

18 For a riverboat in East Peoria, \$43,000,000.

19 For the Empress riverboat in Joliet, \$86,000,000.

20 For a riverboat in Metropolis, \$45,000,000.

21 For the Harrah's riverboat in Joliet, \$114,000,000.

22 For a riverboat in Aurora, \$86,000,000.

23 For a riverboat in East St. Louis, \$48,500,000.

24 For a riverboat in Elgin, \$198,000,000.

25 "Dormant license" has the meaning ascribed to it in
26 subsection (a-3).

1 "Net privilege tax" means all privilege taxes paid by a
2 licensed owner to the Board under this Section, less all
3 payments made from the State Gaming Fund pursuant to subsection
4 (b) of this Section.

5 The changes made to this subsection (a-15) by Public Act
6 94-839 are intended to restate and clarify the intent of Public
7 Act 94-673 with respect to the amount of the payments required
8 to be made under this subsection by an owners licensee to the
9 Board.

10 (b) Until January 1, 1998, 25% of the tax revenue deposited
11 in the State Gaming Fund under this Section shall be paid,
12 subject to appropriation by the General Assembly, to the unit
13 of local government which is designated as the home dock of the
14 riverboat. Beginning January 1, 1998, from the tax revenue from
15 riverboat or casino gambling deposited in the State Gaming Fund
16 under this Section, an amount equal to 5% of adjusted gross
17 receipts generated by a riverboat or a casino other than a
18 riverboat designated in paragraph (3) or (4) of subsection
19 (e-5) of Section 7, shall be paid monthly, subject to
20 appropriation by the General Assembly, to the unit of local
21 government in which the casino is located or that is designated
22 as the home dock of the riverboat. From the tax revenue
23 deposited in the State Gaming Fund pursuant to riverboat or
24 casino gambling operations conducted by a licensed manager on
25 behalf of the State, an amount equal to 5% of adjusted gross
26 receipts generated pursuant to those riverboat or casino

1 gambling operations shall be paid monthly, subject to
2 appropriation by the General Assembly, to the unit of local
3 government that is designated as the home dock of the riverboat
4 upon which those riverboat gambling operations are conducted or
5 in which the casino is located. From the tax revenue from
6 riverboat or casino gambling deposited in the State Gaming Fund
7 under this Section, an amount equal to 5% of the adjusted gross
8 receipts generated by a riverboat designated in paragraph (3)
9 of subsection (e-5) of Section 7 shall be divided and remitted
10 monthly, subject to appropriation, as follows: 50% to Waukegan,
11 25% to Park City, and 25% to North Chicago. From the tax
12 revenue from riverboat or casino gambling deposited in the
13 State Gaming Fund under this Section, an amount equal to 5% of
14 the adjusted gross receipts generated by a riverboat designated
15 in paragraph (4) of subsection (e-5) of Section 7 shall be
16 remitted monthly, subject to appropriation, as follows: 70% to
17 the City of Rockford, 5% to the City of Loves Park, 5% to the
18 Village of Machesney, and 20% to Winnebago County. Units of
19 local government may refund any portion of the payment that
20 they receive pursuant to this subsection (b) to the riverboat
21 or casino.

22 (b-5) Beginning on the effective date of this amendatory
23 Act of the 100th General Assembly, from the tax revenue
24 deposited in the State Gaming Fund under this Section, an
25 amount equal to 3% of adjusted gross receipts generated by each
26 electronic gaming facility located outside Madison County

1 shall be paid monthly, subject to appropriation by the General
2 Assembly, to a municipality other than the Village of Stickney
3 in which each electronic gaming facility is located or, if the
4 electronic gaming facility is not located within a
5 municipality, to the county in which the electronic gaming
6 facility is located, except as otherwise provided in this
7 Section. From the tax revenue deposited in the State Gaming
8 Fund under this Section, an amount equal to 3% of adjusted
9 gross receipts generated by an electronic gaming facility
10 located in the Village of Stickney shall be paid monthly,
11 subject to appropriation by the General Assembly, as follows:
12 25% to the Village of Stickney, 5% to the City of Berwyn, 50%
13 to the Town of Cicero, and 20% to the Stickney Public Health
14 District.

15 From the tax revenue deposited in the State Gaming Fund
16 under this Section, an amount equal to 5% of adjusted gross
17 receipts generated by an electronic gaming facility located in
18 the City of Collinsville shall be paid monthly, subject to
19 appropriation by the General Assembly, as follows: 45% to the
20 City of Alton, 45% to the City of East St. Louis, and 10% to the
21 City of Collinsville.

22 Municipalities and counties may refund any portion of the
23 payment that they receive pursuant to this subsection (b-5) to
24 the electronic gaming facility.

25 (b-6) Beginning on the effective date of this amendatory
26 Act of the 100th General Assembly, from the tax revenue

1 deposited in the State Gaming Fund under this Section, an
2 amount equal to 2% of adjusted gross receipts generated by an
3 electronic gaming facility located outside Madison County
4 shall be paid monthly, subject to appropriation by the General
5 Assembly, to the county in which the electronic gaming facility
6 is located for the purposes of its criminal justice system or
7 health care system.

8 Counties may refund any portion of the payment that they
9 receive pursuant to this subsection (b-6) to the electronic
10 gaming facility.

11 (c) Appropriations, as approved by the General Assembly,
12 may be made from the State Gaming Fund to the Board (i) for the
13 administration and enforcement of this Act, the Chicago Casino
14 Development Authority Act, and the Video Gaming Act, (ii) for
15 distribution to the Department of State Police and to the
16 Department of Revenue for the enforcement of this Act, the
17 Chicago Casino Development Authority Act, and the Video Gaming
18 Act, and (iii) to the Department of Human Services for the
19 administration of programs to treat problem gambling. The
20 Board's annual appropriations request must separately state
21 its funding needs for the regulation of electronic gaming,
22 riverboat gaming, casino gaming within the City of Chicago, and
23 video gaming. From the tax revenue deposited in the Gaming
24 Facilities Fee Revenue Fund, the first \$50,000,000 shall be
25 paid to the Board, subject to appropriation, for the
26 administration and enforcement of the provisions of this

1 amendatory Act of the 100th General Assembly.

2 (c-3) Appropriations, as approved by the General Assembly,
3 may be made from the tax revenue deposited into the State
4 Gaming Fund from electronic gaming pursuant to this Section for
5 the administration and enforcement of this Act.

6 (c-4) After payments required under subsections (b),
7 (b-5), (b-6), (c), and (c-3) have been made from the tax
8 revenue from electronic gaming deposited into the State Gaming
9 Fund under this Section, all remaining amounts from electronic
10 gaming shall be deposited into the Education Assistance Fund.

11 (c-5) Before May 26, 2006 (the effective date of Public Act
12 94-804) and beginning on the effective date of this amendatory
13 Act of the 95th General Assembly, unless any organization
14 licensee under the Illinois Horse Racing Act of 1975 begins to
15 operate a slot machine or video game of chance under the
16 Illinois Horse Racing Act of 1975 or this Act, after the
17 payments required under subsections (b) and (c) have been made,
18 an amount equal to 15% of the adjusted gross receipts of (1) an
19 owners licensee that relocates pursuant to Section 11.2, (2) an
20 owners licensee conducting riverboat gambling operations
21 pursuant to an owners license that is initially issued after
22 June 25, 1999, or (3) the first riverboat gambling operations
23 conducted by a licensed manager on behalf of the State under
24 Section 7.3, whichever comes first, shall be paid from the
25 State Gaming Fund into the Horse Racing Equity Fund.

26 (c-10) 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 into the Horse Racing Equity
3 Fund pursuant to subsection (c-5) in the prior calendar year.

4 (c-15) After the payments required under subsections (b),
5 (c), and (c-5) have been made, an amount equal to 2% of the
6 adjusted gross receipts of (1) an owners licensee that
7 relocates pursuant to Section 11.2, (2) an owners licensee
8 conducting riverboat gambling operations pursuant to an owners
9 license that is initially issued after June 25, 1999, or (3)
10 the first riverboat gambling operations conducted by a licensed
11 manager on behalf of the State under Section 7.3, whichever
12 comes first, shall be paid, subject to appropriation from the
13 General Assembly, from the State Gaming Fund to each home rule
14 county with a population of over 3,000,000 inhabitants for the
15 purpose of enhancing the county's criminal justice system.

16 (c-20) Each year the General Assembly shall appropriate
17 from the General Revenue Fund to the Education Assistance Fund
18 an amount equal to the amount paid to each home rule county
19 with a population of over 3,000,000 inhabitants pursuant to
20 subsection (c-15) in the prior calendar year.

21 (c-25) On July 1, 2013 and each July 1 thereafter,
22 \$1,600,000 shall be transferred from the State Gaming Fund to
23 the Chicago State University Education Improvement Fund.

24 (c-30) On July 1, 2013 or as soon as possible thereafter,
25 \$92,000,000 shall be transferred from the State Gaming Fund to
26 the School Infrastructure Fund and \$23,000,000 shall be

1 transferred from the State Gaming Fund to the Horse Racing
2 Equity Fund.

3 (c-35) Beginning on July 1, 2013, in addition to any amount
4 transferred under subsection (c-30) of this Section,
5 \$5,530,000 shall be transferred monthly from the State Gaming
6 Fund to the School Infrastructure Fund.

7 (d) From time to time, the Board shall transfer the
8 remainder of the funds generated by this Act into the Education
9 Assistance Fund, created by Public Act 86-0018, of the State of
10 Illinois.

11 (e) Nothing in this Act shall prohibit the unit of local
12 government designated as the home dock of the riverboat from
13 entering into agreements with other units of local government
14 in this State or in other states to share its portion of the
15 tax revenue.

16 (f) To the extent practicable, the Board shall administer
17 and collect the wagering taxes imposed by this Section in a
18 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act.

22 (Source: P.A. 98-18, eff. 6-7-13.)

23 (230 ILCS 10/14) (from Ch. 120, par. 2414)

24 Sec. 14. Licensees - Records - Reports - Supervision.

25 (a) Licensed owners and electronic gaming licensees A

1 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
2 clearly show the following:

3 (1) The amount received daily from admission fees.

4 (2) The total amount of gross receipts.

5 (3) The total amount of the adjusted gross receipts.

6 (b) Licensed owners and electronic gaming licensees ~~The~~
7 ~~licensed owner~~ shall furnish to the Board reports and
8 information as the Board may require with respect to its
9 activities on forms designed and supplied for such purpose by
10 the Board.

11 (c) The books and records kept by a licensed owner as
12 provided by this Section are public records and the
13 examination, publication, and dissemination of the books and
14 records are governed by the provisions of The Freedom of
15 Information Act.

16 (Source: P.A. 86-1029.)

17 (230 ILCS 10/15) (from Ch. 120, par. 2415)

18 Sec. 15. Audit of Licensee Operations. Annually, the
19 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
20 transmit to the Board an audit of the financial transactions
21 and condition of the licensee's or manager's total operations.
22 Additionally, within 90 days after the end of each quarter of
23 each fiscal year, the licensed owner, ~~or~~ manager, or electronic
24 gaming licensee shall transmit to the Board a compliance report
25 on engagement procedures determined by the Board. All audits

1 and compliance engagements shall be conducted by certified
2 public accountants selected by the Board. Each certified public
3 accountant must be registered in the State of Illinois under
4 the Illinois Public Accounting Act. The compensation for each
5 certified public accountant shall be paid directly by the
6 licensed owner, ~~or~~ manager, or electronic gaming licensee to
7 the certified public accountant.

8 (Source: P.A. 96-1392, eff. 1-1-11.)

9 (230 ILCS 10/16) (from Ch. 120, par. 2416)

10 Sec. 16. Annual Report of Board. The Board shall make an
11 annual report to the Governor, for the period ending December
12 31 of each year. Included in the report shall be an account of
13 the Board actions, its financial position and results of
14 operation under this Act and the Chicago Casino Development
15 Authority Act, the practical results attained under this Act
16 and the Chicago Casino Development Authority Act and any
17 recommendations for legislation which the Board deems
18 advisable.

19 (Source: P.A. 86-1029.)

20 (230 ILCS 10/17) (from Ch. 120, par. 2417)

21 Sec. 17. Administrative Procedures. The Illinois
22 Administrative Procedure Act shall apply to all administrative
23 rules and procedures of the Board under this Act, the Chicago
24 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,

1 except that: (1) subsection (b) of Section 5-10 of the Illinois
2 Administrative Procedure Act does not apply to final orders,
3 decisions and opinions of the Board; (2) subsection (a) of
4 Section 5-10 of the Illinois Administrative Procedure Act does
5 not apply to forms established by the Board for use under this
6 Act, the Chicago Casino Development Authority Act, and or the
7 Video Gaming Act; (3) the provisions of Section 10-45 of the
8 Illinois Administrative Procedure Act regarding proposals for
9 decision are excluded under this Act, the Chicago Casino
10 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
11 the provisions of subsection (d) of Section 10-65 of the
12 Illinois Administrative Procedure Act do not apply so as to
13 prevent summary suspension of any license pending revocation or
14 other action, which suspension shall remain in effect unless
15 modified by the Board or unless the Board's decision is
16 reversed on the merits upon judicial review.

17 (Source: P.A. 96-34, eff. 7-13-09.)

18 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

19 Sec. 17.1. Judicial Review.

20 (a) Jurisdiction and venue for the judicial review of a
21 final order of the Board relating to licensed owners,
22 suppliers, electronic gaming licensees, and ~~or~~ special event
23 licenses is vested in the Appellate Court of the judicial
24 district in which Sangamon County is located. A petition for
25 judicial review of a final order of the Board must be filed in

1 the Appellate Court, within 35 days from the date that a copy
2 of the decision sought to be reviewed was served upon the party
3 affected by the decision.

4 (b) Judicial review of all other final orders of the Board
5 shall be conducted in accordance with the Administrative Review
6 Law.

7 (Source: P.A. 88-1.)

8 (230 ILCS 10/18) (from Ch. 120, par. 2418)

9 Sec. 18. Prohibited Activities - Penalty.

10 (a) A person is guilty of a Class A misdemeanor for doing
11 any of the following:

12 (1) Conducting gambling where wagering is used or to be
13 used without a license issued by the Board.

14 (2) Conducting gambling where wagering is permitted
15 other than in the manner specified by Section 11.

16 (b) A person is guilty of a Class B misdemeanor for doing
17 any of the following:

18 (1) permitting a person under 21 years to make a wager;

19 or

20 (2) violating paragraph (12) of subsection (a) of
21 Section 11 of this Act.

22 (c) A person wagering or accepting a wager at any location
23 outside the riverboat, casino, or electronic gaming facility in
24 violation of paragraph ~~is subject to the penalties in~~
25 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the

1 Criminal Code of 2012 is subject to the penalties provided in
2 that Section.

3 (d) A person commits a Class 4 felony and, in addition,
4 shall be barred for life from gambling operations ~~riverboats~~
5 under the jurisdiction of the Board, if the person does any of
6 the following:

7 (1) Offers, promises, or gives anything of value or
8 benefit to a person who is connected with a riverboat or
9 casino owner or electronic gaming licensee, including, but
10 not limited to, an officer or employee of a licensed owner,
11 electronic gaming licensee, or holder of an occupational
12 license pursuant to an agreement or arrangement or with the
13 intent that the promise or thing of value or benefit will
14 influence the actions of the person to whom the offer,
15 promise, or gift was made in order to affect or attempt to
16 affect the outcome of a gambling game, or to influence
17 official action of a member of the Board.

18 (2) Solicits or knowingly accepts or receives a promise
19 of anything of value or benefit while the person is
20 connected with a riverboat, casino, or electronic gaming
21 facility, including, but not limited to, an officer or
22 employee of a licensed owner or electronic gaming licensee,
23 or the holder of an occupational license, pursuant to an
24 understanding or arrangement or with the intent that the
25 promise or thing of value or benefit will influence the
26 actions of the person to affect or attempt to affect the

1 outcome of a gambling game, or to influence official action
2 of a member of the Board.

3 (3) Uses or possesses with the intent to use a device
4 to assist:

5 (i) In projecting the outcome of the game.

6 (ii) In keeping track of the cards played.

7 (iii) In analyzing the probability of the
8 occurrence of an event relating to the gambling game.

9 (iv) In analyzing the strategy for playing or
10 betting to be used in the game except as permitted by
11 the Board.

12 (4) Cheats at a gambling game.

13 (5) Manufactures, sells, or distributes any cards,
14 chips, dice, game or device which is intended to be used to
15 violate any provision of this Act or the Chicago Casino
16 Development Authority Act.

17 (6) Alters or misrepresents the outcome of a gambling
18 game on which wagers have been made after the outcome is
19 made sure but before it is revealed to the players.

20 (7) Places a bet after acquiring knowledge, not
21 available to all players, of the outcome of the gambling
22 game which is subject of the bet or to aid a person in
23 acquiring the knowledge for the purpose of placing a bet
24 contingent on that outcome.

25 (8) Claims, collects, or takes, or attempts to claim,
26 collect, or take, money or anything of value in or from the

1 gambling games, with intent to defraud, without having made
2 a wager contingent on winning a gambling game, or claims,
3 collects, or takes an amount of money or thing of value of
4 greater value than the amount won.

5 (9) Uses counterfeit chips or tokens in a gambling
6 game.

7 (10) Possesses any key or device designed for the
8 purpose of opening, entering, or affecting the operation of
9 a gambling game, drop box, or an electronic or mechanical
10 device connected with the gambling game or for removing
11 coins, tokens, chips or other contents of a gambling game.
12 This paragraph (10) does not apply to a gambling licensee
13 or employee of a gambling licensee acting in furtherance of
14 the employee's employment.

15 (e) The possession of more than one of the devices
16 described in subsection (d), paragraphs (3), (5), or (10)
17 permits a rebuttable presumption that the possessor intended to
18 use the devices for cheating.

19 (f) A person under the age of 21 who, except as authorized
20 under paragraph (10) of Section 11, enters upon a riverboat or
21 in a casino or electronic gaming facility commits a petty
22 offense and is subject to a fine of not less than \$100 or more
23 than \$250 for a first offense and of not less than \$200 or more
24 than \$500 for a second or subsequent offense.

25 An action to prosecute any crime occurring on a riverboat
26 shall be tried in the county of the dock at which the riverboat

1 is based. An action to prosecute any crime occurring in a
2 casino or electronic gaming facility shall be tried in the
3 county in which the casino or electronic gaming facility is
4 located.

5 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

6 (230 ILCS 10/18.1)

7 Sec. 18.1. Distribution of certain fines. If a fine is
8 imposed on an owner licensee or an electronic gaming licensee
9 for knowingly sending marketing or promotional materials to any
10 person placed on the self-exclusion list, then the Board shall
11 distribute an amount equal to 15% of the fine imposed to the
12 unit of local government in which the casino, riverboat, or
13 electronic gaming facility is located for the purpose of
14 awarding grants to non-profit entities that assist gambling
15 addicts.

16 (Source: P.A. 96-224, eff. 8-11-09.)

17 (230 ILCS 10/19) (from Ch. 120, par. 2419)

18 Sec. 19. Forfeiture of property.

19 (a) Except as provided in subsection (b), any riverboat,
20 casino, or electronic gaming facility used for the conduct of
21 gambling games in violation of this Act shall be considered a
22 gambling place in violation of Section 28-3 of the Criminal
23 Code of 2012. Every gambling device found on a riverboat, in a
24 casino, or at an electronic gaming facility operating gambling

1 games in violation of this Act and every slot machine and video
2 game of chance found at an electronic gaming facility operating
3 gambling games in violation of this Act or the Chicago Casino
4 Development Authority Act shall be subject to seizure,
5 confiscation and destruction as provided in Section 28-5 of the
6 Criminal Code of 2012.

7 (b) It is not a violation of this Act for a riverboat or
8 other watercraft which is licensed for gaming by a contiguous
9 state to dock on the shores of this State if the municipality
10 having jurisdiction of the shores, or the county in the case of
11 unincorporated areas, has granted permission for docking and no
12 gaming is conducted on the riverboat or other watercraft while
13 it is docked on the shores of this State. No gambling device
14 shall be subject to seizure, confiscation or destruction if the
15 gambling device is located on a riverboat or other watercraft
16 which is licensed for gaming by a contiguous state and which is
17 docked on the shores of this State if the municipality having
18 jurisdiction of the shores, or the county in the case of
19 unincorporated areas, has granted permission for docking and no
20 gaming is conducted on the riverboat or other watercraft while
21 it is docked on the shores of this State.

22 (Source: P.A. 97-1150, eff. 1-25-13.)

23 (230 ILCS 10/20) (from Ch. 120, par. 2420)

24 Sec. 20. Prohibited activities - civil penalties. Any
25 person who conducts a gambling operation without first

1 obtaining a license to do so, or who continues to conduct such
2 games after revocation of his license, or any licensee who
3 conducts or allows to be conducted any unauthorized gambling
4 games on a riverboat, in a casino, or at an electronic gaming
5 facility where it is authorized to conduct its ~~riverboat~~
6 gambling operation, in addition to other penalties provided,
7 shall be subject to a civil penalty equal to the amount of
8 gross receipts derived from wagering on the gambling games,
9 whether unauthorized or authorized, conducted on that day as
10 well as confiscation and forfeiture of all gambling game
11 equipment used in the conduct of unauthorized gambling games.

12 (Source: P.A. 86-1029.)

13 (230 ILCS 10/21) (from Ch. 120, par. 2421)

14 Sec. 21. Limitation on taxation of licensees. Licensees
15 shall not be subjected to any excise tax, license tax, permit
16 tax, privilege tax, occupation tax or excursion tax which is
17 imposed exclusively upon the licensee by the State or any
18 political subdivision thereof, except as provided in this Act
19 or the Chicago Casino Development Authority Act.

20 (Source: P.A. 86-1029.)

21 (230 ILCS 10/23) (from Ch. 120, par. 2423)

22 Sec. 23. The State Gaming Fund. On or after the effective
23 date of this Act, except as provided for payments into the
24 Horse Racing Equity Trust Fund under subsection (a) of Section

1 7, all of the fees and taxes collected pursuant to this Act or
2 the Chicago Casino Development Authority Act shall be deposited
3 into the State Gaming Fund, a special fund in the State
4 Treasury, which is hereby created. The adjusted gross receipts
5 of any riverboat gambling operations conducted by a licensed
6 manager on behalf of the State remaining after the payment of
7 the fees and expenses of the licensed manager shall be
8 deposited into the State Gaming Fund. Fines and penalties
9 collected pursuant to this Act or the Chicago Casino
10 Development Authority Act shall be deposited into the Education
11 Assistance Fund, created by Public Act 86-0018, of the State of
12 Illinois.

13 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

14 (230 ILCS 10/24)

15 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
16 Act. The provisions of the this ~~Illinois Riverboat Gambling~~
17 Act, and all rules promulgated thereunder, shall apply to the
18 Chicago Casino Development Authority Act and the Video Gaming
19 Act, except where there is a conflict between the ~~2~~ Acts. In
20 the event of a conflict between this Act and the Chicago Casino
21 Development Authority Act, the terms of the Chicago Casino
22 Development Authority Act shall prevail. In the event of a
23 conflict between this Act and the Video Gaming Act, the terms
24 of this Act shall prevail.

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

1 Section 90-42. The Video Gaming Act is amended by changing
2 Sections 5, 25, 45, 79, and 80 as follows:

3 (230 ILCS 40/5)

4 Sec. 5. Definitions. As used in this Act:

5 "Board" means the Illinois Gaming Board.

6 "Credit" means one, 5, 10, or 25 cents either won or
7 purchased by a player.

8 "Distributor" means an individual, partnership,
9 corporation, or limited liability company licensed under this
10 Act to buy, sell, lease, or distribute video gaming terminals
11 or major components or parts of video gaming terminals to or
12 from terminal operators.

13 "Electronic card" means a card purchased from a licensed
14 establishment, licensed fraternal establishment, licensed
15 veterans establishment, or licensed truck stop establishment
16 for use in that establishment as a substitute for cash in the
17 conduct of gaming on a video gaming terminal.

18 "Electronic voucher" means a voucher printed by an
19 electronic video game machine that is redeemable in the
20 licensed establishment for which it was issued.

21 "Terminal operator" means an individual, partnership,
22 corporation, or limited liability company that is licensed
23 under this Act and that owns, services, and maintains video
24 gaming terminals for placement in licensed establishments,

1 licensed truck stop establishments, licensed fraternal
2 establishments, or licensed veterans establishments.

3 "Licensed technician" means an individual who is licensed
4 under this Act to repair, service, and maintain video gaming
5 terminals.

6 "Licensed terminal handler" means a person, including but
7 not limited to an employee or independent contractor working
8 for a manufacturer, distributor, supplier, technician, or
9 terminal operator, who is licensed under this Act to possess or
10 control a video gaming terminal or to have access to the inner
11 workings of a video gaming terminal. A licensed terminal
12 handler does not include an individual, partnership,
13 corporation, or limited liability company defined as a
14 manufacturer, distributor, supplier, technician, or terminal
15 operator under this Act.

16 "Manufacturer" means an individual, partnership,
17 corporation, or limited liability company that is licensed
18 under this Act and that manufactures or assembles video gaming
19 terminals.

20 "Supplier" means an individual, partnership, corporation,
21 or limited liability company that is licensed under this Act to
22 supply major components or parts to video gaming terminals to
23 licensed terminal operators.

24 "Net terminal income" means money put into a video gaming
25 terminal minus credits paid out to players.

26 "Video gaming terminal" means any electronic video game

1 machine that, upon insertion of cash, electronic cards or
2 vouchers, or any combination thereof, is available to play or
3 simulate the play of a video game, including but not limited to
4 video poker, line up, and blackjack, as authorized by the Board
5 utilizing a video display and microprocessors in which the
6 player may receive free games or credits that can be redeemed
7 for cash. The term does not include a machine that directly
8 dispenses coins, cash, or tokens or is for amusement purposes
9 only.

10 "Licensed establishment" means any licensed retail
11 establishment where alcoholic liquor is drawn, poured, mixed,
12 or otherwise served for consumption on the premises, whether
13 the establishment operates on a nonprofit or for-profit basis.

14 "Licensed establishment" includes any such establishment that
15 has a contractual relationship with an inter-track wagering
16 location licensee licensed under the Illinois Horse Racing Act
17 of 1975, provided any contractual relationship shall not
18 include any transfer or offer of revenue from the operation of
19 video gaming under this Act to any licensee licensed under the
20 Illinois Horse Racing Act of 1975. Provided, however, that the
21 licensed establishment that has such a contractual
22 relationship with an inter-track wagering location licensee
23 may not, itself, be (i) an inter-track wagering location
24 licensee, (ii) the corporate parent or subsidiary of any
25 licensee licensed under the Illinois Horse Racing Act of 1975,
26 or (iii) the corporate subsidiary of a corporation that is also

1 the corporate parent or subsidiary of any licensee licensed
2 under the Illinois Horse Racing Act of 1975. "Licensed
3 establishment" does not include a facility operated by an
4 organization licensee, an inter-track wagering licensee, or an
5 inter-track wagering location licensee licensed under the
6 Illinois Horse Racing Act of 1975 or a riverboat licensed under
7 the Illinois Riverboat Gambling Act, except as provided in this
8 paragraph. The changes made to this definition by Public Act
9 98-587 are declarative of existing law.

10 "Licensed fraternal establishment" means the location
11 where a qualified fraternal organization that derives its
12 charter from a national fraternal organization regularly
13 meets.

14 "Licensed veterans establishment" means the location where
15 a qualified veterans organization that derives its charter from
16 a national veterans organization regularly meets.

17 "Licensed truck stop establishment" means a facility (i)
18 that is at least a 3-acre facility with a convenience store,
19 (ii) with separate diesel islands for fueling commercial motor
20 vehicles, (iii) that sells at retail more than 10,000 gallons
21 of diesel or biodiesel fuel per month, and (iv) with parking
22 spaces for commercial motor vehicles. "Commercial motor
23 vehicles" has the same meaning as defined in Section 18b-101 of
24 the Illinois Vehicle Code. The requirement of item (iii) of
25 this paragraph may be met by showing that estimated future
26 sales or past sales average at least 10,000 gallons per month.

1 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
2 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
3 7-16-14.)

4 (230 ILCS 40/25)

5 Sec. 25. Restriction of licensees.

6 (a) Manufacturer. A person may not be licensed as a
7 manufacturer of a video gaming terminal in Illinois unless the
8 person has a valid manufacturer's license issued under this
9 Act. A manufacturer may only sell video gaming terminals for
10 use in Illinois to persons having a valid distributor's
11 license.

12 (b) Distributor. A person may not sell, distribute, or
13 lease or market a video gaming terminal in Illinois unless the
14 person has a valid distributor's license issued under this Act.
15 A distributor may only sell video gaming terminals for use in
16 Illinois to persons having a valid distributor's or terminal
17 operator's license.

18 (c) Terminal operator. A person may not own, maintain, or
19 place a video gaming terminal unless he has a valid terminal
20 operator's license issued under this Act. A terminal operator
21 may only place video gaming terminals for use in Illinois in
22 licensed establishments, licensed truck stop establishments,
23 licensed fraternal establishments, and licensed veterans
24 establishments. No terminal operator may give anything of
25 value, including but not limited to a loan or financing

1 arrangement, to a licensed establishment, licensed truck stop
2 establishment, licensed fraternal establishment, or licensed
3 veterans establishment as any incentive or inducement to locate
4 video terminals in that establishment. Of the after-tax profits
5 from a video gaming terminal, 50% shall be paid to the terminal
6 operator and 50% shall be paid to the licensed establishment,
7 licensed truck stop establishment, licensed fraternal
8 establishment, or licensed veterans establishment,
9 notwithstanding any agreement to the contrary. A video terminal
10 operator that violates one or more requirements of this
11 subsection is guilty of a Class 4 felony and is subject to
12 termination of his or her license by the Board.

13 (d) Licensed technician. A person may not service,
14 maintain, or repair a video gaming terminal in this State
15 unless he or she (1) has a valid technician's license issued
16 under this Act, (2) is a terminal operator, or (3) is employed
17 by a terminal operator, distributor, or manufacturer.

18 (d-5) Licensed terminal handler. No person, including, but
19 not limited to, an employee or independent contractor working
20 for a manufacturer, distributor, supplier, technician, or
21 terminal operator licensed pursuant to this Act, shall have
22 possession or control of a video gaming terminal, or access to
23 the inner workings of a video gaming terminal, unless that
24 person possesses a valid terminal handler's license issued
25 under this Act.

26 (e) Licensed establishment. No video gaming terminal may be

1 placed in any licensed establishment, licensed veterans
2 establishment, licensed truck stop establishment, or licensed
3 fraternal establishment unless the owner or agent of the owner
4 of the licensed establishment, licensed veterans
5 establishment, licensed truck stop establishment, or licensed
6 fraternal establishment has entered into a written use
7 agreement with the terminal operator for placement of the
8 terminals. A copy of the use agreement shall be on file in the
9 terminal operator's place of business and available for
10 inspection by individuals authorized by the Board. A licensed
11 establishment, licensed truck stop establishment, licensed
12 veterans establishment, or licensed fraternal establishment
13 may operate up to 5 video gaming terminals on its premises at
14 any time.

15 (f) (Blank).

16 (g) Financial interest restrictions. As used in this Act,
17 "substantial interest" in a partnership, a corporation, an
18 organization, an association, a business, or a limited
19 liability company means:

20 (A) When, with respect to a sole proprietorship, an
21 individual or his or her spouse owns, operates, manages, or
22 conducts, directly or indirectly, the organization,
23 association, or business, or any part thereof; or

24 (B) When, with respect to a partnership, the individual
25 or his or her spouse shares in any of the profits, or
26 potential profits, of the partnership activities; or

1 (C) When, with respect to a corporation, an individual
2 or his or her spouse is an officer or director, or the
3 individual or his or her spouse is a holder, directly or
4 beneficially, of 5% or more of any class of stock of the
5 corporation; or

6 (D) When, with respect to an organization not covered
7 in (A), (B) or (C) above, an individual or his or her
8 spouse is an officer or manages the business affairs, or
9 the individual or his or her spouse is the owner of or
10 otherwise controls 10% or more of the assets of the
11 organization; or

12 (E) When an individual or his or her spouse furnishes
13 5% or more of the capital, whether in cash, goods, or
14 services, for the operation of any business, association,
15 or organization during any calendar year; or

16 (F) When, with respect to a limited liability company,
17 an individual or his or her spouse is a member, or the
18 individual or his or her spouse is a holder, directly or
19 beneficially, of 5% or more of the membership interest of
20 the limited liability company.

21 For purposes of this subsection (g), "individual" includes
22 all individuals or their spouses whose combined interest would
23 qualify as a substantial interest under this subsection (g) and
24 whose activities with respect to an organization, association,
25 or business are so closely aligned or coordinated as to
26 constitute the activities of a single entity.

1 (h) Location restriction. A licensed establishment,
2 licensed truck stop establishment, licensed fraternal
3 establishment, or licensed veterans establishment that is (i)
4 located within 1,000 feet of a facility operated by an
5 organization licensee licensed under the Illinois Horse Racing
6 Act of 1975 or the home dock of a riverboat licensed under the
7 Illinois Riverboat ~~Gambling Act~~ or (ii) located within 100 feet
8 of a school or a place of worship under the Religious
9 Corporation Act, is ineligible to operate a video gaming
10 terminal. The location restrictions in this subsection (h) do
11 not apply if (A) a facility operated by an organization
12 licensee, a school, or a place of worship moves to or is
13 established within the restricted area after a licensed
14 establishment, licensed truck stop establishment, licensed
15 fraternal establishment, or licensed veterans establishment
16 becomes licensed under this Act or (B) a school or place of
17 worship moves to or is established within the restricted area
18 after a licensed establishment, licensed truck stop
19 establishment, licensed fraternal establishment, or licensed
20 veterans establishment obtains its original liquor license.
21 For the purpose of this subsection, "school" means an
22 elementary or secondary public school, or an elementary or
23 secondary private school registered with or recognized by the
24 State Board of Education.

25 Notwithstanding the provisions of this subsection (h), the
26 Board may waive the requirement that a licensed establishment,

1 licensed truck stop establishment, licensed fraternal
2 establishment, or licensed veterans establishment not be
3 located within 1,000 feet from a facility operated by an
4 organization licensee licensed under the Illinois Horse Racing
5 Act of 1975 or the home dock of a riverboat licensed under the
6 Illinois Riverboat Gambling Act. The Board shall not grant such
7 waiver if there is any common ownership or control, shared
8 business activity, or contractual arrangement of any type
9 between the establishment and the organization licensee or
10 owners licensee of a riverboat. The Board shall adopt rules to
11 implement the provisions of this paragraph.

12 (i) Undue economic concentration. In addition to
13 considering all other requirements under this Act, in deciding
14 whether to approve the operation of video gaming terminals by a
15 terminal operator in a location, the Board shall consider the
16 impact of any economic concentration of such operation of video
17 gaming terminals. The Board shall not allow a terminal operator
18 to operate video gaming terminals if the Board determines such
19 operation will result in undue economic concentration. For
20 purposes of this Section, "undue economic concentration" means
21 that a terminal operator would have such actual or potential
22 influence over video gaming terminals in Illinois as to:

23 (1) substantially impede or suppress competition among
24 terminal operators;

25 (2) adversely impact the economic stability of the
26 video gaming industry in Illinois; or

1 (3) negatively impact the purposes of the Video Gaming
2 Act.

3 The Board shall adopt rules concerning undue economic
4 concentration with respect to the operation of video gaming
5 terminals in Illinois. The rules shall include, but not be
6 limited to, (i) limitations on the number of video gaming
7 terminals operated by any terminal operator within a defined
8 geographic radius and (ii) guidelines on the discontinuation of
9 operation of any such video gaming terminals the Board
10 determines will cause undue economic concentration.

11 (j) The provisions of the Illinois Antitrust Act are fully
12 and equally applicable to the activities of any licensee under
13 this Act.

14 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
15 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

16 (230 ILCS 40/45)

17 Sec. 45. Issuance of license.

18 (a) The burden is upon each applicant to demonstrate his
19 suitability for licensure. Each video gaming terminal
20 manufacturer, distributor, supplier, operator, handler,
21 licensed establishment, licensed truck stop establishment,
22 licensed fraternal establishment, and licensed veterans
23 establishment shall be licensed by the Board. The Board may
24 issue or deny a license under this Act to any person pursuant
25 to the same criteria set forth in Section 9 of the Illinois

1 ~~Riverboat~~ Gambling Act.

2 (a-5) The Board shall not grant a license to a person who
3 has facilitated, enabled, or participated in the use of
4 coin-operated devices for gambling purposes or who is under the
5 significant influence or control of such a person. For the
6 purposes of this Act, "facilitated, enabled, or participated in
7 the use of coin-operated amusement devices for gambling
8 purposes" means that the person has been convicted of any
9 violation of Article 28 of the Criminal Code of 1961 or the
10 Criminal Code of 2012. If there is pending legal action against
11 a person for any such violation, then the Board shall delay the
12 licensure of that person until the legal action is resolved.

13 (b) Each person seeking and possessing a license as a video
14 gaming terminal manufacturer, distributor, supplier, operator,
15 handler, licensed establishment, licensed truck stop
16 establishment, licensed fraternal establishment, or licensed
17 veterans establishment shall submit to a background
18 investigation conducted by the Board with the assistance of the
19 State Police or other law enforcement. To the extent that the
20 corporate structure of the applicant allows, the background
21 investigation shall include any or all of the following as the
22 Board deems appropriate or as provided by rule for each
23 category of licensure: (i) each beneficiary of a trust, (ii)
24 each partner of a partnership, (iii) each member of a limited
25 liability company, (iv) each director and officer of a publicly
26 or non-publicly held corporation, (v) each stockholder of a

1 non-publicly held corporation, (vi) each stockholder of 5% or
2 more of a publicly held corporation, or (vii) each stockholder
3 of 5% or more in a parent or subsidiary corporation.

4 (c) Each person seeking and possessing a license as a video
5 gaming terminal manufacturer, distributor, supplier, operator,
6 handler, licensed establishment, licensed truck stop
7 establishment, licensed fraternal establishment, or licensed
8 veterans establishment shall disclose the identity of every
9 person, association, trust, corporation, or limited liability
10 company having a greater than 1% direct or indirect pecuniary
11 interest in the video gaming terminal operation for which the
12 license is sought. If the disclosed entity is a trust, the
13 application shall disclose the names and addresses of the
14 beneficiaries; if a corporation, the names and addresses of all
15 stockholders and directors; if a limited liability company, the
16 names and addresses of all members; or if a partnership, the
17 names and addresses of all partners, both general and limited.

18 (d) No person may be licensed as a video gaming terminal
19 manufacturer, distributor, supplier, operator, handler,
20 licensed establishment, licensed truck stop establishment,
21 licensed fraternal establishment, or licensed veterans
22 establishment if that person has been found by the Board to:

23 (1) have a background, including a criminal record,
24 reputation, habits, social or business associations, or
25 prior activities that pose a threat to the public interests
26 of the State or to the security and integrity of video

1 gaming;

2 (2) create or enhance the dangers of unsuitable,
3 unfair, or illegal practices, methods, and activities in
4 the conduct of video gaming; or

5 (3) present questionable business practices and
6 financial arrangements incidental to the conduct of video
7 gaming activities.

8 (e) Any applicant for any license under this Act has the
9 burden of proving his or her qualifications to the satisfaction
10 of the Board. The Board may adopt rules to establish additional
11 qualifications and requirements to preserve the integrity and
12 security of video gaming in this State.

13 (f) A non-refundable application fee shall be paid at the
14 time an application for a license is filed with the Board in
15 the following amounts:

- 16 (1) Manufacturer \$5,000
- 17 (2) Distributor..... \$5,000
- 18 (3) Terminal operator..... \$5,000
- 19 (4) Supplier \$2,500
- 20 (5) Technician \$100
- 21 (6) Terminal Handler \$50

22 (g) The Board shall establish an annual fee for each
23 license not to exceed the following:

- 24 (1) Manufacturer \$10,000
- 25 (2) Distributor..... \$10,000
- 26 (3) Terminal operator..... \$5,000

- 1 (4) Supplier \$2,000
- 2 (5) Technician \$100
- 3 (6) Licensed establishment, licensed truck stop
- 4 establishment, licensed fraternal establishment,
- 5 or licensed veterans establishment \$100
- 6 (7) Video gaming terminal..... \$100
- 7 (8) Terminal Handler \$50
- 8 (h) A terminal operator and a licensed establishment,
- 9 licensed truck stop establishment, licensed fraternal
- 10 establishment, or licensed veterans establishment shall
- 11 equally split the fees specified in item (7) of subsection (g).
- 12 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
- 13 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

14 (230 ILCS 40/79)

15 Sec. 79. Investigators. Investigators appointed by the

16 Board pursuant to the powers conferred upon the Board by

17 paragraph (20.6) of subsection (c) of Section 5 of the Illinois

18 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have

19 authority to conduct investigations, searches, seizures,

20 arrests, and other duties imposed under this Act and the

21 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the

22 Board. These investigators have and may exercise all of the

23 rights and powers of peace officers, provided that these powers

24 shall be (1) limited to offenses or violations occurring or

25 committed in connection with conduct subject to this Act,

1 including, but not limited to, the manufacture, distribution,
2 supply, operation, placement, service, maintenance, or play of
3 video gaming terminals and the distribution of profits and
4 collection of revenues resulting from such play, and (2)
5 exercised, to the fullest extent practicable, in cooperation
6 with the local police department of the applicable municipality
7 or, if these powers are exercised outside the boundaries of an
8 incorporated municipality or within a municipality that does
9 not have its own police department, in cooperation with the
10 police department whose jurisdiction encompasses the
11 applicable locality.

12 (Source: P.A. 97-809, eff. 7-13-12.)

13 (230 ILCS 40/80)

14 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.
15 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
16 rules promulgated thereunder, shall apply to the Video Gaming
17 Act, except where there is a conflict between the 2 Acts. In
18 the event of a conflict between the 2 Acts, the provisions of
19 the Illinois Gambling Act shall prevail. All provisions of the
20 Uniform Penalty and Interest Act shall apply, as far as
21 practicable, to the subject matter of this Act to the same
22 extent as if such provisions were included herein.

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

24 Section 90-45. The Liquor Control Act of 1934 is amended by

1 changing Sections 5-1 and 6-30 as follows:

2 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

3 Sec. 5-1. Licenses issued by the Illinois Liquor Control
4 Commission shall be of the following classes:

5 (a) Manufacturer's license - Class 1. Distiller, Class 2.
6 Rectifier, Class 3. Brewer, Class 4. First Class Wine
7 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
8 First Class Winemaker, Class 7. Second Class Winemaker, Class
9 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
10 10. Class 1 Brewer, Class 11. Class 2 Brewer,

11 (b) Distributor's license,

12 (c) Importing Distributor's license,

13 (d) Retailer's license,

14 (e) Special Event Retailer's license (not-for-profit),

15 (f) Railroad license,

16 (g) Boat license,

17 (h) Non-Beverage User's license,

18 (i) Wine-maker's premises license,

19 (j) Airplane license,

20 (k) Foreign importer's license,

21 (l) Broker's license,

22 (m) Non-resident dealer's license,

23 (n) Brew Pub license,

24 (o) Auction liquor license,

25 (p) Caterer retailer license,

- 1 (q) Special use permit license,
2 (r) Winery shipper's license,
3 (s) Craft distiller tasting permit.

4 No person, firm, partnership, corporation, or other legal
5 business entity that is engaged in the manufacturing of wine
6 may concurrently obtain and hold a wine-maker's license and a
7 wine manufacturer's license.

8 (a) A manufacturer's license shall allow the manufacture,
9 importation in bulk, storage, distribution and sale of
10 alcoholic liquor to persons without the State, as may be
11 permitted by law and to licensees in this State as follows:

12 Class 1. A Distiller may make sales and deliveries of
13 alcoholic liquor to distillers, rectifiers, importing
14 distributors, distributors and non-beverage users and to no
15 other licensees.

16 Class 2. A Rectifier, who is not a distiller, as defined
17 herein, may make sales and deliveries of alcoholic liquor to
18 rectifiers, importing distributors, distributors, retailers
19 and non-beverage users and to no other licensees.

20 Class 3. A Brewer may make sales and deliveries of beer to
21 importing distributors and distributors and may make sales as
22 authorized under subsection (e) of Section 6-4 of this Act.

23 Class 4. A first class wine-manufacturer may make sales and
24 deliveries of up to 50,000 gallons of wine to manufacturers,
25 importing distributors and distributors, and to no other
26 licensees.

1 Class 5. A second class Wine manufacturer may make sales
2 and deliveries of more than 50,000 gallons of wine to
3 manufacturers, importing distributors and distributors and to
4 no other licensees.

5 Class 6. A first-class wine-maker's license shall allow the
6 manufacture of up to 50,000 gallons of wine per year, and the
7 storage and sale of such wine to distributors in the State and
8 to persons without the State, as may be permitted by law. A
9 person who, prior to June 1, 2008 (the effective date of Public
10 Act 95-634), is a holder of a first-class wine-maker's license
11 and annually produces more than 25,000 gallons of its own wine
12 and who distributes its wine to licensed retailers shall cease
13 this practice on or before July 1, 2008 in compliance with
14 Public Act 95-634.

15 Class 7. A second-class wine-maker's license shall allow
16 the manufacture of between 50,000 and 150,000 gallons of wine
17 per year, and the storage and sale of such wine to distributors
18 in this State and to persons without the State, as may be
19 permitted by law. A person who, prior to June 1, 2008 (the
20 effective date of Public Act 95-634), is a holder of a
21 second-class wine-maker's license and annually produces more
22 than 25,000 gallons of its own wine and who distributes its
23 wine to licensed retailers shall cease this practice on or
24 before July 1, 2008 in compliance with Public Act 95-634.

25 Class 8. A limited wine-manufacturer may make sales and
26 deliveries not to exceed 40,000 gallons of wine per year to

1 distributors, and to non-licensees in accordance with the
2 provisions of this Act.

3 Class 9. A craft distiller license shall allow the
4 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~
5 gallons of spirits by distillation per year and the storage of
6 such spirits. If a craft distiller licensee, including a craft
7 distiller licensee who holds more than one craft distiller
8 license, is not affiliated with any other manufacturer of
9 spirits, then the craft distiller licensee may sell such
10 spirits to distributors in this State and up to 2,500 gallons
11 of such spirits to non-licensees to the extent permitted by any
12 exemption approved by the Commission pursuant to Section 6-4 of
13 this Act. A craft distiller license holder may store such
14 spirits at a non-contiguous licensed location, but at no time
15 shall a craft distiller license holder directly or indirectly
16 produce in the aggregate more than 100,000 gallons of spirits
17 per year.

18 A craft distiller licensee may hold more than one craft
19 distiller's license. However, a craft distiller that holds more
20 than one craft distiller license shall not manufacture, in the
21 aggregate, more than 100,000 gallons of spirits by distillation
22 per year and shall not sell, in the aggregate, more than 2,500
23 gallons of such spirits to non-licensees in accordance with an
24 exemption approved by the State Commission pursuant to Section
25 6-4 of this Act.

26 Any craft distiller licensed under this Act who on July 28,

1 2010 (the effective date of Public Act 96-1367) was licensed as
2 a distiller and manufactured no more spirits than permitted by
3 this Section shall not be required to pay the initial licensing
4 fee.

5 Class 10. A class 1 brewer license, which may only be
6 issued to a licensed brewer or licensed non-resident dealer,
7 shall allow the manufacture of up to 930,000 gallons of beer
8 per year provided that the class 1 brewer licensee does not
9 manufacture more than a combined 930,000 gallons of beer per
10 year and is not a member of or affiliated with, directly or
11 indirectly, a manufacturer that produces more than 930,000
12 gallons of beer per year or any other alcoholic liquor. A class
13 1 brewer licensee may make sales and deliveries to importing
14 distributors and distributors and to retail licensees in
15 accordance with the conditions set forth in paragraph (18) of
16 subsection (a) of Section 3-12 of this Act.

17 Class 11. A class 2 brewer license, which may only be
18 issued to a licensed brewer or licensed non-resident dealer,
19 shall allow the manufacture of up to 3,720,000 gallons of beer
20 per year provided that the class 2 brewer licensee does not
21 manufacture more than a combined 3,720,000 gallons of beer per
22 year and is not a member of or affiliated with, directly or
23 indirectly, a manufacturer that produces more than 3,720,000
24 gallons of beer per year or any other alcoholic liquor. A class
25 2 brewer licensee may make sales and deliveries to importing
26 distributors and distributors, but shall not make sales or

1 deliveries to any other licensee. If the State Commission
2 provides prior approval, a class 2 brewer licensee may annually
3 transfer up to 3,720,000 gallons of beer manufactured by that
4 class 2 brewer licensee to the premises of a licensed class 2
5 brewer wholly owned and operated by the same licensee.

6 (a-1) A manufacturer which is licensed in this State to
7 make sales or deliveries of alcoholic liquor to licensed
8 distributors or importing distributors and which enlists
9 agents, representatives, or individuals acting on its behalf
10 who contact licensed retailers on a regular and continual basis
11 in this State must register those agents, representatives, or
12 persons acting on its behalf with the State Commission.

13 Registration of agents, representatives, or persons acting
14 on behalf of a manufacturer is fulfilled by submitting a form
15 to the Commission. The form shall be developed by the
16 Commission and shall include the name and address of the
17 applicant, the name and address of the manufacturer he or she
18 represents, the territory or areas assigned to sell to or
19 discuss pricing terms of alcoholic liquor, and any other
20 questions deemed appropriate and necessary. All statements in
21 the forms required to be made by law or by rule shall be deemed
22 material, and any person who knowingly misstates any material
23 fact under oath in an application is guilty of a Class B
24 misdemeanor. Fraud, misrepresentation, false statements,
25 misleading statements, evasions, or suppression of material
26 facts in the securing of a registration are grounds for

1 suspension or revocation of the registration. The State
2 Commission shall post a list of registered agents on the
3 Commission's website.

4 (b) A distributor's license shall allow the wholesale
5 purchase and storage of alcoholic liquors and sale of alcoholic
6 liquors to licensees in this State and to persons without the
7 State, as may be permitted by law. No person licensed as a
8 distributor shall be granted a non-resident dealer's license.

9 (c) An importing distributor's license may be issued to and
10 held by those only who are duly licensed distributors, upon the
11 filing of an application by a duly licensed distributor, with
12 the Commission and the Commission shall, without the payment of
13 any fee, immediately issue such importing distributor's
14 license to the applicant, which shall allow the importation of
15 alcoholic liquor by the licensee into this State from any point
16 in the United States outside this State, and the purchase of
17 alcoholic liquor in barrels, casks or other bulk containers and
18 the bottling of such alcoholic liquors before resale thereof,
19 but all bottles or containers so filled shall be sealed,
20 labeled, stamped and otherwise made to comply with all
21 provisions, rules and regulations governing manufacturers in
22 the preparation and bottling of alcoholic liquors. The
23 importing distributor's license shall permit such licensee to
24 purchase alcoholic liquor from Illinois licensed non-resident
25 dealers and foreign importers only. No person licensed as an
26 importing distributor shall be granted a non-resident dealer's

1 license.

2 (d) A retailer's license shall allow the licensee to sell
3 and offer for sale at retail, only in the premises specified in
4 the license, alcoholic liquor for use or consumption, but not
5 for resale in any form. Nothing in Public Act 95-634 shall
6 deny, limit, remove, or restrict the ability of a holder of a
7 retailer's license to transfer, deliver, or ship alcoholic
8 liquor to the purchaser for use or consumption subject to any
9 applicable local law or ordinance. Any retail license issued to
10 a manufacturer shall only permit the manufacturer to sell beer
11 at retail on the premises actually occupied by the
12 manufacturer. For the purpose of further describing the type of
13 business conducted at a retail licensed premises, a retailer's
14 licensee may be designated by the State Commission as (i) an on
15 premise consumption retailer, (ii) an off premise sale
16 retailer, or (iii) a combined on premise consumption and off
17 premise sale retailer.

18 Notwithstanding any other provision of this subsection
19 (d), a retail licensee may sell alcoholic liquors to a special
20 event retailer licensee for resale to the extent permitted
21 under subsection (e).

22 (e) A special event retailer's license (not-for-profit)
23 shall permit the licensee to purchase alcoholic liquors from an
24 Illinois licensed distributor (unless the licensee purchases
25 less than \$500 of alcoholic liquors for the special event, in
26 which case the licensee may purchase the alcoholic liquors from

1 a licensed retailer) and shall allow the licensee to sell and
2 offer for sale, at retail, alcoholic liquors for use or
3 consumption, but not for resale in any form and only at the
4 location and on the specific dates designated for the special
5 event in the license. An applicant for a special event retailer
6 license must (i) furnish with the application: (A) a resale
7 number issued under Section 2c of the Retailers' Occupation Tax
8 Act or evidence that the applicant is registered under Section
9 2a of the Retailers' Occupation Tax Act, (B) a current, valid
10 exemption identification number issued under Section 1g of the
11 Retailers' Occupation Tax Act, and a certification to the
12 Commission that the purchase of alcoholic liquors will be a
13 tax-exempt purchase, or (C) a statement that the applicant is
14 not registered under Section 2a of the Retailers' Occupation
15 Tax Act, does not hold a resale number under Section 2c of the
16 Retailers' Occupation Tax Act, and does not hold an exemption
17 number under Section 1g of the Retailers' Occupation Tax Act,
18 in which event the Commission shall set forth on the special
19 event retailer's license a statement to that effect; (ii)
20 submit with the application proof satisfactory to the State
21 Commission that the applicant will provide dram shop liability
22 insurance in the maximum limits; and (iii) show proof
23 satisfactory to the State Commission that the applicant has
24 obtained local authority approval.

25 (f) A railroad license shall permit the licensee to import
26 alcoholic liquors into this State from any point in the United

1 States outside this State and to store such alcoholic liquors
2 in this State; to make wholesale purchases of alcoholic liquors
3 directly from manufacturers, foreign importers, distributors
4 and importing distributors from within or outside this State;
5 and to store such alcoholic liquors in this State; provided
6 that the above powers may be exercised only in connection with
7 the importation, purchase or storage of alcoholic liquors to be
8 sold or dispensed on a club, buffet, lounge or dining car
9 operated on an electric, gas or steam railway in this State;
10 and provided further, that railroad licensees exercising the
11 above powers shall be subject to all provisions of Article VIII
12 of this Act as applied to importing distributors. A railroad
13 license shall also permit the licensee to sell or dispense
14 alcoholic liquors on any club, buffet, lounge or dining car
15 operated on an electric, gas or steam railway regularly
16 operated by a common carrier in this State, but shall not
17 permit the sale for resale of any alcoholic liquors to any
18 licensee within this State. A license shall be obtained for
19 each car in which such sales are made.

20 (g) A boat license shall allow the sale of alcoholic liquor
21 in individual drinks, on any passenger boat regularly operated
22 as a common carrier on navigable waters in this State or on any
23 riverboat operated under the Illinois Riverboat ~~Riverboat~~ Gambling Act,
24 which boat or riverboat maintains a public dining room or
25 restaurant thereon.

26 (h) A non-beverage user's license shall allow the licensee

1 to purchase alcoholic liquor from a licensed manufacturer or
 2 importing distributor, without the imposition of any tax upon
 3 the business of such licensed manufacturer or importing
 4 distributor as to such alcoholic liquor to be used by such
 5 licensee solely for the non-beverage purposes set forth in
 6 subsection (a) of Section 8-1 of this Act, and such licenses
 7 shall be divided and classified and shall permit the purchase,
 8 possession and use of limited and stated quantities of
 9 alcoholic liquor as follows:

- 10 Class 1, not to exceed 500 gallons
- 11 Class 2, not to exceed 1,000 gallons
- 12 Class 3, not to exceed 5,000 gallons
- 13 Class 4, not to exceed 10,000 gallons
- 14 Class 5, not to exceed 50,000 gallons

15 (i) A wine-maker's premises license shall allow a licensee
 16 that concurrently holds a first-class wine-maker's license to
 17 sell and offer for sale at retail in the premises specified in
 18 such license not more than 50,000 gallons of the first-class
 19 wine-maker's wine that is made at the first-class wine-maker's
 20 licensed premises per year for use or consumption, but not for
 21 resale in any form. A wine-maker's premises license shall allow
 22 a licensee who concurrently holds a second-class wine-maker's
 23 license to sell and offer for sale at retail in the premises
 24 specified in such license up to 100,000 gallons of the
 25 second-class wine-maker's wine that is made at the second-class
 26 wine-maker's licensed premises per year for use or consumption

1 but not for resale in any form. A wine-maker's premises license
2 shall allow a licensee that concurrently holds a first-class
3 wine-maker's license or a second-class wine-maker's license to
4 sell and offer for sale at retail at the premises specified in
5 the wine-maker's premises license, for use or consumption but
6 not for resale in any form, any beer, wine, and spirits
7 purchased from a licensed distributor. Upon approval from the
8 State Commission, a wine-maker's premises license shall allow
9 the licensee to sell and offer for sale at (i) the wine-maker's
10 licensed premises and (ii) at up to 2 additional locations for
11 use and consumption and not for resale. Each location shall
12 require additional licensing per location as specified in
13 Section 5-3 of this Act. A wine-maker's premises licensee shall
14 secure liquor liability insurance coverage in an amount at
15 least equal to the maximum liability amounts set forth in
16 subsection (a) of Section 6-21 of this Act.

17 (j) An airplane license shall permit the licensee to import
18 alcoholic liquors into this State from any point in the United
19 States outside this State and to store such alcoholic liquors
20 in this State; to make wholesale purchases of alcoholic liquors
21 directly from manufacturers, foreign importers, distributors
22 and importing distributors from within or outside this State;
23 and to store such alcoholic liquors in this State; provided
24 that the above powers may be exercised only in connection with
25 the importation, purchase or storage of alcoholic liquors to be
26 sold or dispensed on an airplane; and provided further, that

1 airplane licensees exercising the above powers shall be subject
2 to all provisions of Article VIII of this Act as applied to
3 importing distributors. An airplane licensee shall also permit
4 the sale or dispensing of alcoholic liquors on any passenger
5 airplane regularly operated by a common carrier in this State,
6 but shall not permit the sale for resale of any alcoholic
7 liquors to any licensee within this State. A single airplane
8 license shall be required of an airline company if liquor
9 service is provided on board aircraft in this State. The annual
10 fee for such license shall be as determined in Section 5-3.

11 (k) A foreign importer's license shall permit such licensee
12 to purchase alcoholic liquor from Illinois licensed
13 non-resident dealers only, and to import alcoholic liquor other
14 than in bulk from any point outside the United States and to
15 sell such alcoholic liquor to Illinois licensed importing
16 distributors and to no one else in Illinois; provided that (i)
17 the foreign importer registers with the State Commission every
18 brand of alcoholic liquor that it proposes to sell to Illinois
19 licensees during the license period, (ii) the foreign importer
20 complies with all of the provisions of Section 6-9 of this Act
21 with respect to registration of such Illinois licensees as may
22 be granted the right to sell such brands at wholesale, and
23 (iii) the foreign importer complies with the provisions of
24 Sections 6-5 and 6-6 of this Act to the same extent that these
25 provisions apply to manufacturers.

26 (l) (i) A broker's license shall be required of all persons

1 who solicit orders for, offer to sell or offer to supply
2 alcoholic liquor to retailers in the State of Illinois, or who
3 offer to retailers to ship or cause to be shipped or to make
4 contact with distillers, rectifiers, brewers or manufacturers
5 or any other party within or without the State of Illinois in
6 order that alcoholic liquors be shipped to a distributor,
7 importing distributor or foreign importer, whether such
8 solicitation or offer is consummated within or without the
9 State of Illinois.

10 No holder of a retailer's license issued by the Illinois
11 Liquor Control Commission shall purchase or receive any
12 alcoholic liquor, the order for which was solicited or offered
13 for sale to such retailer by a broker unless the broker is the
14 holder of a valid broker's license.

15 The broker shall, upon the acceptance by a retailer of the
16 broker's solicitation of an order or offer to sell or supply or
17 deliver or have delivered alcoholic liquors, promptly forward
18 to the Illinois Liquor Control Commission a notification of
19 said transaction in such form as the Commission may by
20 regulations prescribe.

21 (ii) A broker's license shall be required of a person
22 within this State, other than a retail licensee, who, for a fee
23 or commission, promotes, solicits, or accepts orders for
24 alcoholic liquor, for use or consumption and not for resale, to
25 be shipped from this State and delivered to residents outside
26 of this State by an express company, common carrier, or

1 contract carrier. This Section does not apply to any person who
2 promotes, solicits, or accepts orders for wine as specifically
3 authorized in Section 6-29 of this Act.

4 A broker's license under this subsection (1) shall not
5 entitle the holder to buy or sell any alcoholic liquors for his
6 own account or to take or deliver title to such alcoholic
7 liquors.

8 This subsection (1) shall not apply to distributors,
9 employees of distributors, or employees of a manufacturer who
10 has registered the trademark, brand or name of the alcoholic
11 liquor pursuant to Section 6-9 of this Act, and who regularly
12 sells such alcoholic liquor in the State of Illinois only to
13 its registrants thereunder.

14 Any agent, representative, or person subject to
15 registration pursuant to subsection (a-1) of this Section shall
16 not be eligible to receive a broker's license.

17 (m) A non-resident dealer's license shall permit such
18 licensee to ship into and warehouse alcoholic liquor into this
19 State from any point outside of this State, and to sell such
20 alcoholic liquor to Illinois licensed foreign importers and
21 importing distributors and to no one else in this State;
22 provided that (i) said non-resident dealer shall register with
23 the Illinois Liquor Control Commission each and every brand of
24 alcoholic liquor which it proposes to sell to Illinois
25 licensees during the license period, (ii) it shall comply with
26 all of the provisions of Section 6-9 hereof with respect to

1 registration of such Illinois licensees as may be granted the
2 right to sell such brands at wholesale, and (iii) the
3 non-resident dealer shall comply with the provisions of
4 Sections 6-5 and 6-6 of this Act to the same extent that these
5 provisions apply to manufacturers. No person licensed as a
6 non-resident dealer shall be granted a distributor's or
7 importing distributor's license.

8 (n) A brew pub license shall allow the licensee to only (i)
9 manufacture up to 155,000 gallons of beer per year only on the
10 premises specified in the license, (ii) make sales of the beer
11 manufactured on the premises or, with the approval of the
12 Commission, beer manufactured on another brew pub licensed
13 premises that is wholly owned and operated by the same licensee
14 to importing distributors, distributors, and to non-licensees
15 for use and consumption, (iii) store the beer upon the
16 premises, (iv) sell and offer for sale at retail from the
17 licensed premises for off-premises consumption no more than
18 155,000 gallons per year so long as such sales are only made
19 in-person, (v) sell and offer for sale at retail for use and
20 consumption on the premises specified in the license any form
21 of alcoholic liquor purchased from a licensed distributor or
22 importing distributor, and (vi) with the prior approval of the
23 Commission, annually transfer no more than 155,000 gallons of
24 beer manufactured on the premises to a licensed brew pub wholly
25 owned and operated by the same licensee.

26 A brew pub licensee shall not under any circumstance sell

1 or offer for sale beer manufactured by the brew pub licensee to
2 retail licensees.

3 A person who holds a class 2 brewer license may
4 simultaneously hold a brew pub license if the class 2 brewer
5 (i) does not, under any circumstance, sell or offer for sale
6 beer manufactured by the class 2 brewer to retail licensees;
7 (ii) does not hold more than 3 brew pub licenses in this State;
8 (iii) does not manufacture more than a combined 3,720,000
9 gallons of beer per year, including the beer manufactured at
10 the brew pub; and (iv) is not a member of or affiliated with,
11 directly or indirectly, a manufacturer that produces more than
12 3,720,000 gallons of beer per year or any other alcoholic
13 liquor.

14 Notwithstanding any other provision of this Act, a licensed
15 brewer, class 2 brewer, or non-resident dealer who before July
16 1, 2015 manufactured less than 3,720,000 gallons of beer per
17 year and held a brew pub license on or before July 1, 2015 may
18 (i) continue to qualify for and hold that brew pub license for
19 the licensed premises and (ii) manufacture more than 3,720,000
20 gallons of beer per year and continue to qualify for and hold
21 that brew pub license if that brewer, class 2 brewer, or
22 non-resident dealer does not simultaneously hold a class 1
23 brewer license and is not a member of or affiliated with,
24 directly or indirectly, a manufacturer that produces more than
25 3,720,000 gallons of beer per year or that produces any other
26 alcoholic liquor.

1 (o) A caterer retailer license shall allow the holder to
2 serve alcoholic liquors as an incidental part of a food service
3 that serves prepared meals which excludes the serving of snacks
4 as the primary meal, either on or off-site whether licensed or
5 unlicensed.

6 (p) An auction liquor license shall allow the licensee to
7 sell and offer for sale at auction wine and spirits for use or
8 consumption, or for resale by an Illinois liquor licensee in
9 accordance with provisions of this Act. An auction liquor
10 license will be issued to a person and it will permit the
11 auction liquor licensee to hold the auction anywhere in the
12 State. An auction liquor license must be obtained for each
13 auction at least 14 days in advance of the auction date.

14 (q) A special use permit license shall allow an Illinois
15 licensed retailer to transfer a portion of its alcoholic liquor
16 inventory from its retail licensed premises to the premises
17 specified in the license hereby created, and to sell or offer
18 for sale at retail, only in the premises specified in the
19 license hereby created, the transferred alcoholic liquor for
20 use or consumption, but not for resale in any form. A special
21 use permit license may be granted for the following time
22 periods: one day or less; 2 or more days to a maximum of 15 days
23 per location in any 12-month ~~12-month~~ period. An applicant for
24 the special use permit license must also submit with the
25 application proof satisfactory to the State Commission that the
26 applicant will provide dram shop liability insurance to the

1 maximum limits and have local authority approval.

2 (r) A winery shipper's license shall allow a person with a
3 first-class or second-class wine manufacturer's license, a
4 first-class or second-class wine-maker's license, or a limited
5 wine manufacturer's license or who is licensed to make wine
6 under the laws of another state to ship wine made by that
7 licensee directly to a resident of this State who is 21 years
8 of age or older for that resident's personal use and not for
9 resale. Prior to receiving a winery shipper's license, an
10 applicant for the license must provide the Commission with a
11 true copy of its current license in any state in which it is
12 licensed as a manufacturer of wine. An applicant for a winery
13 shipper's license must also complete an application form that
14 provides any other information the Commission deems necessary.
15 The application form shall include all addresses from which the
16 applicant for a winery shipper's license intends to ship wine,
17 including the name and address of any third party, except for a
18 common carrier, authorized to ship wine on behalf of the
19 manufacturer. The application form shall include an
20 acknowledgement consenting to the jurisdiction of the
21 Commission, the Illinois Department of Revenue, and the courts
22 of this State concerning the enforcement of this Act and any
23 related laws, rules, and regulations, including authorizing
24 the Department of Revenue and the Commission to conduct audits
25 for the purpose of ensuring compliance with Public Act 95-634,
26 and an acknowledgement that the wine manufacturer is in

1 compliance with Section 6-2 of this Act. Any third party,
2 except for a common carrier, authorized to ship wine on behalf
3 of a first-class or second-class wine manufacturer's licensee,
4 a first-class or second-class wine-maker's licensee, a limited
5 wine manufacturer's licensee, or a person who is licensed to
6 make wine under the laws of another state shall also be
7 disclosed by the winery shipper's licensee, and a copy of the
8 written appointment of the third-party wine provider, except
9 for a common carrier, to the wine manufacturer shall be filed
10 with the State Commission as a supplement to the winery
11 shipper's license application or any renewal thereof. The
12 winery shipper's license holder shall affirm under penalty of
13 perjury, as part of the winery shipper's license application or
14 renewal, that he or she only ships wine, either directly or
15 indirectly through a third-party provider, from the licensee's
16 own production.

17 Except for a common carrier, a third-party provider
18 shipping wine on behalf of a winery shipper's license holder is
19 the agent of the winery shipper's license holder and, as such,
20 a winery shipper's license holder is responsible for the acts
21 and omissions of the third-party provider acting on behalf of
22 the license holder. A third-party provider, except for a common
23 carrier, that engages in shipping wine into Illinois on behalf
24 of a winery shipper's license holder shall consent to the
25 jurisdiction of the State Commission and the State. Any
26 third-party, except for a common carrier, holding such an

1 appointment shall, by February 1 of each calendar year, file
2 with the State Commission a statement detailing each shipment
3 made to an Illinois resident. The State Commission shall adopt
4 rules as soon as practicable to implement the requirements of
5 Public Act 99-904 ~~this amendatory Act of the 99th General~~
6 ~~Assembly~~ and shall adopt rules prohibiting any such third-party
7 appointment of a third-party provider, except for a common
8 carrier, that has been deemed by the State Commission to have
9 violated the provisions of this Act with regard to any winery
10 shipper licensee.

11 A winery shipper licensee must pay to the Department of
12 Revenue the State liquor gallonage tax under Section 8-1 for
13 all wine that is sold by the licensee and shipped to a person
14 in this State. For the purposes of Section 8-1, a winery
15 shipper licensee shall be taxed in the same manner as a
16 manufacturer of wine. A licensee who is not otherwise required
17 to register under the Retailers' Occupation Tax Act must
18 register under the Use Tax Act to collect and remit use tax to
19 the Department of Revenue for all gallons of wine that are sold
20 by the licensee and shipped to persons in this State. If a
21 licensee fails to remit the tax imposed under this Act in
22 accordance with the provisions of Article VIII of this Act, the
23 winery shipper's license shall be revoked in accordance with
24 the provisions of Article VII of this Act. If a licensee fails
25 to properly register and remit tax under the Use Tax Act or the
26 Retailers' Occupation Tax Act for all wine that is sold by the

1 winery shipper and shipped to persons in this State, the winery
2 shipper's license shall be revoked in accordance with the
3 provisions of Article VII of this Act.

4 A winery shipper licensee must collect, maintain, and
5 submit to the Commission on a semi-annual basis the total
6 number of cases per resident of wine shipped to residents of
7 this State. A winery shipper licensed under this subsection (r)
8 must comply with the requirements of Section 6-29 of this Act.

9 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
10 Section 3-12, the State Commission may receive, respond to, and
11 investigate any complaint and impose any of the remedies
12 specified in paragraph (1) of subsection (a) of Section 3-12.

13 (s) A craft distiller tasting permit license shall allow an
14 Illinois licensed craft distiller to transfer a portion of its
15 alcoholic liquor inventory from its craft distiller licensed
16 premises to the premises specified in the license hereby
17 created and to conduct a sampling, only in the premises
18 specified in the license hereby created, of the transferred
19 alcoholic liquor in accordance with subsection (c) of Section
20 6-31 of this Act. The transferred alcoholic liquor may not be
21 sold or resold in any form. An applicant for the craft
22 distiller tasting permit license must also submit with the
23 application proof satisfactory to the State Commission that the
24 applicant will provide dram shop liability insurance to the
25 maximum limits and have local authority approval.

26 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;

1 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.
2 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,
3 eff. 1-1-17; revised 9-15-16.)

4 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

5 Sec. 6-30. Notwithstanding any other provision of this Act,
6 the Illinois Gaming Board shall have exclusive authority to
7 establish the hours for sale and consumption of alcoholic
8 liquor on board a riverboat during riverboat gambling
9 excursions and in a casino conducted in accordance with the
10 Illinois Riverboat Gambling Act.

11 (Source: P.A. 87-826.)

12 Section 90-46. The Illinois Public Aid Code is amended by
13 changing Section 10-17.15 as follows:

14 (305 ILCS 5/10-17.15)

15 Sec. 10-17.15. Certification of information to State
16 gaming licensees.

17 (a) For purposes of this Section, "State gaming licensee"
18 means, as applicable, an organization licensee or advance
19 deposit wagering licensee licensed under the Illinois Horse
20 Racing Act of 1975, an owners licensee licensed under the
21 Illinois Riverboat Gambling Act, or a licensee that operates,
22 under any law of this State, one or more facilities or gaming
23 locations at which lawful gambling is authorized and licensed

1 as provided in the Illinois Riverboat ~~Riverboat~~ Gambling Act.

2 (b) The Department may provide, by rule, for certification
3 to any State gaming licensee of past due child support owed by
4 a responsible relative under a support order entered by a court
5 or administrative body of this or any other State on behalf of
6 a resident or non-resident receiving child support services
7 under this Article in accordance with the requirements of Title
8 IV-D, Part D, of the Social Security Act. The State gaming
9 licensee shall have the ability to withhold from winnings
10 required to be reported to the Internal Revenue Service on Form
11 W-2G, up to the full amount of winnings necessary to pay the
12 winner's past due child support. The rule shall provide for
13 notice to and an opportunity to be heard by each responsible
14 relative affected and any final administrative decision
15 rendered by the Department shall be reviewed only under and in
16 accordance with the Administrative Review Law.

17 (c) For withholding of winnings, the State gaming licensee
18 shall be entitled to an administrative fee not to exceed the
19 lesser of 4% of the total amount of cash winnings paid to the
20 gambling winner or \$150.

21 (d) In no event may the total amount withheld from the cash
22 payout, including the administrative fee, exceed the total cash
23 winnings claimed by the obligor. If the cash payout claimed is
24 greater than the amount sufficient to satisfy the obligor's
25 delinquent child support payments, the State gaming licensee
26 shall pay the obligor the remaining balance of the payout, less

1 the administrative fee authorized by subsection (c) of this
2 Section, at the time it is claimed.

3 (e) A State gaming licensee who in good faith complies with
4 the requirements of this Section shall not be liable to the
5 gaming winner or any other individual or entity.

6 (Source: P.A. 98-318, eff. 8-12-13.)

7 Section 90-47. The Firearm Concealed Carry Act is amended
8 by changing Section 65 as follows:

9 (430 ILCS 66/65)

10 Sec. 65. Prohibited areas.

11 (a) A licensee under this Act shall not knowingly carry a
12 firearm on or into:

13 (1) Any building, real property, and parking area under
14 the control of a public or private elementary or secondary
15 school.

16 (2) Any building, real property, and parking area under
17 the control of a pre-school or child care facility,
18 including any room or portion of a building under the
19 control of a pre-school or child care facility. Nothing in
20 this paragraph shall prevent the operator of a child care
21 facility in a family home from owning or possessing a
22 firearm in the home or license under this Act, if no child
23 under child care at the home is present in the home or the
24 firearm in the home is stored in a locked container when a

1 child under child care at the home is present in the home.

2 (3) Any building, parking area, or portion of a
3 building under the control of an officer of the executive
4 or legislative branch of government, provided that nothing
5 in this paragraph shall prohibit a licensee from carrying a
6 concealed firearm onto the real property, bikeway, or trail
7 in a park regulated by the Department of Natural Resources
8 or any other designated public hunting area or building
9 where firearm possession is permitted as established by the
10 Department of Natural Resources under Section 1.8 of the
11 Wildlife Code.

12 (4) Any building designated for matters before a
13 circuit court, appellate court, or the Supreme Court, or
14 any building or portion of a building under the control of
15 the Supreme Court.

16 (5) Any building or portion of a building under the
17 control of a unit of local government.

18 (6) Any building, real property, and parking area under
19 the control of an adult or juvenile detention or
20 correctional institution, prison, or jail.

21 (7) Any building, real property, and parking area under
22 the control of a public or private hospital or hospital
23 affiliate, mental health facility, or nursing home.

24 (8) Any bus, train, or form of transportation paid for
25 in whole or in part with public funds, and any building,
26 real property, and parking area under the control of a

1 public transportation facility paid for in whole or in part
2 with public funds.

3 (9) Any building, real property, and parking area under
4 the control of an establishment that serves alcohol on its
5 premises, if more than 50% of the establishment's gross
6 receipts within the prior 3 months is from the sale of
7 alcohol. The owner of an establishment who knowingly fails
8 to prohibit concealed firearms on its premises as provided
9 in this paragraph or who knowingly makes a false statement
10 or record to avoid the prohibition on concealed firearms
11 under this paragraph is subject to the penalty under
12 subsection (c-5) of Section 10-1 of the Liquor Control Act
13 of 1934.

14 (10) Any public gathering or special event conducted on
15 property open to the public that requires the issuance of a
16 permit from the unit of local government, provided this
17 prohibition shall not apply to a licensee who must walk
18 through a public gathering in order to access his or her
19 residence, place of business, or vehicle.

20 (11) Any building or real property that has been issued
21 a Special Event Retailer's license as defined in Section
22 1-3.17.1 of the Liquor Control Act during the time
23 designated for the sale of alcohol by the Special Event
24 Retailer's license, or a Special use permit license as
25 defined in subsection (q) of Section 5-1 of the Liquor
26 Control Act during the time designated for the sale of

1 alcohol by the Special use permit license.

2 (12) Any public playground.

3 (13) Any public park, athletic area, or athletic
4 facility under the control of a municipality or park
5 district, provided nothing in this Section shall prohibit a
6 licensee from carrying a concealed firearm while on a trail
7 or bikeway if only a portion of the trail or bikeway
8 includes a public park.

9 (14) Any real property under the control of the Cook
10 County Forest Preserve District.

11 (15) Any building, classroom, laboratory, medical
12 clinic, hospital, artistic venue, athletic venue,
13 entertainment venue, officially recognized
14 university-related organization property, whether owned or
15 leased, and any real property, including parking areas,
16 sidewalks, and common areas under the control of a public
17 or private community college, college, or university.

18 (16) Any building, real property, or parking area under
19 the control of a gaming facility licensed under the
20 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse
21 Racing Act of 1975, including an inter-track wagering
22 location licensee.

23 (17) Any stadium, arena, or the real property or
24 parking area under the control of a stadium, arena, or any
25 collegiate or professional sporting event.

26 (18) Any building, real property, or parking area under

1 the control of a public library.

2 (19) Any building, real property, or parking area under
3 the control of an airport.

4 (20) Any building, real property, or parking area under
5 the control of an amusement park.

6 (21) Any building, real property, or parking area under
7 the control of a zoo or museum.

8 (22) Any street, driveway, parking area, property,
9 building, or facility, owned, leased, controlled, or used
10 by a nuclear energy, storage, weapons, or development site
11 or facility regulated by the federal Nuclear Regulatory
12 Commission. The licensee shall not under any circumstance
13 store a firearm or ammunition in his or her vehicle or in a
14 compartment or container within a vehicle located anywhere
15 in or on the street, driveway, parking area, property,
16 building, or facility described in this paragraph.

17 (23) Any area where firearms are prohibited under
18 federal law.

19 (a-5) Nothing in this Act shall prohibit a public or
20 private community college, college, or university from:

21 (1) prohibiting persons from carrying a firearm within
22 a vehicle owned, leased, or controlled by the college or
23 university;

24 (2) developing resolutions, regulations, or policies
25 regarding student, employee, or visitor misconduct and
26 discipline, including suspension and expulsion;

1 (3) developing resolutions, regulations, or policies
2 regarding the storage or maintenance of firearms, which
3 must include designated areas where persons can park
4 vehicles that carry firearms; and

5 (4) permitting the carrying or use of firearms for the
6 purpose of instruction and curriculum of officially
7 recognized programs, including but not limited to military
8 science and law enforcement training programs, or in any
9 designated area used for hunting purposes or target
10 shooting.

11 (a-10) The owner of private real property of any type may
12 prohibit the carrying of concealed firearms on the property
13 under his or her control. The owner must post a sign in
14 accordance with subsection (d) of this Section indicating that
15 firearms are prohibited on the property, unless the property is
16 a private residence.

17 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
18 this Section except under paragraph (22) or (23) of subsection
19 (a), any licensee prohibited from carrying a concealed firearm
20 into the parking area of a prohibited location specified in
21 subsection (a), (a-5), or (a-10) of this Section shall be
22 permitted to carry a concealed firearm on or about his or her
23 person within a vehicle into the parking area and may store a
24 firearm or ammunition concealed in a case within a locked
25 vehicle or locked container out of plain view within the
26 vehicle in the parking area. A licensee may carry a concealed

1 firearm in the immediate area surrounding his or her vehicle
2 within a prohibited parking lot area only for the limited
3 purpose of storing or retrieving a firearm within the vehicle's
4 trunk. For purposes of this subsection, "case" includes a glove
5 compartment or console that completely encloses the concealed
6 firearm or ammunition, the trunk of the vehicle, or a firearm
7 carrying box, shipping box, or other container.

8 (c) A licensee shall not be in violation of this Section
9 while he or she is traveling along a public right of way that
10 touches or crosses any of the premises under subsection (a),
11 (a-5), or (a-10) of this Section if the concealed firearm is
12 carried on his or her person in accordance with the provisions
13 of this Act or is being transported in a vehicle by the
14 licensee in accordance with all other applicable provisions of
15 law.

16 (d) Signs stating that the carrying of firearms is
17 prohibited shall be clearly and conspicuously posted at the
18 entrance of a building, premises, or real property specified in
19 this Section as a prohibited area, unless the building or
20 premises is a private residence. Signs shall be of a uniform
21 design as established by the Department and shall be 4 inches
22 by 6 inches in size. The Department shall adopt rules for
23 standardized signs to be used under this subsection.

24 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

25 Section 90-50. The Criminal Code of 2012 is amended by

1 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
2 follows:

3 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

4 Sec. 28-1. Gambling.

5 (a) A person commits gambling when he or she:

6 (1) knowingly plays a game of chance or skill for money
7 or other thing of value, unless excepted in subsection (b)
8 of this Section;

9 (2) knowingly makes a wager upon the result of any
10 game, contest, or any political nomination, appointment or
11 election;

12 (3) knowingly operates, keeps, owns, uses, purchases,
13 exhibits, rents, sells, bargains for the sale or lease of,
14 manufactures or distributes any gambling device;

15 (4) contracts to have or give himself or herself or
16 another the option to buy or sell, or contracts to buy or
17 sell, at a future time, any grain or other commodity
18 whatsoever, or any stock or security of any company, where
19 it is at the time of making such contract intended by both
20 parties thereto that the contract to buy or sell, or the
21 option, whenever exercised, or the contract resulting
22 therefrom, shall be settled, not by the receipt or delivery
23 of such property, but by the payment only of differences in
24 prices thereof; however, the issuance, purchase, sale,
25 exercise, endorsement or guarantee, by or through a person

1 registered with the Secretary of State pursuant to Section
2 8 of the Illinois Securities Law of 1953, or by or through
3 a person exempt from such registration under said Section
4 8, of a put, call, or other option to buy or sell
5 securities which have been registered with the Secretary of
6 State or which are exempt from such registration under
7 Section 3 of the Illinois Securities Law of 1953 is not
8 gambling within the meaning of this paragraph (4);

9 (5) knowingly owns or possesses any book, instrument or
10 apparatus by means of which bets or wagers have been, or
11 are, recorded or registered, or knowingly possesses any
12 money which he has received in the course of a bet or
13 wager;

14 (6) knowingly sells pools upon the result of any game
15 or contest of skill or chance, political nomination,
16 appointment or election;

17 (7) knowingly sets up or promotes any lottery or sells,
18 offers to sell or transfers any ticket or share for any
19 lottery;

20 (8) knowingly sets up or promotes any policy game or
21 sells, offers to sell or knowingly possesses or transfers
22 any policy ticket, slip, record, document or other similar
23 device;

24 (9) knowingly drafts, prints or publishes any lottery
25 ticket or share, or any policy ticket, slip, record,
26 document or similar device, except for such activity

1 related to lotteries, bingo games and raffles authorized by
2 and conducted in accordance with the laws of Illinois or
3 any other state or foreign government;

4 (10) knowingly advertises any lottery or policy game,
5 except for such activity related to lotteries, bingo games
6 and raffles authorized by and conducted in accordance with
7 the laws of Illinois or any other state;

8 (11) knowingly transmits information as to wagers,
9 betting odds, or changes in betting odds by telephone,
10 telegraph, radio, semaphore or similar means; or knowingly
11 installs or maintains equipment for the transmission or
12 receipt of such information; except that nothing in this
13 subdivision (11) prohibits transmission or receipt of such
14 information for use in news reporting of sporting events or
15 contests; or

16 (12) knowingly establishes, maintains, or operates an
17 Internet site that permits a person to play a game of
18 chance or skill for money or other thing of value by means
19 of the Internet or to make a wager upon the result of any
20 game, contest, political nomination, appointment, or
21 election by means of the Internet. This item (12) does not
22 apply to activities referenced in items (6) and (6.1) of
23 subsection (b) of this Section.

24 (b) Participants in any of the following activities shall
25 not be convicted of gambling:

26 (1) Agreements to compensate for loss caused by the

1 happening of chance including without limitation contracts
2 of indemnity or guaranty and life or health or accident
3 insurance.

4 (2) Offers of prizes, award or compensation to the
5 actual contestants in any bona fide contest for the
6 determination of skill, speed, strength or endurance or to
7 the owners of animals or vehicles entered in such contest.

8 (3) Pari-mutuel betting as authorized by the law of
9 this State.

10 (4) Manufacture of gambling devices, including the
11 acquisition of essential parts therefor and the assembly
12 thereof, for transportation in interstate or foreign
13 commerce to any place outside this State when such
14 transportation is not prohibited by any applicable Federal
15 law; or the manufacture, distribution, or possession of
16 video gaming terminals, as defined in the Video Gaming Act,
17 by manufacturers, distributors, and terminal operators
18 licensed to do so under the Video Gaming Act.

19 (5) The game commonly known as "bingo", when conducted
20 in accordance with the Bingo License and Tax Act.

21 (6) Lotteries when conducted by the State of Illinois
22 in accordance with the Illinois Lottery Law. This exemption
23 includes any activity conducted by the Department of
24 Revenue to sell lottery tickets pursuant to the provisions
25 of the Illinois Lottery Law and its rules.

26 (6.1) The purchase of lottery tickets through the

1 Internet for a lottery conducted by the State of Illinois
2 under the program established in Section 7.12 of the
3 Illinois Lottery Law.

4 (7) Possession of an antique slot machine that is
5 neither used nor intended to be used in the operation or
6 promotion of any unlawful gambling activity or enterprise.
7 For the purpose of this subparagraph (b)(7), an antique
8 slot machine is one manufactured 25 years ago or earlier.

9 (8) Raffles and poker runs when conducted in accordance
10 with the Raffles and Poker Runs Act.

11 (9) Charitable games when conducted in accordance with
12 the Charitable Games Act.

13 (10) Pull tabs and jar games when conducted under the
14 Illinois Pull Tabs and Jar Games Act.

15 (11) Gambling games ~~conducted on riverboats~~ when
16 authorized by the Illinois Riverboat Gambling Act.

17 (12) Video gaming terminal games at a licensed
18 establishment, licensed truck stop establishment, licensed
19 fraternal establishment, or licensed veterans
20 establishment when conducted in accordance with the Video
21 Gaming Act.

22 (13) Games of skill or chance where money or other
23 things of value can be won but no payment or purchase is
24 required to participate.

25 (14) Savings promotion raffles authorized under
26 Section 5g of the Illinois Banking Act, Section 7008 of the

1 Savings Bank Act, Section 42.7 of the Illinois Credit Union
2 Act, Section 5136B of the National Bank Act (12 U.S.C.
3 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
4 1463).

5 (c) Sentence.

6 Gambling is a Class A misdemeanor. A second or subsequent
7 conviction under subsections (a) (3) through (a) (12), is a Class
8 4 felony.

9 (d) Circumstantial evidence.

10 In prosecutions under this Section circumstantial evidence
11 shall have the same validity and weight as in any criminal
12 prosecution.

13 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

14 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

15 Sec. 28-1.1. Syndicated gambling.

16 (a) Declaration of Purpose. Recognizing the close
17 relationship between professional gambling and other organized
18 crime, it is declared to be the policy of the legislature to
19 restrain persons from engaging in the business of gambling for
20 profit in this State. This Section shall be liberally construed
21 and administered with a view to carrying out this policy.

22 (b) A person commits syndicated gambling when he or she
23 operates a "policy game" or engages in the business of
24 bookmaking.

25 (c) A person "operates a policy game" when he or she

1 knowingly uses any premises or property for the purpose of
2 receiving or knowingly does receive from what is commonly
3 called "policy":

4 (1) money from a person other than the bettor or player
5 whose bets or plays are represented by the money; or

6 (2) written "policy game" records, made or used over
7 any period of time, from a person other than the bettor or
8 player whose bets or plays are represented by the written
9 record.

10 (d) A person engages in bookmaking when he or she knowingly
11 receives or accepts more than five bets or wagers upon the
12 result of any trials or contests of skill, speed or power of
13 endurance or upon any lot, chance, casualty, unknown or
14 contingent event whatsoever, which bets or wagers shall be of
15 such size that the total of the amounts of money paid or
16 promised to be paid to the bookmaker on account thereof shall
17 exceed \$2,000. Bookmaking is the receiving or accepting of bets
18 or wagers regardless of the form or manner in which the
19 bookmaker records them.

20 (e) Participants in any of the following activities shall
21 not be convicted of syndicated gambling:

22 (1) Agreements to compensate for loss caused by the
23 happening of chance including without limitation contracts
24 of indemnity or guaranty and life or health or accident
25 insurance;

26 (2) Offers of prizes, award or compensation to the

1 actual contestants in any bona fide contest for the
2 determination of skill, speed, strength or endurance or to
3 the owners of animals or vehicles entered in the contest;

4 (3) Pari-mutuel betting as authorized by law of this
5 State;

6 (4) Manufacture of gambling devices, including the
7 acquisition of essential parts therefor and the assembly
8 thereof, for transportation in interstate or foreign
9 commerce to any place outside this State when the
10 transportation is not prohibited by any applicable Federal
11 law;

12 (5) Raffles and poker runs when conducted in accordance
13 with the Raffles and Poker Runs Act;

14 (6) Gambling games conducted on riverboats, in
15 casinos, or at electronic gaming facilities when
16 authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act;

17 (7) Video gaming terminal games at a licensed
18 establishment, licensed truck stop establishment, licensed
19 fraternal establishment, or licensed veterans
20 establishment when conducted in accordance with the Video
21 Gaming Act; and

22 (8) Savings promotion raffles authorized under Section
23 5g of the Illinois Banking Act, Section 7008 of the Savings
24 Bank Act, Section 42.7 of the Illinois Credit Union Act,
25 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
26 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

1 (f) Sentence. Syndicated gambling is a Class 3 felony.

2 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

3 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

4 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
5 any real estate, vehicle, boat or any other property whatsoever
6 used for the purposes of gambling other than gambling conducted
7 in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act
8 or the Video Gaming Act. Any person who knowingly permits any
9 premises or property owned or occupied by him or under his
10 control to be used as a gambling place commits a Class A
11 misdemeanor. Each subsequent offense is a Class 4 felony. When
12 any premises is determined by the circuit court to be a
13 gambling place:

14 (a) Such premises is a public nuisance and may be proceeded
15 against as such, and

16 (b) All licenses, permits or certificates issued by the
17 State of Illinois or any subdivision or public agency thereof
18 authorizing the serving of food or liquor on such premises
19 shall be void; and no license, permit or certificate so
20 cancelled shall be reissued for such premises for a period of
21 60 days thereafter; nor shall any person convicted of keeping a
22 gambling place be reissued such license for one year from his
23 conviction and, after a second conviction of keeping a gambling
24 place, any such person shall not be reissued such license, and

25 (c) Such premises of any person who knowingly permits

1 thereon a violation of any Section of this Article shall be
2 held liable for, and may be sold to pay any unsatisfied
3 judgment that may be recovered and any unsatisfied fine that
4 may be levied under any Section of this Article.

5 (Source: P.A. 96-34, eff. 7-13-09.)

6 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

7 Sec. 28-5. Seizure of gambling devices and gambling funds.

8 (a) Every device designed for gambling which is incapable
9 of lawful use or every device used unlawfully for gambling
10 shall be considered a "gambling device", and shall be subject
11 to seizure, confiscation and destruction by the Department of
12 State Police or by any municipal, or other local authority,
13 within whose jurisdiction the same may be found. As used in
14 this Section, a "gambling device" includes any slot machine,
15 and includes any machine or device constructed for the
16 reception of money or other thing of value and so constructed
17 as to return, or to cause someone to return, on chance to the
18 player thereof money, property or a right to receive money or
19 property. With the exception of any device designed for
20 gambling which is incapable of lawful use, no gambling device
21 shall be forfeited or destroyed unless an individual with a
22 property interest in said device knows of the unlawful use of
23 the device.

24 (b) Every gambling device shall be seized and forfeited to
25 the county wherein such seizure occurs. Any money or other

1 thing of value integrally related to acts of gambling shall be
2 seized and forfeited to the county wherein such seizure occurs.

3 (c) If, within 60 days after any seizure pursuant to
4 subparagraph (b) of this Section, a person having any property
5 interest in the seized property is charged with an offense, the
6 court which renders judgment upon such charge shall, within 30
7 days after such judgment, conduct a forfeiture hearing to
8 determine whether such property was a gambling device at the
9 time of seizure. Such hearing shall be commenced by a written
10 petition by the State, including material allegations of fact,
11 the name and address of every person determined by the State to
12 have any property interest in the seized property, a
13 representation that written notice of the date, time and place
14 of such hearing has been mailed to every such person by
15 certified mail at least 10 days before such date, and a request
16 for forfeiture. Every such person may appear as a party and
17 present evidence at such hearing. The quantum of proof required
18 shall be a preponderance of the evidence, and the burden of
19 proof shall be on the State. If the court determines that the
20 seized property was a gambling device at the time of seizure,
21 an order of forfeiture and disposition of the seized property
22 shall be entered: a gambling device shall be received by the
23 State's Attorney, who shall effect its destruction, except that
24 valuable parts thereof may be liquidated and the resultant
25 money shall be deposited in the general fund of the county
26 wherein such seizure occurred; money and other things of value

1 shall be received by the State's Attorney and, upon
2 liquidation, shall be deposited in the general fund of the
3 county wherein such seizure occurred. However, in the event
4 that a defendant raises the defense that the seized slot
5 machine is an antique slot machine described in subparagraph
6 (b) (7) of Section 28-1 of this Code and therefore he is exempt
7 from the charge of a gambling activity participant, the seized
8 antique slot machine shall not be destroyed or otherwise
9 altered until a final determination is made by the Court as to
10 whether it is such an antique slot machine. Upon a final
11 determination by the Court of this question in favor of the
12 defendant, such slot machine shall be immediately returned to
13 the defendant. Such order of forfeiture and disposition shall,
14 for the purposes of appeal, be a final order and judgment in a
15 civil proceeding.

16 (d) If a seizure pursuant to subparagraph (b) of this
17 Section is not followed by a charge pursuant to subparagraph
18 (c) of this Section, or if the prosecution of such charge is
19 permanently terminated or indefinitely discontinued without
20 any judgment of conviction or acquittal (1) the State's
21 Attorney shall commence an in rem proceeding for the forfeiture
22 and destruction of a gambling device, or for the forfeiture and
23 deposit in the general fund of the county of any seized money
24 or other things of value, or both, in the circuit court and (2)
25 any person having any property interest in such seized gambling
26 device, money or other thing of value may commence separate

1 civil proceedings in the manner provided by law.

2 (e) Any gambling device displayed for sale to a riverboat
3 gambling operation, casino gambling operation, or electronic
4 gaming facility or used to train occupational licensees of a
5 riverboat gambling operation, casino gambling operation, or
6 electronic gaming facility as authorized under the Illinois
7 ~~Riverboat~~ Gambling Act is exempt from seizure under this
8 Section.

9 (f) Any gambling equipment, devices and supplies provided
10 by a licensed supplier in accordance with the Illinois
11 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
12 casino, or electronic gaming facility for repair are exempt
13 from seizure under this Section.

14 (g) The following video gaming terminals are exempt from
15 seizure under this Section:

16 (1) Video gaming terminals for sale to a licensed
17 distributor or operator under the Video Gaming Act.

18 (2) Video gaming terminals used to train licensed
19 technicians or licensed terminal handlers.

20 (3) Video gaming terminals that are removed from a
21 licensed establishment, licensed truck stop establishment,
22 licensed fraternal establishment, or licensed veterans
23 establishment for repair.

24 (Source: P.A. 98-31, eff. 6-24-13.)

25 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

1 Sec. 28-7. Gambling contracts void.

2 (a) All promises, notes, bills, bonds, covenants,
3 contracts, agreements, judgments, mortgages, or other
4 securities or conveyances made, given, granted, drawn, or
5 entered into, or executed by any person whatsoever, where the
6 whole or any part of the consideration thereof is for any money
7 or thing of value, won or obtained in violation of any Section
8 of this Article are null and void.

9 (b) Any obligation void under this Section may be set aside
10 and vacated by any court of competent jurisdiction, upon a
11 complaint filed for that purpose, by the person so granting,
12 giving, entering into, or executing the same, or by his
13 executors or administrators, or by any creditor, heir, legatee,
14 purchaser or other person interested therein; or if a judgment,
15 the same may be set aside on motion of any person stated above,
16 on due notice thereof given.

17 (c) No assignment of any obligation void under this Section
18 may in any manner affect the defense of the person giving,
19 granting, drawing, entering into or executing such obligation,
20 or the remedies of any person interested therein.

21 (d) This Section shall not prevent a licensed owner of a
22 riverboat gambling operation, casino gambling operation, or an
23 electronic gaming licensee under the Illinois Gambling Act and
24 the Illinois Horse Racing Act of 1975 from instituting a cause
25 of action to collect any amount due and owing under an
26 extension of credit to a ~~riverboat~~ gambling patron as

1 authorized under Section 11.1 of the Illinois Riverboat
2 Gambling Act.

3 (Source: P.A. 87-826.)

4 Section 90-55. The Eminent Domain Act is amended by adding
5 Section 15-5-48 as follows:

6 (735 ILCS 30/15-5-48 new)

7 Sec. 15-5-48. Eminent domain powers in new Acts. The
8 following provisions of law may include express grants of the
9 power to acquire property by condemnation or eminent domain:

10 Chicago Casino Development Authority Act; City of Chicago; for
11 the purposes of the Act.

12 Section 90-60. The Payday Loan Reform Act is amended by
13 changing Section 3-5 as follows:

14 (815 ILCS 122/3-5)

15 Sec. 3-5. Licensure.

16 (a) A license to make a payday loan shall state the
17 address, including city and state, at which the business is to
18 be conducted and shall state fully the name of the licensee.
19 The license shall be conspicuously posted in the place of
20 business of the licensee and shall not be transferable or
21 assignable.

1 (b) An application for a license shall be in writing and in
2 a form prescribed by the Secretary. The Secretary may not issue
3 a payday loan license unless and until the following findings
4 are made:

5 (1) that the financial responsibility, experience,
6 character, and general fitness of the applicant are such as
7 to command the confidence of the public and to warrant the
8 belief that the business will be operated lawfully and
9 fairly and within the provisions and purposes of this Act;
10 and

11 (2) that the applicant has submitted such other
12 information as the Secretary may deem necessary.

13 (c) A license shall be issued for no longer than one year,
14 and no renewal of a license may be provided if a licensee has
15 substantially violated this Act and has not cured the violation
16 to the satisfaction of the Department.

17 (d) A licensee shall appoint, in writing, the Secretary as
18 attorney-in-fact upon whom all lawful process against the
19 licensee may be served with the same legal force and validity
20 as if served on the licensee. A copy of the written
21 appointment, duly certified, shall be filed in the office of
22 the Secretary, and a copy thereof certified by the Secretary
23 shall be sufficient evidence to subject a licensee to
24 jurisdiction in a court of law. This appointment shall remain
25 in effect while any liability remains outstanding in this State
26 against the licensee. When summons is served upon the Secretary

1 as attorney-in-fact for a licensee, the Secretary shall
2 immediately notify the licensee by registered mail, enclosing
3 the summons and specifying the hour and day of service.

4 (e) A licensee must pay an annual fee of \$1,000. In
5 addition to the license fee, the reasonable expense of any
6 examination or hearing by the Secretary under any provisions of
7 this Act shall be borne by the licensee. If a licensee fails to
8 renew its license by December 31, its license shall
9 automatically expire; however, the Secretary, in his or her
10 discretion, may reinstate an expired license upon:

11 (1) payment of the annual fee within 30 days of the
12 date of expiration; and

13 (2) proof of good cause for failure to renew.

14 (f) Not more than one place of business shall be maintained
15 under the same license, but the Secretary may issue more than
16 one license to the same licensee upon compliance with all the
17 provisions of this Act governing issuance of a single license.
18 The location, except those locations already in existence as of
19 June 1, 2005, may not be within one mile of a horse race track
20 subject to the Illinois Horse Racing Act of 1975, within one
21 mile of a facility at which gambling is conducted under the
22 Illinois Riverboat ~~Riverboat~~ Gambling Act, within one mile of the
23 location at which a riverboat subject to the Illinois Riverboat
24 Gambling Act docks, or within one mile of any State of Illinois
25 or United States military base or naval installation.

26 (g) No licensee shall conduct the business of making loans

1 under this Act within any office, suite, room, or place of
2 business in which (1) any loans are offered or made under the
3 Consumer Installment Loan Act other than title secured loans as
4 defined in subsection (a) of Section 15 of the Consumer
5 Installment Loan Act and governed by Title 38, Section 110.330
6 of the Illinois Administrative Code or (2) any other business
7 is solicited or engaged in unless the other business is
8 licensed by the Department or, in the opinion of the Secretary,
9 the other business would not be contrary to the best interests
10 of consumers and is authorized by the Secretary in writing.

11 (g-5) Notwithstanding subsection (g) of this Section, a
12 licensee may obtain a license under the Consumer Installment
13 Loan Act (CILA) for the exclusive purpose and use of making
14 title secured loans, as defined in subsection (a) of Section 15
15 of CILA and governed by Title 38, Section 110.300 of the
16 Illinois Administrative Code. A licensee may continue to
17 service Consumer Installment Loan Act loans that were
18 outstanding as of the effective date of this amendatory Act of
19 the 96th General Assembly.

20 (h) The Secretary shall maintain a list of licensees that
21 shall be available to interested consumers and lenders and the
22 public. The Secretary shall maintain a toll-free number whereby
23 consumers may obtain information about licensees. The
24 Secretary shall also establish a complaint process under which
25 an aggrieved consumer may file a complaint against a licensee
26 or non-licensee who violates any provision of this Act.

1 (Source: P.A. 96-936, eff. 3-21-11.)

2 Section 90-65. The Travel Promotion Consumer Protection
3 Act is amended by changing Section 2 as follows:

4 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

5 Sec. 2. Definitions.

6 (a) "Travel promoter" means a person, including a tour
7 operator, who sells, provides, furnishes, contracts for,
8 arranges or advertises that he or she will arrange wholesale or
9 retail transportation by air, land, sea or navigable stream,
10 either separately or in conjunction with other services.
11 "Travel promoter" does not include (1) an air carrier; (2) a
12 sea carrier; (3) an officially appointed agent of an air
13 carrier who is a member in good standing of the Airline
14 Reporting Corporation; (4) a travel promoter who has in force
15 \$1,000,000 or more of liability insurance coverage for
16 professional errors and omissions and a surety bond or
17 equivalent surety in the amount of \$100,000 or more for the
18 benefit of consumers in the event of a bankruptcy on the part
19 of the travel promoter; or (5) a riverboat subject to
20 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

21 (b) "Advertise" means to make any representation in the
22 solicitation of passengers and includes communication with
23 other members of the same partnership, corporation, joint
24 venture, association, organization, group or other entity.

1 (c) "Passenger" means a person on whose behalf money or
2 other consideration has been given or is to be given to
3 another, including another member of the same partnership,
4 corporation, joint venture, association, organization, group
5 or other entity, for travel.

6 (d) "Ticket or voucher" means a writing or combination of
7 writings which is itself good and sufficient to obtain
8 transportation and other services for which the passenger has
9 contracted.

10 (Source: P.A. 91-357, eff. 7-29-99.)

11 (30 ILCS 105/5.490 rep.)

12 Section 90-70. The State Finance Act is amended by
13 repealing Section 5.490.

14 (230 ILCS 5/54 rep.)

15 Section 90-75. The Illinois Horse Racing Act of 1975 is
16 amended by repealing Section 54.

17 ARTICLE 99.

18 Section 99-97. Severability. The provisions of this Act are
19 severable under Section 1.31 of the Statute on Statutes.

20 Section 99-99. Effective date. This Act takes effect upon
21 becoming law.

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8	230 ILCS 5/6	from Ch. 8, par. 37-6
9	230 ILCS 5/9	from Ch. 8, par. 37-9
10	230 ILCS 5/15	from Ch. 8, par. 37-15
11	230 ILCS 5/18	from Ch. 8, par. 37-18
12	230 ILCS 5/19	from Ch. 8, par. 37-19
13	230 ILCS 5/20	from Ch. 8, par. 37-20
14	230 ILCS 5/21	from Ch. 8, par. 37-21
15	230 ILCS 5/24	from Ch. 8, par. 37-24
16	230 ILCS 5/25	from Ch. 8, par. 37-25
17	230 ILCS 5/26	from Ch. 8, par. 37-26
18	230 ILCS 5/26.8	
19	230 ILCS 5/26.9	
20	230 ILCS 5/27	from Ch. 8, par. 37-27
21	230 ILCS 5/30	from Ch. 8, par. 37-30
22	230 ILCS 5/30.5	
23	230 ILCS 5/31	from Ch. 8, par. 37-31
24	230 ILCS 5/32.1	
25	230 ILCS 5/34.3 new	
26	230 ILCS 5/36	from Ch. 8, par. 37-36

1	230 ILCS 5/40	from Ch. 8, par. 37-40
2	230 ILCS 5/54.75	
3	230 ILCS 5/56 new	
4	230 ILCS 10/1	from Ch. 120, par. 2401
5	230 ILCS 10/2	from Ch. 120, par. 2402
6	230 ILCS 10/3	from Ch. 120, par. 2403
7	230 ILCS 10/4	from Ch. 120, par. 2404
8	230 ILCS 10/5	from Ch. 120, par. 2405
9	230 ILCS 10/5.1	from Ch. 120, par. 2405.1
10	230 ILCS 10/5.3 new	
11	230 ILCS 10/6	from Ch. 120, par. 2406
12	230 ILCS 10/7	from Ch. 120, par. 2407
13	230 ILCS 10/7.3	
14	230 ILCS 10/7.5	
15	230 ILCS 10/7.7 new	
16	230 ILCS 10/7.8 new	
17	230 ILCS 10/7.9 new	
18	230 ILCS 10/7.10 new	
19	230 ILCS 10/7.11 new	
20	230 ILCS 10/7.12 new	
21	230 ILCS 10/7.13 new	
22	230 ILCS 10/8	from Ch. 120, par. 2408
23	230 ILCS 10/9	from Ch. 120, par. 2409
24	230 ILCS 10/11	from Ch. 120, par. 2411
25	230 ILCS 10/11.1	from Ch. 120, par. 2411.1
26	230 ILCS 10/12	from Ch. 120, par. 2412

1	230 ILCS 10/13	from Ch. 120, par. 2413
2	230 ILCS 10/14	from Ch. 120, par. 2414
3	230 ILCS 10/15	from Ch. 120, par. 2415
4	230 ILCS 10/16	from Ch. 120, par. 2416
5	230 ILCS 10/17	from Ch. 120, par. 2417
6	230 ILCS 10/17.1	from Ch. 120, par. 2417.1
7	230 ILCS 10/18	from Ch. 120, par. 2418
8	230 ILCS 10/18.1	
9	230 ILCS 10/19	from Ch. 120, par. 2419
10	230 ILCS 10/20	from Ch. 120, par. 2420
11	230 ILCS 10/21	from Ch. 120, par. 2421
12	230 ILCS 10/23	from Ch. 120, par. 2423
13	230 ILCS 10/24	
14	230 ILCS 40/5	
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17	230 ILCS 40/79	
18	230 ILCS 40/80	
19	235 ILCS 5/5-1	from Ch. 43, par. 115
20	235 ILCS 5/6-30	from Ch. 43, par. 144f
21	305 ILCS 5/10-17.15	
22	430 ILCS 66/65	
23	720 ILCS 5/28-1	from Ch. 38, par. 28-1
24	720 ILCS 5/28-1.1	from Ch. 38, par. 28-1.1
25	720 ILCS 5/28-3	from Ch. 38, par. 28-3
26	720 ILCS 5/28-5	from Ch. 38, par. 28-5

- 1 720 ILCS 5/28-7 from Ch. 38, par. 28-7
- 2 735 ILCS 30/15-5-48 new
- 3 815 ILCS 122/3-5
- 4 815 ILCS 420/2 from Ch. 121 1/2, par. 1852
- 5 30 ILCS 105/5.490 rep.
- 6 230 ILCS 5/54 rep.