



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1804

Introduced 2/9/2017, by Sen. Dave Syverson

SYNOPSIS AS INTRODUCED:

230 ILCS 10/5	from Ch. 120, par. 2405
230 ILCS 10/13	from Ch. 120, par. 2413
230 ILCS 40/45	

Amends the Riverboat Gambling Act. Removes provisions concerning the distribution of certain funds into the Horse Racing Equity Fund. Removes provisions limiting the civil penalties that the Illinois Gaming Board may impose on licensees for violations of the Act at up to \$5,000 for individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger. Amends the Video Gaming Act. Changes the non-refundable license application fee for terminal handlers from \$50 to \$100. Adds provisions providing that the non-refundable license application fee for a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall be \$100.

LRB100 09208 MJP 19364 b

FISCAL 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 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 5 and 13 as follows:

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established the Illinois Gaming
9 Board, which shall have the powers and duties specified in this
10 Act, and all other powers necessary and proper to fully and
11 effectively execute this Act for the purpose of administering,
12 regulating, and enforcing the system of riverboat gambling
13 established by this Act. Its jurisdiction shall extend under
14 this Act to every person, association, corporation,
15 partnership and trust involved in riverboat gambling
16 operations in the State of Illinois.

17 (2) The Board shall consist of 5 members to be appointed by
18 the Governor with the advice and consent of the Senate, one of
19 whom shall be designated by the Governor to be chairman. Each
20 member shall have a reasonable knowledge of the practice,
21 procedure and principles of gambling operations. Each member
22 shall either be a resident of Illinois or shall certify that he
23 will become a resident of Illinois before taking office. At

1 least one member shall be experienced in law enforcement and
2 criminal investigation, at least one member shall be a
3 certified public accountant experienced in accounting and
4 auditing, and at least one member shall be a lawyer licensed to
5 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. Any employee violating these prohibitions shall be
9 subject to termination of employment.

10 (9) An Administrator shall perform any and all duties that
11 the Board shall assign him. The salary of the Administrator
12 shall be determined by the Board and, in addition, he shall be
13 reimbursed for all actual and necessary expenses incurred by
14 him in discharge of his official duties. The Administrator
15 shall keep records of all proceedings of the Board and shall
16 preserve all records, books, documents and other papers
17 belonging to the Board or entrusted to its care. The
18 Administrator shall devote his full time to the duties of the
19 office and shall not hold any other office or employment.

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

23 (1) To decide promptly and in reasonable order all
24 license applications. Any party aggrieved by an action of
25 the Board denying, suspending, revoking, restricting or
26 refusing to renew a license may request a hearing before

1 the Board. A request for a hearing must be made to the
2 Board in writing within 5 days after service of notice of
3 the action of the Board. Notice of the action of the Board
4 shall be served either by personal delivery or by certified
5 mail, postage prepaid, to the aggrieved party. Notice
6 served by certified mail shall be deemed complete on the
7 business day following the date of such mailing. The Board
8 shall conduct all requested hearings promptly and in
9 reasonable order;

10 (2) To conduct all hearings pertaining to civil
11 violations of this Act or rules and regulations promulgated
12 hereunder;

13 (3) To promulgate such rules and regulations as in its
14 judgment may be necessary to protect or enhance the
15 credibility and integrity of gambling operations
16 authorized by this Act and the regulatory process
17 hereunder;

18 (4) To provide for the establishment and collection of
19 all license and registration fees and taxes imposed by this
20 Act and the rules and regulations issued pursuant hereto.
21 All such fees and taxes shall be deposited into the State
22 Gaming Fund;

23 (5) To provide for the levy and collection of penalties
24 and fines for the violation of provisions of this Act and
25 the rules and regulations promulgated hereunder. All such
26 fines and penalties shall be deposited into the Education

1 Assistance Fund, created by Public Act 86-0018, of the
2 State of Illinois;

3 (6) To be present through its inspectors and agents any
4 time gambling operations are conducted on any riverboat for
5 the purpose of certifying the revenue thereof, receiving
6 complaints from the public, and conducting such other
7 investigations into the conduct of the gambling games and
8 the maintenance of the equipment as from time to time the
9 Board may deem necessary and proper;

10 (7) To review and rule upon any complaint by a licensee
11 regarding any investigative procedures of the State which
12 are unnecessarily disruptive of gambling operations. The
13 need to inspect and investigate shall be presumed at all
14 times. The disruption of a licensee's operations shall be
15 proved by clear and convincing evidence, and establish
16 that: (A) the procedures had no reasonable law enforcement
17 purposes, and (B) the procedures were so disruptive as to
18 unreasonably inhibit gambling operations;

19 (8) To hold at least one meeting each quarter of the
20 fiscal year. In addition, special meetings may be called by
21 the Chairman or any 2 Board members upon 72 hours written
22 notice to each member. All Board meetings shall be subject
23 to the Open Meetings Act. Three members of the Board shall
24 constitute a quorum, and 3 votes shall be required for any
25 final determination by the Board. The Board shall keep a
26 complete and accurate record of all its meetings. A

1 majority of the members of the Board shall constitute a
2 quorum for the transaction of any business, for the
3 performance of any duty, or for the exercise of any power
4 which this Act requires the Board members to transact,
5 perform or exercise en banc, except that, upon order of the
6 Board, one of the Board members or an administrative law
7 judge designated by the Board may conduct any hearing
8 provided for under this Act or by Board rule and may
9 recommend findings and decisions to the Board. The Board
10 member or administrative law judge conducting such hearing
11 shall have all powers and rights granted to the Board in
12 this Act. The record made at the time of the hearing shall
13 be reviewed by the Board, or a majority thereof, and the
14 findings and decision of the majority of the Board shall
15 constitute the order of the Board in such case;

16 (9) To maintain records which are separate and distinct
17 from the records of any other State board or commission.
18 Such records shall be available for public inspection and
19 shall accurately reflect all Board proceedings;

20 (10) To file a written annual report with the Governor
21 on or before March 1 each year and such additional reports
22 as the Governor may request. The annual report shall
23 include a statement of receipts and disbursements by the
24 Board, actions taken by the Board, and any additional
25 information and recommendations which the Board may deem
26 valuable or which the Governor may request;

1 (11) (Blank);

2 (12) (Blank);

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

5 (14) To adopt, by rule, a code of conduct governing
6 Board members and employees that ensure, to the maximum
7 extent possible, that persons subject to this Code avoid
8 situations, relationships, or associations that may
9 represent or lead to a conflict of interest.

10 (c) The Board shall have jurisdiction over and shall
11 supervise all gambling operations governed by this Act. The
12 Board shall have all powers necessary and proper to fully and
13 effectively execute the provisions of this Act, including, but
14 not limited to, the following:

15 (1) To investigate applicants and determine the
16 eligibility of applicants for licenses and to select among
17 competing applicants the applicants which best serve the
18 interests of the citizens of Illinois.

19 (2) To have jurisdiction and supervision over all
20 riverboat gambling operations in this State and all persons
21 on riverboats where gambling operations are conducted.

22 (3) To promulgate rules and regulations for the purpose
23 of administering the provisions of this Act and to
24 prescribe rules, regulations and conditions under which
25 all riverboat gambling in the State shall be conducted.
26 Such rules and regulations are to provide for the

1 prevention of practices detrimental to the public interest
2 and for the best interests of riverboat gambling, including
3 rules and regulations regarding the inspection of such
4 riverboats and the review of any permits or licenses
5 necessary to operate a riverboat under any laws or
6 regulations applicable to riverboats, and to impose
7 penalties for violations thereof.

8 (4) To enter the office, riverboats, facilities, or
9 other places of business of a licensee, where evidence of
10 the compliance or noncompliance with the provisions of this
11 Act is likely to be found.

12 (5) To investigate alleged violations of this Act or
13 the rules of the Board and to take appropriate disciplinary
14 action against a licensee or a holder of an occupational
15 license for a violation, or institute appropriate legal
16 action for enforcement, or both.

17 (6) To adopt standards for the licensing of all persons
18 under this Act, as well as for electronic or mechanical
19 gambling games, and to establish fees for such licenses.

20 (7) To adopt appropriate standards for all riverboats
21 and facilities.

22 (8) To require that the records, including financial or
23 other statements of any licensee under this Act, shall be
24 kept in such manner as prescribed by the Board and that any
25 such licensee involved in the ownership or management of
26 gambling operations submit to the Board an annual balance

1 sheet and profit and loss statement, list of the
2 stockholders or other persons having a 1% or greater
3 beneficial interest in the gambling activities of each
4 licensee, and any other information the Board deems
5 necessary in order to effectively administer this Act and
6 all rules, regulations, orders and final decisions
7 promulgated under this Act.

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

16 (10) To prescribe a form to be used by any licensee
17 involved in the ownership or management of gambling
18 operations as an application for employment for their
19 employees.

20 (11) To revoke or suspend licenses, as the Board may
21 see fit and in compliance with applicable laws of the State
22 regarding administrative procedures, and to review
23 applications for the renewal of licenses. The Board may
24 suspend an owners license, without notice or hearing upon a
25 determination that the safety or health of patrons or
26 employees is jeopardized by continuing a riverboat's

1 operation. The suspension may remain in effect until the
2 Board determines that the cause for suspension has been
3 abated. The Board may revoke the owners license upon a
4 determination that the owner has not made satisfactory
5 progress toward abating the hazard.

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

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

22 (14) (Blank).

23 (15) To suspend, revoke or restrict licenses, to
24 require the removal of a licensee or an employee of a
25 licensee for a violation of this Act or a Board rule or for
26 engaging in a fraudulent practice, and to impose civil

1 ~~penalties of up to \$5,000 against individuals and up to~~
2 ~~\$10,000 or an amount equal to the daily gross receipts,~~
3 ~~whichever is larger,~~ against licensees for each violation
4 of any provision of the Act, any rules adopted by the
5 Board, any order of the Board or any other action which, in
6 the Board's discretion, is a detriment or impediment to
7 riverboat gambling operations.

8 (16) To hire employees to gather information, conduct
9 investigations and carry out any other tasks contemplated
10 under this Act.

11 (17) To establish minimum levels of insurance to be
12 maintained by licensees.

13 (18) To authorize a licensee to sell or serve alcoholic
14 liquors, wine or beer as defined in the Liquor Control Act
15 of 1934 on board a riverboat and to have exclusive
16 authority to establish the hours for sale and consumption
17 of alcoholic liquor on board a riverboat, notwithstanding
18 any provision of the Liquor Control Act of 1934 or any
19 local ordinance, and regardless of whether the riverboat
20 makes excursions. The establishment of the hours for sale
21 and consumption of alcoholic liquor on board a riverboat is
22 an exclusive power and function of the State. A home rule
23 unit may not establish the hours for sale and consumption
24 of alcoholic liquor on board a riverboat. This amendatory
25 Act of 1991 is a denial and limitation of home rule powers
26 and functions under subsection (h) of Section 6 of Article

1 VII of the Illinois Constitution.

2 (19) After consultation with the U.S. Army Corps of
3 Engineers, to establish binding emergency orders upon the
4 concurrence of a majority of the members of the Board
5 regarding the navigability of water, relative to
6 excursions, in the event of extreme weather conditions,
7 acts of God or other extreme circumstances.

8 (20) To delegate the execution of any of its powers
9 under this Act for the purpose of administering and
10 enforcing this Act and its rules and regulations hereunder.

11 (20.5) To approve any contract entered into on its
12 behalf.

13 (20.6) To appoint investigators to conduct
14 investigations, searches, seizures, arrests, and other
15 duties imposed under this Act, as deemed necessary by the
16 Board. These investigators have and may exercise all of the
17 rights and powers of peace officers, provided that these
18 powers shall be limited to offenses or violations occurring
19 or committed on a riverboat or dock, as defined in
20 subsections (d) and (f) of Section 4, or as otherwise
21 provided by this Act or any other law.

22 (20.7) To contract with the Department of State Police
23 for the use of trained and qualified State police officers
24 and with the Department of Revenue for the use of trained
25 and qualified Department of Revenue investigators to
26 conduct investigations, searches, seizures, arrests, and

1 other duties imposed under this Act and to exercise all of
2 the rights and powers of peace officers, provided that the
3 powers of Department of Revenue investigators under this
4 subdivision (20.7) shall be limited to offenses or
5 violations occurring or committed on a riverboat or dock,
6 as defined in subsections (d) and (f) of Section 4, or as
7 otherwise provided by this Act or any other law. In the
8 event the Department of State Police or the Department of
9 Revenue is unable to fill contracted police or
10 investigative positions, the Board may appoint
11 investigators to fill those positions pursuant to
12 subdivision (20.6).

13 (21) To take any other action as may be reasonable or
14 appropriate to enforce this Act and rules and regulations
15 hereunder.

16 (d) The Board may seek and shall receive the cooperation of
17 the Department of State Police in conducting background
18 investigations of applicants and in fulfilling its
19 responsibilities under this Section. Costs incurred by the
20 Department of State Police as a result of such cooperation
21 shall be paid by the Board in conformance with the requirements
22 of Section 2605-400 of the Department of State Police Law (20
23 ILCS 2605/2605-400).

24 (e) The Board must authorize to each investigator and to
25 any other employee of the Board exercising the powers of a
26 peace officer a distinct badge that, on its face, (i) clearly

1 states that the badge is authorized by the Board and (ii)
2 contains a unique identifying number. No other badge shall be
3 authorized by the Board.

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

5 (230 ILCS 10/13) (from Ch. 120, par. 2413)

6 Sec. 13. Wagering tax; rate; distribution.

7 (a) Until January 1, 1998, a tax is imposed on the adjusted
8 gross receipts received from gambling games authorized under
9 this Act at the rate of 20%.

10 (a-1) From January 1, 1998 until July 1, 2002, a privilege
11 tax is imposed on persons engaged in the business of conducting
12 riverboat gambling operations, based on the adjusted gross
13 receipts received by a licensed owner from gambling games
14 authorized under this Act at the following rates:

15 15% of annual adjusted gross receipts up to and
16 including \$25,000,000;

17 20% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$50,000,000;

19 25% of annual adjusted gross receipts in excess of
20 \$50,000,000 but not exceeding \$75,000,000;

21 30% of annual adjusted gross receipts in excess of
22 \$75,000,000 but not exceeding \$100,000,000;

23 35% of annual adjusted gross receipts in excess of
24 \$100,000,000.

25 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax

1 is imposed on persons engaged in the business of conducting
2 riverboat gambling operations, other than licensed managers
3 conducting riverboat gambling operations on behalf of the
4 State, based on the adjusted gross receipts received by a
5 licensed owner from gambling games authorized under this Act at
6 the following rates:

7 15% of annual adjusted gross receipts up to and
8 including \$25,000,000;

9 22.5% of annual adjusted gross receipts in excess of
10 \$25,000,000 but not exceeding \$50,000,000;

11 27.5% of annual adjusted gross receipts in excess of
12 \$50,000,000 but not exceeding \$75,000,000;

13 32.5% of annual adjusted gross receipts in excess of
14 \$75,000,000 but not exceeding \$100,000,000;

15 37.5% of annual adjusted gross receipts in excess of
16 \$100,000,000 but not exceeding \$150,000,000;

17 45% of annual adjusted gross receipts in excess of
18 \$150,000,000 but not exceeding \$200,000,000;

19 50% of annual adjusted gross receipts in excess of
20 \$200,000,000.

21 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
22 persons engaged in the business of conducting riverboat
23 gambling operations, other than licensed managers conducting
24 riverboat gambling operations on behalf of the State, based on
25 the adjusted gross receipts received by a licensed owner from
26 gambling games authorized under this Act at the following

1 rates:

2 15% of annual adjusted gross receipts up to and
3 including \$25,000,000;

4 27.5% of annual adjusted gross receipts in excess of
5 \$25,000,000 but not exceeding \$37,500,000;

6 32.5% of annual adjusted gross receipts in excess of
7 \$37,500,000 but not exceeding \$50,000,000;

8 37.5% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$75,000,000;

10 45% of annual adjusted gross receipts in excess of
11 \$75,000,000 but not exceeding \$100,000,000;

12 50% of annual adjusted gross receipts in excess of
13 \$100,000,000 but not exceeding \$250,000,000;

14 70% of annual adjusted gross receipts in excess of
15 \$250,000,000.

16 An amount equal to the amount of wagering taxes collected
17 under this subsection (a-3) that are in addition to the amount
18 of wagering taxes that would have been collected if the
19 wagering tax rates under subsection (a-2) were in effect shall
20 be paid into the Common School Fund.

21 The privilege tax imposed under this subsection (a-3) shall
22 no longer be imposed beginning on the earlier of (i) July 1,
23 2005; (ii) the first date after June 20, 2003 that riverboat
24 gambling operations are conducted pursuant to a dormant
25 license; or (iii) the first day that riverboat gambling
26 operations are conducted under the authority of an owners

1 license that is in addition to the 10 owners licenses initially
2 authorized under this Act. For the purposes of this subsection
3 (a-3), the term "dormant license" means an owners license that
4 is authorized by this Act under which no riverboat gambling
5 operations are being conducted on June 20, 2003.

6 (a-4) Beginning on the first day on which the tax imposed
7 under subsection (a-3) is no longer imposed, a privilege tax is
8 imposed on persons engaged in the business of conducting
9 riverboat gambling operations, other than licensed managers
10 conducting riverboat gambling operations on behalf of the
11 State, based on the adjusted gross receipts received by a
12 licensed owner from gambling games authorized under this Act at
13 the following rates:

14 15% of annual adjusted gross receipts up to and
15 including \$25,000,000;

16 22.5% of annual adjusted gross receipts in excess of
17 \$25,000,000 but not exceeding \$50,000,000;

18 27.5% of annual adjusted gross receipts in excess of
19 \$50,000,000 but not exceeding \$75,000,000;

20 32.5% of annual adjusted gross receipts in excess of
21 \$75,000,000 but not exceeding \$100,000,000;

22 37.5% of annual adjusted gross receipts in excess of
23 \$100,000,000 but not exceeding \$150,000,000;

24 45% of annual adjusted gross receipts in excess of
25 \$150,000,000 but not exceeding \$200,000,000;

26 50% of annual adjusted gross receipts in excess of

1 \$200,000,000.

2 (a-8) Riverboat gambling operations conducted by a
3 licensed manager on behalf of the State are not subject to the
4 tax imposed under this Section.

5 (a-10) The taxes imposed by this Section shall be paid by
6 the licensed owner to the Board not later than 5:00 o'clock
7 p.m. of the day after the day when the wagers were made.

8 (a-15) If the privilege tax imposed under subsection (a-3)
9 is no longer imposed pursuant to item (i) of the last paragraph
10 of subsection (a-3), then by June 15 of each year, each owners
11 licensee, other than an owners licensee that admitted 1,000,000
12 persons or fewer in calendar year 2004, must, in addition to
13 the payment of all amounts otherwise due under this Section,
14 pay to the Board a reconciliation payment in the amount, if
15 any, by which the licensed owner's base amount exceeds the
16 amount of net privilege tax paid by the licensed owner to the
17 Board in the then current State fiscal year. A licensed owner's
18 net privilege tax obligation due for the balance of the State
19 fiscal year shall be reduced up to the total of the amount paid
20 by the licensed owner in its June 15 reconciliation payment.
21 The obligation imposed by this subsection (a-15) is binding on
22 any person, firm, corporation, or other entity that acquires an
23 ownership interest in any such owners license. The obligation
24 imposed under this subsection (a-15) terminates on the earliest
25 of: (i) July 1, 2007, (ii) the first day after the effective
26 date of this amendatory Act of the 94th General Assembly that

1 riverboat gambling operations are conducted pursuant to a
2 dormant license, (iii) the first day that riverboat gambling
3 operations are conducted under the authority of an owners
4 license that is in addition to the 10 owners licenses initially
5 authorized under this Act, or (iv) the first day that a
6 licensee under the Illinois Horse Racing Act of 1975 conducts
7 gaming operations with slot machines or other electronic gaming
8 devices. The Board must reduce the obligation imposed under
9 this subsection (a-15) by an amount the Board deems reasonable
10 for any of the following reasons: (A) an act or acts of God,
11 (B) an act of bioterrorism or terrorism or a bioterrorism or
12 terrorism threat that was investigated by a law enforcement
13 agency, or (C) a condition beyond the control of the owners
14 licensee that does not result from any act or omission by the
15 owners licensee or any of its agents and that poses a hazardous
16 threat to the health and safety of patrons. If an owners
17 licensee pays an amount in excess of its liability under this
18 Section, the Board shall apply the overpayment to future
19 payments required under this Section.

20 For purposes of this subsection (a-15):

21 "Act of God" means an incident caused by the operation of
22 an extraordinary force that cannot be foreseen, that cannot be
23 avoided by the exercise of due care, and for which no person
24 can be held liable.

25 "Base amount" means the following:

26 For a riverboat in Alton, \$31,000,000.

1 For a riverboat in East Peoria, \$43,000,000.
2 For the Empress riverboat in Joliet, \$86,000,000.
3 For a riverboat in Metropolis, \$45,000,000.
4 For the Harrah's riverboat in Joliet, \$114,000,000.
5 For a riverboat in Aurora, \$86,000,000.
6 For a riverboat in East St. Louis, \$48,500,000.
7 For a riverboat in Elgin, \$198,000,000.

8 "Dormant license" has the meaning ascribed to it in
9 subsection (a-3).

10 "Net privilege tax" means all privilege taxes paid by a
11 licensed owner to the Board under this Section, less all
12 payments made from the State Gaming Fund pursuant to subsection
13 (b) of this Section.

14 The changes made to this subsection (a-15) by Public Act
15 94-839 are intended to restate and clarify the intent of Public
16 Act 94-673 with respect to the amount of the payments required
17 to be made under this subsection by an owners licensee to the
18 Board.

19 (b) Until January 1, 1998, 25% of the tax revenue deposited
20 in the State Gaming Fund under this Section shall be paid,
21 subject to appropriation by the General Assembly, to the unit
22 of local government which is designated as the home dock of the
23 riverboat. Beginning January 1, 1998, from the tax revenue
24 deposited in the State Gaming Fund under this Section, an
25 amount equal to 5% of adjusted gross receipts generated by a
26 riverboat shall be paid monthly, subject to appropriation by

1 the General Assembly, to the unit of local government that is
2 designated as the home dock of the riverboat. From the tax
3 revenue deposited in the State Gaming Fund pursuant to
4 riverboat gambling operations conducted by a licensed manager
5 on behalf of the State, an amount equal to 5% of adjusted gross
6 receipts generated pursuant to those riverboat gambling
7 operations shall be paid monthly, subject to appropriation by
8 the General Assembly, to the unit of local government that is
9 designated as the home dock of the riverboat upon which those
10 riverboat gambling operations are conducted.

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 and the Video Gaming
14 Act, (ii) for distribution to the Department of State Police
15 and to the Department of Revenue for the enforcement of this
16 Act, and (iii) to the Department of Human Services for the
17 administration of programs to treat problem gambling.

18 (c-5) (Blank). ~~Before May 26, 2006 (the effective date of~~
19 ~~Public Act 94-804) and beginning on the effective date of this~~
20 ~~amendatory Act of the 95th General Assembly, unless any~~
21 ~~organization licensee under the Illinois Horse Racing Act of~~
22 ~~1975 begins to operate a slot machine or video game of chance~~
23 ~~under the Illinois Horse Racing Act of 1975 or this Act, after~~
24 ~~the payments required under subsections (b) and (c) have been~~
25 ~~made, an amount equal to 15% of the adjusted gross receipts of~~
26 ~~(1) an owners licensee that relocates pursuant to Section 11.2,~~

1 ~~(2) an owners licensee conducting riverboat gambling~~
2 ~~operations pursuant to an owners license that is initially~~
3 ~~issued after June 25, 1999, or (3) the first riverboat gambling~~
4 ~~operations conducted by a licensed manager on behalf of the~~
5 ~~State under Section 7.3, whichever comes first, shall be paid~~
6 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

7 (c-10) (Blank). ~~Each year the General Assembly shall~~
8 ~~appropriate from the General Revenue Fund to the Education~~
9 ~~Assistance Fund an amount equal to the amount paid into the~~
10 ~~Horse Racing Equity Fund pursuant to subsection (c 5) in the~~
11 ~~prior calendar year.~~

12 (c-15) After the payments required under subsections (b)
13 and, (c), ~~and (c-5)~~ have been made, an amount equal to 2% of
14 the adjusted gross receipts of (1) an owners licensee that
15 relocates pursuant to Section 11.2, (2) an owners licensee
16 conducting riverboat gambling operations pursuant to an owners
17 license that is initially issued after June 25, 1999, or (3)
18 the first riverboat gambling operations conducted by a licensed
19 manager on behalf of the State under Section 7.3, whichever
20 comes first, shall be paid, subject to appropriation from the
21 General Assembly, from the State Gaming Fund to each home rule
22 county with a population of over 3,000,000 inhabitants for the
23 purpose of enhancing the county's criminal justice system.

24 (c-20) Each year the General Assembly shall appropriate
25 from the General Revenue Fund to the Education Assistance Fund
26 an amount equal to the amount paid to each home rule county

1 with a population of over 3,000,000 inhabitants pursuant to
2 subsection (c-15) in the prior calendar year.

3 (c-25) On July 1, 2013 and each July 1 thereafter,
4 \$1,600,000 shall be transferred from the State Gaming Fund to
5 the Chicago State University Education Improvement Fund.

6 (c-30) On July 1, 2013 or as soon as possible thereafter,
7 \$92,000,000 shall be transferred from the State Gaming Fund to
8 the School Infrastructure Fund and \$23,000,000 shall be
9 transferred from the State Gaming Fund to the Horse Racing
10 Equity Fund.

11 (c-35) Beginning on July 1, 2013, in addition to any amount
12 transferred under subsection (c-30) of this Section,
13 \$5,530,000 shall be transferred monthly from the State Gaming
14 Fund to the School Infrastructure Fund.

15 (d) From time to time, the Board shall transfer the
16 remainder of the funds generated by this Act into the Education
17 Assistance Fund, created by Public Act 86-0018, of the State of
18 Illinois.

19 (e) Nothing in this Act shall prohibit the unit of local
20 government designated as the home dock of the riverboat from
21 entering into agreements with other units of local government
22 in this State or in other states to share its portion of the
23 tax revenue.

24 (f) To the extent practicable, the Board shall administer
25 and collect the wagering taxes imposed by this Section in a
26 manner consistent with the provisions of Sections 4, 5, 5a, 5b,

1 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
2 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
3 Penalty and Interest Act.

4 (Source: P.A. 98-18, eff. 6-7-13.)

5 Section 10. The Video Gaming Act is amended by changing
6 Section 45 as follows:

7 (230 ILCS 40/45)

8 Sec. 45. Issuance of license.

9 (a) The burden is upon each applicant to demonstrate his
10 suitability for licensure. Each video gaming terminal
11 manufacturer, distributor, supplier, operator, handler,
12 licensed establishment, licensed truck stop establishment,
13 licensed fraternal establishment, and licensed veterans
14 establishment shall be licensed by the Board. The Board may
15 issue or deny a license under this Act to any person pursuant
16 to the same criteria set forth in Section 9 of the Riverboat
17 Gambling Act.

18 (a-5) The Board shall not grant a license to a person who
19 has facilitated, enabled, or participated in the use of
20 coin-operated devices for gambling purposes or who is under the
21 significant influence or control of such a person. For the
22 purposes of this Act, "facilitated, enabled, or participated in
23 the use of coin-operated amusement devices for gambling
24 purposes" means that the person has been convicted of any

1 violation of Article 28 of the Criminal Code of 1961 or the
2 Criminal Code of 2012. If there is pending legal action against
3 a person for any such violation, then the Board shall delay the
4 licensure of that person until the legal action is resolved.

5 (b) Each person seeking and possessing a license as a video
6 gaming terminal manufacturer, distributor, supplier, operator,
7 handler, licensed establishment, licensed truck stop
8 establishment, licensed fraternal establishment, or licensed
9 veterans establishment shall submit to a background
10 investigation conducted by the Board with the assistance of the
11 State Police or other law enforcement. To the extent that the
12 corporate structure of the applicant allows, the background
13 investigation shall include any or all of the following as the
14 Board deems appropriate or as provided by rule for each
15 category of licensure: (i) each beneficiary of a trust, (ii)
16 each partner of a partnership, (iii) each member of a limited
17 liability company, (iv) each director and officer of a publicly
18 or non-publicly held corporation, (v) each stockholder of a
19 non-publicly held corporation, (vi) each stockholder of 5% or
20 more of a publicly held corporation, or (vii) each stockholder
21 of 5% or more in a parent or subsidiary corporation.

22 (c) Each person seeking and possessing a license as a video
23 gaming terminal manufacturer, distributor, supplier, operator,
24 handler, licensed establishment, licensed truck stop
25 establishment, licensed fraternal establishment, or licensed
26 veterans establishment shall disclose the identity of every

1 person, association, trust, corporation, or limited liability
2 company having a greater than 1% direct or indirect pecuniary
3 interest in the video gaming terminal operation for which the
4 license is sought. If the disclosed entity is a trust, the
5 application shall disclose the names and addresses of the
6 beneficiaries; if a corporation, the names and addresses of all
7 stockholders and directors; if a limited liability company, the
8 names and addresses of all members; or if a partnership, the
9 names and addresses of all partners, both general and limited.

10 (d) No person may be licensed as a video gaming terminal
11 manufacturer, distributor, supplier, operator, handler,
12 licensed establishment, licensed truck stop establishment,
13 licensed fraternal establishment, or licensed veterans
14 establishment if that person has been found by the Board to:

15 (1) have a background, including a criminal record,
16 reputation, habits, social or business associations, or
17 prior activities that pose a threat to the public interests
18 of the State or to the security and integrity of video
19 gaming;

20 (2) create or enhance the dangers of unsuitable,
21 unfair, or illegal practices, methods, and activities in
22 the conduct of video gaming; or

23 (3) present questionable business practices and
24 financial arrangements incidental to the conduct of video
25 gaming activities.

26 (e) Any applicant for any license under this Act has the

1 burden of proving his or her qualifications to the satisfaction
2 of the Board. The Board may adopt rules to establish additional
3 qualifications and requirements to preserve the integrity and
4 security of video gaming in this State.

5 (f) A non-refundable application fee shall be paid at the
6 time an application for a license is filed with the Board in
7 the following amounts:

- 8 (1) Manufacturer \$5,000
- 9 (2) Distributor..... \$5,000
- 10 (3) Terminal operator..... \$5,000
- 11 (4) Supplier \$2,500
- 12 (5) Technician \$100
- 13 (6) Terminal Handler \$100 ~~\$50~~
- 14 (7) Licensed establishment, licensed truck stop
- 15 establishment, licensed fraternal establishment,
- 16 or licensed veterans establishment \$100

17 (g) The Board shall establish an annual fee for each
18 license not to exceed the following:

- 19 (1) Manufacturer \$10,000
- 20 (2) Distributor..... \$10,000
- 21 (3) Terminal operator..... \$5,000
- 22 (4) Supplier \$2,000
- 23 (5) Technician \$100
- 24 (6) Licensed establishment, licensed truck stop
- 25 establishment, licensed fraternal establishment,
- 26 or licensed veterans establishment \$100

1 (7) Video gaming terminal..... \$100

2 (8) Terminal Handler \$50

3 (h) A terminal operator and a licensed establishment,
4 licensed truck stop establishment, licensed fraternal
5 establishment, or licensed veterans establishment shall
6 equally split the fees specified in item (7) of subsection (g).
7 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
8 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)