



Rep. Robert Rita

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1 AMENDMENT TO SENATE BILL 690

2 AMENDMENT NO. _____. Amend Senate Bill 690, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Article 5. Leveling the Playing Field for Illinois Retail Act

6 Section 5-1. Short title. This Article may be cited as the
7 Leveling the Playing Field for Illinois Retail Act. References
8 in this Article to "this Act" means this Article.

9 Section 5-5. Findings. The General Assembly finds that
10 certified service providers and certified automated systems
11 simplify use and occupation tax compliance for out-of-state
12 sellers, which fosters higher levels of accurate tax collection
13 and remittance and generates administrative savings and new
14 marginal tax revenue for both State and local taxing
15 jurisdictions. By making the services of certified service

1 providers and certified automated systems available to remote
2 retailers without charge as provided in this Act, the State
3 will substantially eliminate the burden on those remote
4 retailers to collect and remit both State and local taxing
5 jurisdiction use and occupation taxes. While providing a means
6 for remote retailers to collect and remit tax on an even basis
7 with Illinois retailers, this Act also protects existing local
8 tax revenue streams by retaining origin sourcing for all
9 transactions by retailers maintaining a physical presence in
10 Illinois.

11 Section 5-10. Definitions. As used in this Act:

12 "Certified service provider" means an agent certified by
13 the Department to perform the remote retailer's use and
14 occupation tax functions, as outlined in the contract between
15 the State and the certified service provider.

16 "Certified automated system" means an automated software
17 system that is certified by the State as meeting all
18 performance and tax calculation standards required by
19 Department rules.

20 "Department" means the Department of Revenue.

21 "Remote retailer" means a retailer as defined in Section 1
22 of the Retailers' Occupation Tax Act that has an obligation to
23 collect State and local retailers' occupation tax under
24 subsection (b) of Section 2 of the Retailers' Occupation Tax
25 Act.

1 "Retailers' occupation tax" means the tax levied under the
2 Retailers' Occupation Tax Act and all applicable local
3 retailers' occupation taxes collected by the Department in
4 conjunction with the State retailers' occupation tax.

5 Section 5-15. Certification of certified service
6 providers. The Department shall, no later than December 31,
7 2019, establish standards for the certification of certified
8 service providers and certified automated systems and may act
9 jointly with other states to accomplish these ends.

10 The Department may take other actions reasonably required
11 to implement the provisions of this Act, including the adoption
12 of rules and emergency rules and the procurement of goods and
13 services, which also may be coordinated jointly with other
14 states.

15 Section 5-20. Provision of databases. The Department
16 shall, no later than July 1, 2020:

17 (1) provide and maintain an electronic, downloadable
18 database of defined product categories that identifies the
19 taxability of each category;

20 (2) provide and maintain an electronic, downloadable
21 database of all retailers' occupation tax rates for the
22 jurisdictions in this State that levy a retailers'
23 occupation tax; and

24 (3) provide and maintain an electronic, downloadable

1 database that assigns delivery addresses in this State to
2 the applicable taxing jurisdictions.

3 Section 5-25. Certification. The Department shall, no
4 later than July 1, 2020:

5 (1) provide uniform minimum standards that companies
6 wishing to be designated as a certified service provider in
7 this State must meet; those minimum standards must include
8 an expedited certification process for companies that have
9 been certified in at least 5 other states;

10 (2) provide uniform minimum standards that certified
11 automated systems must meet; those minimum standards may
12 include an expedited certification process for automated
13 systems that have been certified in at least 5 other
14 states;

15 (3) establish a certification process to review the
16 systems of companies wishing to be designated as a
17 certified service provider in this State or of companies
18 wishing to use a certified automated process; this
19 certification process shall provide that companies that
20 meet all required standards and whose systems have been
21 tested and approved by the Department for properly
22 determining the taxability of items to be sold, the correct
23 tax rate to apply to a transaction, and the appropriate
24 jurisdictions to which the tax shall be remitted, shall be
25 certified;

1 (4) enter into a contractual relationship with each
2 company that qualifies as a certified service provider or
3 that will be using a certified automated system; those
4 contracts shall, at a minimum, provide:

5 (A) the responsibilities of the certified service
6 provider and the remote retailers that contract with
7 the certified service provider or the user of a
8 certified automated system related to liability for
9 proper collection and remittance of use and occupation
10 taxes;

11 (B) the responsibilities of the certified service
12 provider and the remote retailers that contract with
13 the certified service provider or the user of a
14 certified service provider related to record keeping
15 and auditing;

16 (C) for the protection and confidentiality of tax
17 information; and

18 (D) compensation equal to 1.75% of the tax dollars
19 collected and remitted to the State by a certified
20 service provider on a timely basis on behalf of remote
21 retailers; remote retailers using a certified service
22 provider may not claim the vendor's discount allowed
23 under the Retailers' Occupation Tax Act or the Service
24 Occupation Tax Act.

25 The provisions of this Section shall supersede the
26 provisions of the Illinois Procurement Code.

1 Section 5-30. Relief from liability. Beginning January 1,
2 2020, remote retailers using certified service providers or
3 certified automated systems and their certified service
4 providers or certified automated systems providers are
5 relieved from liability to the State for having charged and
6 collected the incorrect amount of use or occupation tax
7 resulting from a certified service provider or certified
8 automated system relying, at the time of the sale, on: (1)
9 erroneous data provided by the State in database files on tax
10 rates, boundaries, or taxing jurisdictions; or (2) erroneous
11 data provided by the State concerning the taxability of
12 products and services.

13 The Department shall, to the best of its ability, assign
14 addresses to the proper local taxing jurisdiction using a
15 9-digit zip code identifier. On an annual basis, the Department
16 shall make available to local taxing jurisdictions the taxing
17 jurisdiction boundaries determined by the Department for their
18 verification. If a jurisdiction fails to verify their taxing
19 jurisdiction boundaries to the Department in any given year,
20 the Department shall assign retailers' occupation tax revenue
21 from remote retail sales based on its best information. In that
22 case, tax revenues from remote retail sales remitted to a
23 taxing jurisdiction based on erroneous local tax boundary
24 information will be assigned to the correct taxing jurisdiction
25 on a prospective basis upon notice of the boundary error from a

1 local taxing jurisdiction. No certified service provider,
2 remote retailer using a certified automated system, or taxpayer
3 shall be liable under the Illinois False Claims Act for any
4 error in the amount of tax computed or remitted in accordance
5 with this Act. No certified service provider or remote retailer
6 using a certified automated system shall be subject to a class
7 action brought on behalf of customers and arising from, or in
8 any way related to, an overpayment of retailers' occupation tax
9 collected by the certified service provider if, at the time of
10 the sale, they relied on information provided by the
11 Department, regardless of whether that claim is characterized
12 as a tax refund claim. Nothing in this Section affects a
13 customer's right to seek a refund from the remote retailer as
14 provided in this Act.

15 Section 5-97. Severability. The provisions of this Act are
16 severable under Section 1.31 of the Statute on Statutes.

17 Article 10. Parking Excise Tax Act

18 Section 10-1. Short title. This Article may be cited as the
19 Parking Excise Tax Act. References in this Article to "this
20 Act" mean this Article.

21 Section 10-5. Definitions.

22 "Booking intermediary" means any person or entity that

1 facilitates the processing and fulfillment of reservation
2 transactions between an operator and a person or entity
3 desiring parking in a parking lot or garage of that operator.

4 "Charge or fee paid for parking" means the gross amount of
5 consideration for the use or privilege of parking a motor
6 vehicle in or upon any parking lot or garage in the State,
7 collected by an operator and valued in money, whether received
8 in money or otherwise, including cash, credits, property, and
9 services, determined without any deduction for costs or
10 expenses, but not including charges that are added to the
11 charge or fee on account of the tax imposed by this Act or on
12 account of any other tax imposed on the charge or fee. "Charge
13 or fee paid for parking" excludes separately stated charges not
14 for the use or privilege or parking and excludes amounts
15 retained by or paid to a booking intermediary for services
16 provided by the booking intermediary. If any separately stated
17 charge is not optional, it shall be presumed that it is part of
18 the charge for the use or privilege or parking.

19 "Department" means the Department of Revenue.

20 "Operator" means any person who engages in the business of
21 operating a parking area or garage, or who, directly or through
22 an agreement or arrangement with another party, collects the
23 consideration for parking or storage of motor vehicles,
24 recreational vehicles, or other self-propelled vehicles, at
25 that parking place. This includes, but is not limited to, any
26 facilitator or aggregator that collects from the purchaser the

1 charge or fee paid for parking. "Operator" does not include a
2 bank, credit card company, payment processor, booking
3 intermediary, or person whose involvement is limited to
4 performing functions that are similar to those performed by a
5 bank, credit card company, payment processor, or booking
6 intermediary.

7 "Parking area or garage" means any real estate, building,
8 structure, premises, enclosure or other place, whether
9 enclosed or not, except a public way, within the State, where
10 motor vehicles, recreational vehicles, or other self-propelled
11 vehicles, are stored, housed or parked for hire, charge, fee or
12 other valuable consideration in a condition ready for use, or
13 where rent or compensation is paid to the owner, manager,
14 operator or lessee of the premises for the housing, storing,
15 sheltering, keeping or maintaining motor vehicles,
16 recreational vehicles, or other self-propelled vehicles.

17 "Parking area or garage" includes any parking area or garage,
18 whether the vehicle is parked by the owner of the vehicle or by
19 the operator or an attendant.

20 "Person" means any natural individual, firm, trust,
21 estate, partnership, association, joint stock company, joint
22 venture, corporation, limited liability company, or a
23 receiver, trustee, guardian, or other representative appointed
24 by order of any court.

25 "Purchase price" means the consideration paid for the
26 purchase of a parking space in a parking area or garage, valued

1 in money, whether received in money or otherwise, including
2 cash, gift cards, credits, and property, and shall be
3 determined without any deduction on account of the cost of
4 materials used, labor or service costs, or any other expense
5 whatsoever.

6 "Purchase price" includes any and all charges that the
7 recipient pays related to or incidental to obtaining the use or
8 privilege of using a parking space in a parking area or garage,
9 including but not limited to any and all related markups,
10 service fees, convenience fees, facilitation fees,
11 cancellation fees, overtime fees, or other such charges,
12 regardless of terminology. However, "purchase price" shall not
13 include consideration paid for:

14 (1) optional, separately stated charges not for the use
15 or privilege of using a parking space in the parking area
16 or garage;

17 (2) any charge for a dishonored check;

18 (3) any finance or credit charge, penalty or charge for
19 delayed payment, or discount for prompt payment;

20 (4) any purchase by a purchaser if the operator is
21 prohibited by federal or State Constitution, treaty,
22 convention, statute or court decision from collecting the
23 tax from such purchaser;

24 (5) the isolated or occasional sale of parking spaces
25 subject to tax under this Act by a person who does not hold
26 himself out as being engaged (or who does not habitually

1 engage) in selling of parking spaces; and

2 (6) any amounts added to a purchaser's bills because of
3 charges made pursuant to the tax imposed by this Act. If
4 credit is extended, then the amount thereof shall be
5 included only as and when payments are made.

6 "Purchaser" means any person who acquires a parking space
7 in a parking area or garage for use for valuable consideration.

8 "Use" means the exercise by any person of any right or
9 power over, or the enjoyment of, a parking space in a parking
10 area or garage subject to tax under this Act.

11 Section 10-10. Imposition of tax; calculation of tax.

12 (a) Beginning on January 1, 2020, a tax is imposed on the
13 privilege of using in this State a parking space in a parking
14 area or garage for the use of parking one or more motor
15 vehicles, recreational vehicles, or other self-propelled
16 vehicles, at the rate of:

17 (1) 6% of the purchase price for a parking space paid
18 for on an hourly, daily, or weekly basis; and

19 (2) 9% of the purchase price for a parking space paid
20 for on a monthly or annual basis.

21 (b) The tax shall be collected from the purchaser by the
22 operator.

23 (c) An operator that has paid or remitted the tax imposed
24 by this Act to another operator in connection with the same
25 parking transaction, or the use of the same parking space, that

1 is subject to tax under this Act, shall be entitled to a credit
2 for such tax paid or remitted against the amount of tax owed
3 under this Act, provided that the other operator is registered
4 under this Act. The operator claiming the credit shall have the
5 burden of proving it is entitled to claim a credit.

6 (d) If any operator erroneously collects tax or collects
7 more from the purchaser than the purchaser's liability for the
8 transaction, the purchaser shall have a legal right to claim a
9 refund of such amount from the operator. However, if such
10 amount is not refunded to the purchaser for any reason, the
11 operator is liable to pay such amount to the Department.

12 (e) The tax imposed by this Section is not imposed with
13 respect to any transaction in interstate commerce, to the
14 extent that the transaction may not, under the Constitution and
15 statutes of the United States, be made the subject of taxation
16 by this State.

17 Section 10-15. Filing of returns and deposit of proceeds.
18 On or before the last day of each calendar month, every
19 operator engaged in the business of providing to purchasers
20 parking areas and garages in this State during the preceding
21 calendar month shall file a return with the Department,
22 stating:

23 (1) the name of the operator;

24 (2) the address of its principal place of business and
25 the address of the principal place of business from which

1 it provides parking areas and garages in this State;

2 (3) the total amount of receipts received by the
3 operator during the preceding calendar month or quarter, as
4 the case may be, from sales of parking spaces to purchasers
5 in parking areas or garages during the preceding calendar
6 month or quarter;

7 (4) deductions allowed by law;

8 (5) the total amount of receipts received by the
9 operator during the preceding calendar month or quarter
10 upon which the tax was computed;

11 (6) the amount of tax due; and

12 (7) such other reasonable information as the
13 Department may require.

14 If an operator ceases to engage in the kind of business
15 that makes it responsible for filing returns under this Act,
16 then that operator shall file a final return under this Act
17 with the Department on or before the last day of the month
18 after discontinuing such business.

19 All returns required to be filed and payments required to
20 be made under this Act shall be by electronic means. Taxpayers
21 who demonstrate hardship in filing or paying electronically may
22 petition the Department to waive the electronic filing or
23 payment requirement, or both. The Department may require a
24 separate return for the tax under this Act or combine the
25 return for the tax under this Act with the return for other
26 taxes.

1 If the same person has more than one business registered
2 with the Department under separate registrations under this
3 Act, that person shall not file each return that is due as a
4 single return covering all such registered businesses but shall
5 file separate returns for each such registered business.

6 If the operator is a corporation, the return filed on
7 behalf of that corporation shall be signed by the president,
8 vice-president, secretary, or treasurer, or by a properly
9 accredited agent of such corporation.

10 The operator filing the return under this Act shall, at the
11 time of filing the return, pay to the Department the amount of
12 tax imposed by this Act less a discount of 1.75%, not to exceed
13 \$1,000 per month, which is allowed to reimburse the operator
14 for the expenses incurred in keeping records, preparing and
15 filing returns, remitting the tax, and supplying data to the
16 Department on request.

17 If any payment provided for in this Section exceeds the
18 taxpayer's liabilities under this Act, as shown on an original
19 return, the Department may authorize the taxpayer to credit
20 such excess payment against liability subsequently to be
21 remitted to the Department under this Act, in accordance with
22 reasonable rules adopted by the Department. If the Department
23 subsequently determines that all or any part of the credit
24 taken was not actually due to the taxpayer, the taxpayer's
25 discount shall be reduced by an amount equal to the difference
26 between the discount as applied to the credit taken and that

1 actually due, and that taxpayer shall be liable for penalties
2 and interest on such difference.

3 Section 10-20. Exemptions. The tax imposed by this Act
4 shall not apply to:

5 (1) parking in a parking area or garage operated by the
6 federal government or its instrumentalities that has been
7 issued an active tax exemption number by the Department
8 under Section 1g of the Retailers' Occupation Tax Act; for
9 this exemption to apply, the parking area or garage must be
10 operated by the federal government or its
11 instrumentalities; the exemption under this paragraph (1)
12 does not apply if the parking area or garage is operated by
13 a third party, whether under a lease or other contractual
14 arrangement, or any other manner whatsoever;

15 (2) residential off-street parking for home or
16 apartment tenants or condominium occupants, if the
17 arrangement for such parking is provided in the home or
18 apartment lease or in a separate writing between the
19 landlord and tenant, or in a condominium agreement between
20 the condominium association and the owner, occupant, or
21 guest of a unit, whether the parking charge is payable to
22 the landlord, condominium association, or to the operator
23 of the parking spaces;

24 (3) parking by hospital employees in a parking space
25 that is owned and operated by the hospital for which they

1 work; and

2 (4) parking in a parking area or garage where 3 or
3 fewer motor vehicles are stored, housed, or parked for
4 hire, charge, fee or other valuable consideration, if the
5 operator of the parking area or garage does not act as the
6 operator of more than a total of 3 parking spaces located
7 in the State; if any operator of parking areas or garages,
8 including any facilitator or aggregator, acts as an
9 operator of more than 3 parking spaces in total that are
10 located in the State, then this exemption shall not apply
11 to any of those spaces.

12 Section 10-25. Collection of tax.

13 (a) Beginning with bills issued or charges collected for a
14 purchase of a parking space in a parking area or garage on and
15 after January 1, 2020, the tax imposed by this Act shall be
16 collected from the purchaser by the operator at the rate stated
17 in Section 10-10 and shall be remitted to the Department as
18 provided in this Act. All charges for parking spaces in a
19 parking area or garage are presumed subject to tax collection.
20 Operators shall collect the tax from purchasers by adding the
21 tax to the amount of the purchase price received from the
22 purchaser. The tax imposed by the Act shall when collected be
23 stated as a distinct item separate and apart from the purchase
24 price of the service subject to tax under this Act. However,
25 where it is not possible to state the tax separately the

1 Department may by rule exempt such purchases from this
2 requirement so long as purchasers are notified by language on
3 the invoice or notified by a sign that the tax is included in
4 the purchase price.

5 (b) Any person purchasing a parking space in a parking area
6 or garage subject to tax under this Act as to which there has
7 been no charge made to him of the tax imposed by Section 10-10,
8 shall make payment of the tax imposed by Section 10-10 of this
9 Act in the form and manner provided by the Department, such
10 payment to be made to the Department in the manner and form
11 required by the Department not later than the 20th day of the
12 month following the month of purchase of the parking space.

13 Section 10-30. Registration of operators.

14 (a) A person who engages in business as an operator of a
15 parking area or garage in this State shall register with the
16 Department. Application for a certificate of registration
17 shall be made to the Department, by electronic means, in the
18 form and manner prescribed by the Department and shall contain
19 any reasonable information the Department may require. Upon
20 receipt of the application for a certificate of registration in
21 proper form and manner, the Department shall issue to the
22 applicant a certificate of registration. Operators who
23 demonstrate that they do not have access to the Internet or
24 demonstrate hardship in applying electronically may petition
25 the Department to waive the electronic application

1 requirements.

2 (b) The Department may refuse to issue or reissue a
3 certificate of registration to any applicant for the reasons
4 set forth in Section 2505-380 of the Department of Revenue Law
5 of the Civil Administrative Code of Illinois.

6 (c) Any person aggrieved by any decision of the Department
7 under this Section may, within 20 days after notice of such
8 decision, protest and request a hearing, whereupon the
9 Department shall give notice to such person of the time and
10 place fixed for such hearing and shall hold a hearing in
11 conformity with the provisions of this Act and then issue its
12 final administrative decision in the matter to such person. In
13 the absence of such a protest within 20 days, the Department's
14 decision shall become final without any further determination
15 being made or notice given.

16 Section 10-35. Revocation of certificate of registration.

17 (a) The Department may, after notice and a hearing as
18 provided in this Act, revoke the certificate of registration of
19 any operator who violates any of the provisions of this Act or
20 any rule adopted pursuant to this Act. Before revocation of a
21 certificate of registration, the Department shall, within 90
22 days after non-compliance and at least 7 days prior to the date
23 of the hearing, give the operator so accused notice in writing
24 of the charge against him or her, and on the date designated
25 shall conduct a hearing upon this matter. The lapse of such

1 90-day period shall not preclude the Department from conducting
2 revocation proceedings at a later date if necessary. Any
3 hearing held under this Section shall be conducted by the
4 Director or by any officer or employee of the Department
5 designated in writing by the Director.

6 (b) The Department may revoke a certificate of registration
7 for the reasons set forth in Section 2505-380 of the Department
8 of Revenue Law of the Civil Administrative Code of Illinois.

9 (c) Upon the hearing of any such proceeding, the Director
10 or any officer or employee of the Department designated in
11 writing by the Director may administer oaths, and the
12 Department may procure by its subpoena the attendance of
13 witnesses and, by its subpoena duces tecum, the production of
14 relevant books and papers. Any circuit court, upon application
15 either of the operator or of the Department, may, by order duly
16 entered, require the attendance of witnesses and the production
17 of relevant books and papers before the Department in any
18 hearing relating to the revocation of certificates of
19 registration. Upon refusal or neglect to obey the order of the
20 court, the court may compel obedience thereof by proceedings
21 for contempt.

22 (d) The Department may, by application to any circuit
23 court, obtain an injunction requiring any person who engages in
24 business as an operator under this Act to obtain a certificate
25 of registration. Upon refusal or neglect to obey the order of
26 the court, the court may compel obedience by proceedings for

1 contempt.

2 Section 10-40. Valet services.

3 (a) Persons engaged in the business of providing valet
4 services are subject to the tax imposed by this Act on the
5 purchase price received in connection with their valet parking
6 operations.

7 (b) Persons engaged in the business of providing valet
8 services are entitled to take the credit in subsection (c) of
9 Section 10-10.

10 (c) Tips received by persons parking cars for persons
11 engaged in the business of providing valet services are not
12 subject to the tax imposed by this Act if the tips are retained
13 by the person receiving the tip. If the tips are turned over to
14 the valet business, the tips shall be included in the purchase
15 price.

16 Section 10-45. Tax collected as debt owed to State. The tax
17 herein required to be collected by any operator or valet
18 business and any such tax collected by that person, shall
19 constitute a debt owed by that person to this State.

20 Section 10-50. Incorporation by reference. All of the
21 provisions of Sections 1, 2a, 2b, 3 (except provisions relating
22 to transaction returns and except for provisions that are
23 inconsistent with this Act), in respect to all provisions

1 therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d,
2 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and
3 13 of the Retailers' Occupation Tax Act that are not
4 inconsistent with this Act, and all provisions of the Uniform
5 Penalty and Interest Act shall apply, as far as practicable, to
6 the subject matter of this Act to the same extent as if such
7 provisions were included in this Act.

8 Section 10-55. Deposit of proceeds from parking excise tax.
9 The moneys received by the Department from the tax imposed by
10 this Act shall be deposited into the Capital Projects Fund.

11 Section 10-60. Illinois False Claims Act. No acts or
12 omissions by an operator regarding the charging of taxes under
13 this Act shall be a basis for filing an action by a private
14 person under the Illinois False Claims Act.

15 The Department shall have the sole authority to bring an
16 administrative action resulting from information provided by
17 any person alleging a false claim, statement or records, as
18 defined in Section 3 of the Illinois False Claims Act
19 pertaining to any tax administered by the Department under this
20 Act.

21 Article 15. Amendatory Provisions

22 Section 15-5. The Illinois Administrative Procedure Act is

1 amended by changing Section 5-45 as follows:

2 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

3 Sec. 5-45. Emergency rulemaking.

4 (a) "Emergency" means the existence of any situation that
5 any agency finds reasonably constitutes a threat to the public
6 interest, safety, or welfare.

7 (b) If any agency finds that an emergency exists that
8 requires adoption of a rule upon fewer days than is required by
9 Section 5-40 and states in writing its reasons for that
10 finding, the agency may adopt an emergency rule without prior
11 notice or hearing upon filing a notice of emergency rulemaking
12 with the Secretary of State under Section 5-70. The notice
13 shall include the text of the emergency rule and shall be
14 published in the Illinois Register. Consent orders or other
15 court orders adopting settlements negotiated by an agency may
16 be adopted under this Section. Subject to applicable
17 constitutional or statutory provisions, an emergency rule
18 becomes effective immediately upon filing under Section 5-65 or
19 at a stated date less than 10 days thereafter. The agency's
20 finding and a statement of the specific reasons for the finding
21 shall be filed with the rule. The agency shall take reasonable
22 and appropriate measures to make emergency rules known to the
23 persons who may be affected by them.

24 (c) An emergency rule may be effective for a period of not
25 longer than 150 days, but the agency's authority to adopt an

1 identical rule under Section 5-40 is not precluded. No
2 emergency rule may be adopted more than once in any 24-month
3 period, except that this limitation on the number of emergency
4 rules that may be adopted in a 24-month period does not apply
5 to (i) emergency rules that make additions to and deletions
6 from the Drug Manual under Section 5-5.16 of the Illinois
7 Public Aid Code or the generic drug formulary under Section
8 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
9 emergency rules adopted by the Pollution Control Board before
10 July 1, 1997 to implement portions of the Livestock Management
11 Facilities Act, (iii) emergency rules adopted by the Illinois
12 Department of Public Health under subsections (a) through (i)
13 of Section 2 of the Department of Public Health Act when
14 necessary to protect the public's health, (iv) emergency rules
15 adopted pursuant to subsection (n) of this Section, (v)
16 emergency rules adopted pursuant to subsection (o) of this
17 Section, or (vi) emergency rules adopted pursuant to subsection
18 (c-5) of this Section. Two or more emergency rules having
19 substantially the same purpose and effect shall be deemed to be
20 a single rule for purposes of this Section.

21 (c-5) To facilitate the maintenance of the program of group
22 health benefits provided to annuitants, survivors, and retired
23 employees under the State Employees Group Insurance Act of
24 1971, rules to alter the contributions to be paid by the State,
25 annuitants, survivors, retired employees, or any combination
26 of those entities, for that program of group health benefits,

1 shall be adopted as emergency rules. The adoption of those
2 rules shall be considered an emergency and necessary for the
3 public interest, safety, and welfare.

4 (d) In order to provide for the expeditious and timely
5 implementation of the State's fiscal year 1999 budget,
6 emergency rules to implement any provision of Public Act 90-587
7 or 90-588 or any other budget initiative for fiscal year 1999
8 may be adopted in accordance with this Section by the agency
9 charged with administering that provision or initiative,
10 except that the 24-month limitation on the adoption of
11 emergency rules and the provisions of Sections 5-115 and 5-125
12 do not apply to rules adopted under this subsection (d). The
13 adoption of emergency rules authorized by this subsection (d)
14 shall be deemed to be necessary for the public interest,
15 safety, and welfare.

16 (e) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 2000 budget,
18 emergency rules to implement any provision of Public Act 91-24
19 or any other budget initiative for fiscal year 2000 may be
20 adopted in accordance with this Section by the agency charged
21 with administering that provision or initiative, except that
22 the 24-month limitation on the adoption of emergency rules and
23 the provisions of Sections 5-115 and 5-125 do not apply to
24 rules adopted under this subsection (e). The adoption of
25 emergency rules authorized by this subsection (e) shall be
26 deemed to be necessary for the public interest, safety, and

1 welfare.

2 (f) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2001 budget,
4 emergency rules to implement any provision of Public Act 91-712
5 or any other budget initiative for fiscal year 2001 may be
6 adopted in accordance with this Section by the agency charged
7 with administering that provision or initiative, except that
8 the 24-month limitation on the adoption of emergency rules and
9 the provisions of Sections 5-115 and 5-125 do not apply to
10 rules adopted under this subsection (f). The adoption of
11 emergency rules authorized by this subsection (f) shall be
12 deemed to be necessary for the public interest, safety, and
13 welfare.

14 (g) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2002 budget,
16 emergency rules to implement any provision of Public Act 92-10
17 or any other budget initiative for fiscal year 2002 may be
18 adopted in accordance with this Section by the agency charged
19 with administering that provision or initiative, except that
20 the 24-month limitation on the adoption of emergency rules and
21 the provisions of Sections 5-115 and 5-125 do not apply to
22 rules adopted under this subsection (g). The adoption of
23 emergency rules authorized by this subsection (g) shall be
24 deemed to be necessary for the public interest, safety, and
25 welfare.

26 (h) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2003 budget,
2 emergency rules to implement any provision of Public Act 92-597
3 or any other budget initiative for fiscal year 2003 may be
4 adopted in accordance with this Section by the agency charged
5 with administering that provision or initiative, except that
6 the 24-month limitation on the adoption of emergency rules and
7 the provisions of Sections 5-115 and 5-125 do not apply to
8 rules adopted under this subsection (h). The adoption of
9 emergency rules authorized by this subsection (h) shall be
10 deemed to be necessary for the public interest, safety, and
11 welfare.

12 (i) In order to provide for the expeditious and timely
13 implementation of the State's fiscal year 2004 budget,
14 emergency rules to implement any provision of Public Act 93-20
15 or any other budget initiative for fiscal year 2004 may be
16 adopted in accordance with this Section by the agency charged
17 with administering that provision or initiative, except that
18 the 24-month limitation on the adoption of emergency rules and
19 the provisions of Sections 5-115 and 5-125 do not apply to
20 rules adopted under this subsection (i). The adoption of
21 emergency rules authorized by this subsection (i) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare.

24 (j) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2005 budget as provided under the Fiscal Year 2005 Budget

1 Implementation (Human Services) Act, emergency rules to
2 implement any provision of the Fiscal Year 2005 Budget
3 Implementation (Human Services) Act may be adopted in
4 accordance with this Section by the agency charged with
5 administering that provision, except that the 24-month
6 limitation on the adoption of emergency rules and the
7 provisions of Sections 5-115 and 5-125 do not apply to rules
8 adopted under this subsection (j). The Department of Public Aid
9 may also adopt rules under this subsection (j) necessary to
10 administer the Illinois Public Aid Code and the Children's
11 Health Insurance Program Act. The adoption of emergency rules
12 authorized by this subsection (j) shall be deemed to be
13 necessary for the public interest, safety, and welfare.

14 (k) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2006 budget, emergency rules to implement any provision of
17 Public Act 94-48 or any other budget initiative for fiscal year
18 2006 may be adopted in accordance with this Section by the
19 agency charged with administering that provision or
20 initiative, except that the 24-month limitation on the adoption
21 of emergency rules and the provisions of Sections 5-115 and
22 5-125 do not apply to rules adopted under this subsection (k).
23 The Department of Healthcare and Family Services may also adopt
24 rules under this subsection (k) necessary to administer the
25 Illinois Public Aid Code, the Senior Citizens and Persons with
26 Disabilities Property Tax Relief Act, the Senior Citizens and

1 Disabled Persons Prescription Drug Discount Program Act (now
2 the Illinois Prescription Drug Discount Program Act), and the
3 Children's Health Insurance Program Act. The adoption of
4 emergency rules authorized by this subsection (k) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare.

7 (l) In order to provide for the expeditious and timely
8 implementation of the provisions of the State's fiscal year
9 2007 budget, the Department of Healthcare and Family Services
10 may adopt emergency rules during fiscal year 2007, including
11 rules effective July 1, 2007, in accordance with this
12 subsection to the extent necessary to administer the
13 Department's responsibilities with respect to amendments to
14 the State plans and Illinois waivers approved by the federal
15 Centers for Medicare and Medicaid Services necessitated by the
16 requirements of Title XIX and Title XXI of the federal Social
17 Security Act. The adoption of emergency rules authorized by
18 this subsection (l) shall be deemed to be necessary for the
19 public interest, safety, and welfare.

20 (m) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2008 budget, the Department of Healthcare and Family Services
23 may adopt emergency rules during fiscal year 2008, including
24 rules effective July 1, 2008, in accordance with this
25 subsection to the extent necessary to administer the
26 Department's responsibilities with respect to amendments to

1 the State plans and Illinois waivers approved by the federal
2 Centers for Medicare and Medicaid Services necessitated by the
3 requirements of Title XIX and Title XXI of the federal Social
4 Security Act. The adoption of emergency rules authorized by
5 this subsection (m) shall be deemed to be necessary for the
6 public interest, safety, and welfare.

7 (n) In order to provide for the expeditious and timely
8 implementation of the provisions of the State's fiscal year
9 2010 budget, emergency rules to implement any provision of
10 Public Act 96-45 or any other budget initiative authorized by
11 the 96th General Assembly for fiscal year 2010 may be adopted
12 in accordance with this Section by the agency charged with
13 administering that provision or initiative. The adoption of
14 emergency rules authorized by this subsection (n) shall be
15 deemed to be necessary for the public interest, safety, and
16 welfare. The rulemaking authority granted in this subsection
17 (n) shall apply only to rules promulgated during Fiscal Year
18 2010.

19 (o) In order to provide for the expeditious and timely
20 implementation of the provisions of the State's fiscal year
21 2011 budget, emergency rules to implement any provision of
22 Public Act 96-958 or any other budget initiative authorized by
23 the 96th General Assembly for fiscal year 2011 may be adopted
24 in accordance with this Section by the agency charged with
25 administering that provision or initiative. The adoption of
26 emergency rules authorized by this subsection (o) is deemed to

1 be necessary for the public interest, safety, and welfare. The
2 rulemaking authority granted in this subsection (o) applies
3 only to rules promulgated on or after July 1, 2010 (the
4 effective date of Public Act 96-958) through June 30, 2011.

5 (p) In order to provide for the expeditious and timely
6 implementation of the provisions of Public Act 97-689,
7 emergency rules to implement any provision of Public Act 97-689
8 may be adopted in accordance with this subsection (p) by the
9 agency charged with administering that provision or
10 initiative. The 150-day limitation of the effective period of
11 emergency rules does not apply to rules adopted under this
12 subsection (p), and the effective period may continue through
13 June 30, 2013. The 24-month limitation on the adoption of
14 emergency rules does not apply to rules adopted under this
15 subsection (p). The adoption of emergency rules authorized by
16 this subsection (p) is deemed to be necessary for the public
17 interest, safety, and welfare.

18 (q) In order to provide for the expeditious and timely
19 implementation of the provisions of Articles 7, 8, 9, 11, and
20 12 of Public Act 98-104, emergency rules to implement any
21 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
22 may be adopted in accordance with this subsection (q) by the
23 agency charged with administering that provision or
24 initiative. The 24-month limitation on the adoption of
25 emergency rules does not apply to rules adopted under this
26 subsection (q). The adoption of emergency rules authorized by

1 this subsection (q) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (r) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 98-651,
5 emergency rules to implement Public Act 98-651 may be adopted
6 in accordance with this subsection (r) by the Department of
7 Healthcare and Family Services. The 24-month limitation on the
8 adoption of emergency rules does not apply to rules adopted
9 under this subsection (r). The adoption of emergency rules
10 authorized by this subsection (r) is deemed to be necessary for
11 the public interest, safety, and welfare.

12 (s) In order to provide for the expeditious and timely
13 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
14 the Illinois Public Aid Code, emergency rules to implement any
15 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
16 Public Aid Code may be adopted in accordance with this
17 subsection (s) by the Department of Healthcare and Family
18 Services. The rulemaking authority granted in this subsection
19 (s) shall apply only to those rules adopted prior to July 1,
20 2015. Notwithstanding any other provision of this Section, any
21 emergency rule adopted under this subsection (s) shall only
22 apply to payments made for State fiscal year 2015. The adoption
23 of emergency rules authorized by this subsection (s) is deemed
24 to be necessary for the public interest, safety, and welfare.

25 (t) In order to provide for the expeditious and timely
26 implementation of the provisions of Article II of Public Act

1 99-6, emergency rules to implement the changes made by Article
2 II of Public Act 99-6 to the Emergency Telephone System Act may
3 be adopted in accordance with this subsection (t) by the
4 Department of State Police. The rulemaking authority granted in
5 this subsection (t) shall apply only to those rules adopted
6 prior to July 1, 2016. The 24-month limitation on the adoption
7 of emergency rules does not apply to rules adopted under this
8 subsection (t). The adoption of emergency rules authorized by
9 this subsection (t) is deemed to be necessary for the public
10 interest, safety, and welfare.

11 (u) In order to provide for the expeditious and timely
12 implementation of the provisions of the Burn Victims Relief
13 Act, emergency rules to implement any provision of the Act may
14 be adopted in accordance with this subsection (u) by the
15 Department of Insurance. The rulemaking authority granted in
16 this subsection (u) shall apply only to those rules adopted
17 prior to December 31, 2015. The adoption of emergency rules
18 authorized by this subsection (u) is deemed to be necessary for
19 the public interest, safety, and welfare.

20 (v) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 99-516,
22 emergency rules to implement Public Act 99-516 may be adopted
23 in accordance with this subsection (v) by the Department of
24 Healthcare and Family Services. The 24-month limitation on the
25 adoption of emergency rules does not apply to rules adopted
26 under this subsection (v). The adoption of emergency rules

1 authorized by this subsection (v) is deemed to be necessary for
2 the public interest, safety, and welfare.

3 (w) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 99-796,
5 emergency rules to implement the changes made by Public Act
6 99-796 may be adopted in accordance with this subsection (w) by
7 the Adjutant General. The adoption of emergency rules
8 authorized by this subsection (w) is deemed to be necessary for
9 the public interest, safety, and welfare.

10 (x) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 99-906,
12 emergency rules to implement subsection (i) of Section 16-115D,
13 subsection (g) of Section 16-128A, and subsection (a) of
14 Section 16-128B of the Public Utilities Act may be adopted in
15 accordance with this subsection (x) by the Illinois Commerce
16 Commission. The rulemaking authority granted in this
17 subsection (x) shall apply only to those rules adopted within
18 180 days after June 1, 2017 (the effective date of Public Act
19 99-906). The adoption of emergency rules authorized by this
20 subsection (x) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (y) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 100-23,
24 emergency rules to implement the changes made by Public Act
25 100-23 to Section 4.02 of the Illinois Act on the Aging,
26 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,

1 Section 55-30 of the Alcoholism and Other Drug Abuse and
2 Dependency Act, and Sections 74 and 75 of the Mental Health and
3 Developmental Disabilities Administrative Act may be adopted
4 in accordance with this subsection (y) by the respective
5 Department. The adoption of emergency rules authorized by this
6 subsection (y) is deemed to be necessary for the public
7 interest, safety, and welfare.

8 (z) In order to provide for the expeditious and timely
9 implementation of the provisions of Public Act 100-554,
10 emergency rules to implement the changes made by Public Act
11 100-554 to Section 4.7 of the Lobbyist Registration Act may be
12 adopted in accordance with this subsection (z) by the Secretary
13 of State. The adoption of emergency rules authorized by this
14 subsection (z) is deemed to be necessary for the public
15 interest, safety, and welfare.

16 (aa) In order to provide for the expeditious and timely
17 initial implementation of the changes made to Articles 5, 5A,
18 12, and 14 of the Illinois Public Aid Code under the provisions
19 of Public Act 100-581, the Department of Healthcare and Family
20 Services may adopt emergency rules in accordance with this
21 subsection (aa). The 24-month limitation on the adoption of
22 emergency rules does not apply to rules to initially implement
23 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
24 Public Aid Code adopted under this subsection (aa). The
25 adoption of emergency rules authorized by this subsection (aa)
26 is deemed to be necessary for the public interest, safety, and

1 welfare.

2 (bb) In order to provide for the expeditious and timely
3 implementation of the provisions of Public Act 100-587,
4 emergency rules to implement the changes made by Public Act
5 100-587 to Section 4.02 of the Illinois Act on the Aging,
6 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
7 subsection (b) of Section 55-30 of the Alcoholism and Other
8 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
9 Mental Health Rehabilitation Act of 2013, and Section 75 and
10 subsection (b) of Section 74 of the Mental Health and
11 Developmental Disabilities Administrative Act may be adopted
12 in accordance with this subsection (bb) by the respective
13 Department. The adoption of emergency rules authorized by this
14 subsection (bb) is deemed to be necessary for the public
15 interest, safety, and welfare.

16 (cc) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 100-587,
18 emergency rules may be adopted in accordance with this
19 subsection (cc) to implement the changes made by Public Act
20 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
21 Pension Code by the Board created under Article 14 of the Code;
22 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
23 the Board created under Article 15 of the Code; and Sections
24 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
25 created under Article 16 of the Code. The adoption of emergency
26 rules authorized by this subsection (cc) is deemed to be

1 necessary for the public interest, safety, and welfare.

2 (dd) In order to provide for the expeditious and timely
3 implementation of the provisions of Public Act 100-864,
4 emergency rules to implement the changes made by Public Act
5 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
6 may be adopted in accordance with this subsection (dd) by the
7 Secretary of State. The adoption of emergency rules authorized
8 by this subsection (dd) is deemed to be necessary for the
9 public interest, safety, and welfare.

10 (ee) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 100-1172 ~~this~~
12 ~~amendatory Act of the 100th General Assembly~~, emergency rules
13 implementing the Illinois Underground Natural Gas Storage
14 Safety Act may be adopted in accordance with this subsection by
15 the Department of Natural Resources. The adoption of emergency
16 rules authorized by this subsection is deemed to be necessary
17 for the public interest, safety, and welfare.

18 (ff) ~~(ee)~~ In order to provide for the expeditious and
19 timely initial implementation of the changes made to Articles
20 5A and 14 of the Illinois Public Aid Code under the provisions
21 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~
22 ~~Assembly~~, the Department of Healthcare and Family Services may
23 on a one-time-only basis adopt emergency rules in accordance
24 with this subsection (ff) ~~(ee)~~. The 24-month limitation on the
25 adoption of emergency rules does not apply to rules to
26 initially implement the changes made to Articles 5A and 14 of

1 the Illinois Public Aid Code adopted under this subsection (ff)
2 ~~(ee)~~. The adoption of emergency rules authorized by this
3 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public
4 interest, safety, and welfare.

5 (gg) ~~(ff)~~ In order to provide for the expeditious and
6 timely implementation of the provisions of Public Act 101-1
7 ~~this amendatory Act of the 101st General Assembly~~, emergency
8 rules may be adopted by the Department of Labor in accordance
9 with this subsection (gg) ~~(ff)~~ to implement the changes made by
10 Public Act 101-1 ~~this amendatory Act of the 101st General~~
11 ~~Assembly~~ to the Minimum Wage Law. The adoption of emergency
12 rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be
13 necessary for the public interest, safety, and welfare.

14 (hh) In order to provide for the expeditious and timely
15 implementation of the provisions of the Leveling the Playing
16 Field for Illinois Retail Act, emergency rules may be adopted
17 in accordance with this subsection (hh) to implement the
18 changes made by the Leveling the Playing Field for Illinois
19 Retail Act. The adoption of emergency rules authorized by this
20 subsection (hh) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
23 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
24 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
25 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
26 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

1 Section 15-10. The State Finance Act is amended by adding
2 Sections 5.891, 5.893, and 5.894 as follows:

3 (30 ILCS 105/5.891 new)

4 Sec. 5.891. The Transportation Renewal Fund.

5 (30 ILCS 105/5.893 new)

6 Sec. 5.893. The Regional Transportation Authority Capital
7 Improvement Fund.

8 (30 ILCS 105/5.894 new)

9 Sec. 5.894. The Downstate Mass Transportation Capital
10 Improvement Fund.

11 Section 15-15. The Use Tax Act is amended by changing
12 Sections 2 as follows:

13 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

14 Sec. 2. Definitions.

15 "Use" means the exercise by any person of any right or
16 power over tangible personal property incident to the ownership
17 of that property, except that it does not include the sale of
18 such property in any form as tangible personal property in the
19 regular course of business to the extent that such property is
20 not first subjected to a use for which it was purchased, and

1 does not include the use of such property by its owner for
2 demonstration purposes: Provided that the property purchased
3 is deemed to be purchased for the purpose of resale, despite
4 first being used, to the extent to which it is resold as an
5 ingredient of an intentionally produced product or by-product
6 of manufacturing. "Use" does not mean the demonstration use or
7 interim use of tangible personal property by a retailer before
8 he sells that tangible personal property. For watercraft or
9 aircraft, if the period of demonstration use or interim use by
10 the retailer exceeds 18 months, the retailer shall pay on the
11 retailers' original cost price the tax imposed by this Act, and
12 no credit for that tax is permitted if the watercraft or
13 aircraft is subsequently sold by the retailer. "Use" does not
14 mean the physical incorporation of tangible personal property,
15 to the extent not first subjected to a use for which it was
16 purchased, as an ingredient or constituent, into other tangible
17 personal property (a) which is sold in the regular course of
18 business or (b) which the person incorporating such ingredient
19 or constituent therein has undertaken at the time of such
20 purchase to cause to be transported in interstate commerce to
21 destinations outside the State of Illinois: Provided that the
22 property purchased is deemed to be purchased for the purpose of
23 resale, despite first being used, to the extent to which it is
24 resold as an ingredient of an intentionally produced product or
25 by-product of manufacturing.

26 "Watercraft" means a Class 2, Class 3, or Class 4

1 watercraft as defined in Section 3-2 of the Boat Registration
2 and Safety Act, a personal watercraft, or any boat equipped
3 with an inboard motor.

4 "Purchase at retail" means the acquisition of the ownership
5 of or title to tangible personal property through a sale at
6 retail.

7 "Purchaser" means anyone who, through a sale at retail,
8 acquires the ownership of tangible personal property for a
9 valuable consideration.

10 "Sale at retail" means any transfer of the ownership of or
11 title to tangible personal property to a purchaser, for the
12 purpose of use, and not for the purpose of resale in any form
13 as tangible personal property to the extent not first subjected
14 to a use for which it was purchased, for a valuable
15 consideration: Provided that the property purchased is deemed
16 to be purchased for the purpose of resale, despite first being
17 used, to the extent to which it is resold as an ingredient of
18 an intentionally produced product or by-product of
19 manufacturing. For this purpose, slag produced as an incident
20 to manufacturing pig iron or steel and sold is considered to be
21 an intentionally produced by-product of manufacturing. "Sale
22 at retail" includes any such transfer made for resale unless
23 made in compliance with Section 2c of the Retailers' Occupation
24 Tax Act, as incorporated by reference into Section 12 of this
25 Act. Transactions whereby the possession of the property is
26 transferred but the seller retains the title as security for

1 payment of the selling price are sales.

2 "Sale at retail" shall also be construed to include any
3 Illinois florist's sales transaction in which the purchase
4 order is received in Illinois by a florist and the sale is for
5 use or consumption, but the Illinois florist has a florist in
6 another state deliver the property to the purchaser or the
7 purchaser's donee in such other state.

8 Nonreusable tangible personal property that is used by
9 persons engaged in the business of operating a restaurant,
10 cafeteria, or drive-in is a sale for resale when it is
11 transferred to customers in the ordinary course of business as
12 part of the sale of food or beverages and is used to deliver,
13 package, or consume food or beverages, regardless of where
14 consumption of the food or beverages occurs. Examples of those
15 items include, but are not limited to nonreusable, paper and
16 plastic cups, plates, baskets, boxes, sleeves, buckets or other
17 containers, utensils, straws, placemats, napkins, doggie bags,
18 and wrapping or packaging materials that are transferred to
19 customers as part of the sale of food or beverages in the
20 ordinary course of business.

21 The purchase, employment and transfer of such tangible
22 personal property as newsprint and ink for the primary purpose
23 of conveying news (with or without other information) is not a
24 purchase, use or sale of tangible personal property.

25 "Selling price" means the consideration for a sale valued
26 in money whether received in money or otherwise, including

1 cash, credits, property other than as hereinafter provided, and
2 services, but, prior to January 1, 2020, not including the
3 value of or credit given for traded-in tangible personal
4 property where the item that is traded-in is of like kind and
5 character as that which is being sold; beginning January 1,
6 2020, "selling price" includes the portion of the value of or
7 credit given for traded-in tangible personal property of like
8 kind and character as that which is being sold that exceeds
9 \$10,000. "Selling price", ~~and~~ shall be determined without any
10 deduction on account of the cost of the property sold, the cost
11 of materials used, labor or service cost or any other expense
12 whatsoever, but does not include interest or finance charges
13 which appear as separate items on the bill of sale or sales
14 contract nor charges that are added to prices by sellers on
15 account of the seller's tax liability under the "Retailers'
16 Occupation Tax Act", or on account of the seller's duty to
17 collect, from the purchaser, the tax that is imposed by this
18 Act, or, except as otherwise provided with respect to any
19 cigarette tax imposed by a home rule unit, on account of the
20 seller's tax liability under any local occupation tax
21 administered by the Department, or, except as otherwise
22 provided with respect to any cigarette tax imposed by a home
23 rule unit on account of the seller's duty to collect, from the
24 purchasers, the tax that is imposed under any local use tax
25 administered by the Department. Effective December 1, 1985,
26 "selling price" shall include charges that are added to prices

1 by sellers on account of the seller's tax liability under the
2 Cigarette Tax Act, on account of the seller's duty to collect,
3 from the purchaser, the tax imposed under the Cigarette Use Tax
4 Act, and on account of the seller's duty to collect, from the
5 purchaser, any cigarette tax imposed by a home rule unit.

6 Notwithstanding any law to the contrary, for any motor
7 vehicle, as defined in Section 1-146 of the Vehicle Code, that
8 is sold on or after January 1, 2015 for the purpose of leasing
9 the vehicle for a defined period that is longer than one year
10 and (1) is a motor vehicle of the second division that: (A) is
11 a self-contained motor vehicle designed or permanently
12 converted to provide living quarters for recreational,
13 camping, or travel use, with direct walk through access to the
14 living quarters from the driver's seat; (B) is of the van
15 configuration designed for the transportation of not less than
16 7 nor more than 16 passengers; or (C) has a gross vehicle
17 weight rating of 8,000 pounds or less or (2) is a motor vehicle
18 of the first division, "selling price" or "amount of sale"
19 means the consideration received by the lessor pursuant to the
20 lease contract, including amounts due at lease signing and all
21 monthly or other regular payments charged over the term of the
22 lease. Also included in the selling price is any amount
23 received by the lessor from the lessee for the leased vehicle
24 that is not calculated at the time the lease is executed,
25 including, but not limited to, excess mileage charges and
26 charges for excess wear and tear. For sales that occur in

1 Illinois, with respect to any amount received by the lessor
2 from the lessee for the leased vehicle that is not calculated
3 at the time the lease is executed, the lessor who purchased the
4 motor vehicle does not incur the tax imposed by the Use Tax Act
5 on those amounts, and the retailer who makes the retail sale of
6 the motor vehicle to the lessor is not required to collect the
7 tax imposed by this Act or to pay the tax imposed by the
8 Retailers' Occupation Tax Act on those amounts. However, the
9 lessor who purchased the motor vehicle assumes the liability
10 for reporting and paying the tax on those amounts directly to
11 the Department in the same form (Illinois Retailers' Occupation
12 Tax, and local retailers' occupation taxes, if applicable) in
13 which the retailer would have reported and paid such tax if the
14 retailer had accounted for the tax to the Department. For
15 amounts received by the lessor from the lessee that are not
16 calculated at the time the lease is executed, the lessor must
17 file the return and pay the tax to the Department by the due
18 date otherwise required by this Act for returns other than
19 transaction returns. If the retailer is entitled under this Act
20 to a discount for collecting and remitting the tax imposed
21 under this Act to the Department with respect to the sale of
22 the motor vehicle to the lessor, then the right to the discount
23 provided in this Act shall be transferred to the lessor with
24 respect to the tax paid by the lessor for any amount received
25 by the lessor from the lessee for the leased vehicle that is
26 not calculated at the time the lease is executed; provided that

1 the discount is only allowed if the return is timely filed and
2 for amounts timely paid. The "selling price" of a motor vehicle
3 that is sold on or after January 1, 2015 for the purpose of
4 leasing for a defined period of longer than one year shall not
5 be reduced by the value of or credit given for traded-in
6 tangible personal property owned by the lessor, nor shall it be
7 reduced by the value of or credit given for traded-in tangible
8 personal property owned by the lessee, regardless of whether
9 the trade-in value thereof is assigned by the lessee to the
10 lessor. In the case of a motor vehicle that is sold for the
11 purpose of leasing for a defined period of longer than one
12 year, the sale occurs at the time of the delivery of the
13 vehicle, regardless of the due date of any lease payments. A
14 lessor who incurs a Retailers' Occupation Tax liability on the
15 sale of a motor vehicle coming off lease may not take a credit
16 against that liability for the Use Tax the lessor paid upon the
17 purchase of the motor vehicle (or for any tax the lessor paid
18 with respect to any amount received by the lessor from the
19 lessee for the leased vehicle that was not calculated at the
20 time the lease was executed) if the selling price of the motor
21 vehicle at the time of purchase was calculated using the
22 definition of "selling price" as defined in this paragraph.
23 Notwithstanding any other provision of this Act to the
24 contrary, lessors shall file all returns and make all payments
25 required under this paragraph to the Department by electronic
26 means in the manner and form as required by the Department.

1 This paragraph does not apply to leases of motor vehicles for
2 which, at the time the lease is entered into, the term of the
3 lease is not a defined period, including leases with a defined
4 initial period with the option to continue the lease on a
5 month-to-month or other basis beyond the initial defined
6 period.

7 The phrase "like kind and character" shall be liberally
8 construed (including but not limited to any form of motor
9 vehicle for any form of motor vehicle, or any kind of farm or
10 agricultural implement for any other kind of farm or
11 agricultural implement), while not including a kind of item
12 which, if sold at retail by that retailer, would be exempt from
13 retailers' occupation tax and use tax as an isolated or
14 occasional sale.

15 "Department" means the Department of Revenue.

16 "Person" means any natural individual, firm, partnership,
17 association, joint stock company, joint adventure, public or
18 private corporation, limited liability company, or a receiver,
19 executor, trustee, guardian or other representative appointed
20 by order of any court.

21 "Retailer" means and includes every person engaged in the
22 business of making sales at retail as defined in this Section.

23 A person who holds himself or herself out as being engaged
24 (or who habitually engages) in selling tangible personal
25 property at retail is a retailer hereunder with respect to such
26 sales (and not primarily in a service occupation)

1 notwithstanding the fact that such person designs and produces
2 such tangible personal property on special order for the
3 purchaser and in such a way as to render the property of value
4 only to such purchaser, if such tangible personal property so
5 produced on special order serves substantially the same
6 function as stock or standard items of tangible personal
7 property that are sold at retail.

8 A person whose activities are organized and conducted
9 primarily as a not-for-profit service enterprise, and who
10 engages in selling tangible personal property at retail
11 (whether to the public or merely to members and their guests)
12 is a retailer with respect to such transactions, excepting only
13 a person organized and operated exclusively for charitable,
14 religious or educational purposes either (1), to the extent of
15 sales by such person to its members, students, patients or
16 inmates of tangible personal property to be used primarily for
17 the purposes of such person, or (2), to the extent of sales by
18 such person of tangible personal property which is not sold or
19 offered for sale by persons organized for profit. The selling
20 of school books and school supplies by schools at retail to
21 students is not "primarily for the purposes of" the school
22 which does such selling. This paragraph does not apply to nor
23 subject to taxation occasional dinners, social or similar
24 activities of a person organized and operated exclusively for
25 charitable, religious or educational purposes, whether or not
26 such activities are open to the public.

1 A person who is the recipient of a grant or contract under
2 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
3 serves meals to participants in the federal Nutrition Program
4 for the Elderly in return for contributions established in
5 amount by the individual participant pursuant to a schedule of
6 suggested fees as provided for in the federal Act is not a
7 retailer under this Act with respect to such transactions.

8 Persons who engage in the business of transferring tangible
9 personal property upon the redemption of trading stamps are
10 retailers hereunder when engaged in such business.

11 The isolated or occasional sale of tangible personal
12 property at retail by a person who does not hold himself out as
13 being engaged (or who does not habitually engage) in selling
14 such tangible personal property at retail or a sale through a
15 bulk vending machine does not make such person a retailer
16 hereunder. However, any person who is engaged in a business
17 which is not subject to the tax imposed by the "Retailers'
18 Occupation Tax Act" because of involving the sale of or a
19 contract to sell real estate or a construction contract to
20 improve real estate, but who, in the course of conducting such
21 business, transfers tangible personal property to users or
22 consumers in the finished form in which it was purchased, and
23 which does not become real estate, under any provision of a
24 construction contract or real estate sale or real estate sales
25 agreement entered into with some other person arising out of or
26 because of such nontaxable business, is a retailer to the

1 extent of the value of the tangible personal property so
2 transferred. If, in such transaction, a separate charge is made
3 for the tangible personal property so transferred, the value of
4 such property, for the purposes of this Act, is the amount so
5 separately charged, but not less than the cost of such property
6 to the transferor; if no separate charge is made, the value of
7 such property, for the purposes of this Act, is the cost to the
8 transferor of such tangible personal property.

9 "Retailer maintaining a place of business in this State",
10 or any like term, means and includes any of the following
11 retailers:

12 (1) A retailer having or maintaining within this State,
13 directly or by a subsidiary, an office, distribution house,
14 sales house, warehouse or other place of business, or any
15 agent or other representative operating within this State
16 under the authority of the retailer or its subsidiary,
17 irrespective of whether such place of business or agent or
18 other representative is located here permanently or
19 temporarily, or whether such retailer or subsidiary is
20 licensed to do business in this State. However, the
21 ownership of property that is located at the premises of a
22 printer with which the retailer has contracted for printing
23 and that consists of the final printed product, property
24 that becomes a part of the final printed product, or copy
25 from which the printed product is produced shall not result
26 in the retailer being deemed to have or maintain an office,

1 distribution house, sales house, warehouse, or other place
2 of business within this State.

3 (1.1) (Blank). ~~A retailer having a contract with a~~
4 ~~person located in this State under which the person, for a~~
5 ~~commission or other consideration based upon the sale of~~
6 ~~tangible personal property by the retailer, directly or~~
7 ~~indirectly refers potential customers to the retailer by~~
8 ~~providing to the potential customers a promotional code or~~
9 ~~other mechanism that allows the retailer to track purchases~~
10 ~~referred by such persons. Examples of mechanisms that allow~~
11 ~~the retailer to track purchases referred by such persons~~
12 ~~include but are not limited to the use of a link on the~~
13 ~~person's Internet website, promotional codes distributed~~
14 ~~through the person's hand delivered or mailed material,~~
15 ~~and promotional codes distributed by the person through~~
16 ~~radio or other broadcast media. The provisions of this~~
17 ~~paragraph (1.1) shall apply only if the cumulative gross~~
18 ~~receipts from sales of tangible personal property by the~~
19 ~~retailer to customers who are referred to the retailer by~~
20 ~~all persons in this State under such contracts exceed~~
21 ~~\$10,000 during the preceding 4 quarterly periods ending on~~
22 ~~the last day of March, June, September, and December. A~~
23 ~~retailer meeting the requirements of this paragraph (1.1)~~
24 ~~shall be presumed to be maintaining a place of business in~~
25 ~~this State but may rebut this presumption by submitting~~
26 ~~proof that the referrals or other activities pursued within~~

1 ~~this State by such persons were not sufficient to meet the~~
2 ~~nexus standards of the United States Constitution during~~
3 ~~the preceding 4 quarterly periods.~~

4 (1.2) (Blank). ~~Beginning July 1, 2011, a retailer~~
5 ~~having a contract with a person located in this State under~~
6 ~~which:~~

7 ~~(A) the retailer sells the same or substantially~~
8 ~~similar line of products as the person located in this~~
9 ~~State and does so using an identical or substantially~~
10 ~~similar name, trade name, or trademark as the person~~
11 ~~located in this State; and~~

12 ~~(B) the retailer provides a commission or other~~
13 ~~consideration to the person located in this State based~~
14 ~~upon the sale of tangible personal property by the~~
15 ~~retailer.~~

16 ~~The provisions of this paragraph (1.2) shall apply only if~~
17 ~~the cumulative gross receipts from sales of tangible~~
18 ~~personal property by the retailer to customers in this~~
19 ~~State under all such contracts exceed \$10,000 during the~~
20 ~~preceding 4 quarterly periods ending on the last day of~~
21 ~~March, June, September, and December.~~

22 (2) (Blank). ~~A retailer soliciting orders for tangible~~
23 ~~personal property by means of a telecommunication or~~
24 ~~television shopping system (which utilizes toll free~~
25 ~~numbers) which is intended by the retailer to be broadcast~~
26 ~~by cable television or other means of broadcasting, to~~

1 ~~consumers located in this State.~~

2 (3) (Blank). ~~A retailer, pursuant to a contract with a~~
3 ~~broadcaster or publisher located in this State, soliciting~~
4 ~~orders for tangible personal property by means of~~
5 ~~advertising which is disseminated primarily to consumers~~
6 ~~located in this State and only secondarily to bordering~~
7 ~~jurisdictions.~~

8 (4) (Blank). ~~A retailer soliciting orders for tangible~~
9 ~~personal property by mail if the solicitations are~~
10 ~~substantial and recurring and if the retailer benefits from~~
11 ~~any banking, financing, debt collection,~~
12 ~~telecommunication, or marketing activities occurring in~~
13 ~~this State or benefits from the location in this State of~~
14 ~~authorized installation, servicing, or repair facilities.~~

15 (5) (Blank). ~~A retailer that is owned or controlled by~~
16 ~~the same interests that own or control any retailer~~
17 ~~engaging in business in the same or similar line of~~
18 ~~business in this State.~~

19 (6) (Blank). ~~A retailer having a franchisee or licensee~~
20 ~~operating under its trade name if the franchisee or~~
21 ~~licensee is required to collect the tax under this Section.~~

22 (7) (Blank). ~~A retailer, pursuant to a contract with a~~
23 ~~cable television operator located in this State,~~
24 ~~soliciting orders for tangible personal property by means~~
25 ~~of advertising which is transmitted or distributed over a~~
26 ~~cable television system in this State.~~

1 (8) (Blank). ~~A retailer engaging in activities in~~
2 ~~Illinois, which activities in the state in which the retail~~
3 ~~business engaging in such activities is located would~~
4 ~~constitute maintaining a place of business in that state.~~

5 (9) Beginning October 1, 2018 through June 30, 2020, a
6 retailer making sales of tangible personal property to
7 purchasers in Illinois from outside of Illinois if:

8 (A) the cumulative gross receipts from sales of
9 tangible personal property to purchasers in Illinois
10 are \$100,000 or more; or

11 (B) the retailer enters into 200 or more separate
12 transactions for the sale of tangible personal
13 property to purchasers in Illinois.

14 The retailer shall determine on a quarterly basis,
15 ending on the last day of March, June, September, and
16 December, whether he or she meets the criteria of either
17 subparagraph (A) or (B) of this paragraph (9) for the
18 preceding 12-month period. If the retailer meets the
19 criteria of either subparagraph (A) or (B) for a 12-month
20 period, he or she is considered a retailer maintaining a
21 place of business in this State and is required to collect
22 and remit the tax imposed under this Act and file returns
23 for one year. At the end of that one-year period, the
24 retailer shall determine whether the retailer met the
25 criteria of either subparagraph (A) or (B) during the
26 preceding 12-month period. If the retailer met the criteria

1 in either subparagraph (A) or (B) for the preceding
2 12-month period, he or she is considered a retailer
3 maintaining a place of business in this State and is
4 required to collect and remit the tax imposed under this
5 Act and file returns for the subsequent year. If at the end
6 of a one-year period a retailer that was required to
7 collect and remit the tax imposed under this Act determines
8 that he or she did not meet the criteria in either
9 subparagraph (A) or (B) during the preceding 12-month
10 period, the retailer shall subsequently determine on a
11 quarterly basis, ending on the last day of March, June,
12 September, and December, whether he or she meets the
13 criteria of either subparagraph (A) or (B) for the
14 preceding 12-month period.

15 "Bulk vending machine" means a vending machine, containing
16 unsorted confections, nuts, toys, or other items designed
17 primarily to be used or played with by children which, when a
18 coin or coins of a denomination not larger than \$0.50 are
19 inserted, are dispensed in equal portions, at random and
20 without selection by the customer.

21 (Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

22 Section 15-30. The Retailers' Occupation Tax Act is amended
23 by changing Sections 1, 2, 2-12, and 2a as follows:

24 (35 ILCS 120/1) (from Ch. 120, par. 440)

1 Sec. 1. Definitions. "Sale at retail" means any transfer of
2 the ownership of or title to tangible personal property to a
3 purchaser, for the purpose of use or consumption, and not for
4 the purpose of resale in any form as tangible personal property
5 to the extent not first subjected to a use for which it was
6 purchased, for a valuable consideration: Provided that the
7 property purchased is deemed to be purchased for the purpose of
8 resale, despite first being used, to the extent to which it is
9 resold as an ingredient of an intentionally produced product or
10 byproduct of manufacturing. For this purpose, slag produced as
11 an incident to manufacturing pig iron or steel and sold is
12 considered to be an intentionally produced byproduct of
13 manufacturing. Transactions whereby the possession of the
14 property is transferred but the seller retains the title as
15 security for payment of the selling price shall be deemed to be
16 sales.

17 "Sale at retail" shall be construed to include any transfer
18 of the ownership of or title to tangible personal property to a
19 purchaser, for use or consumption by any other person to whom
20 such purchaser may transfer the tangible personal property
21 without a valuable consideration, and to include any transfer,
22 whether made for or without a valuable consideration, for
23 resale in any form as tangible personal property unless made in
24 compliance with Section 2c of this Act.

25 Sales of tangible personal property, which property, to the
26 extent not first subjected to a use for which it was purchased,

1 as an ingredient or constituent, goes into and forms a part of
2 tangible personal property subsequently the subject of a "Sale
3 at retail", are not sales at retail as defined in this Act:
4 Provided that the property purchased is deemed to be purchased
5 for the purpose of resale, despite first being used, to the
6 extent to which it is resold as an ingredient of an
7 intentionally produced product or byproduct of manufacturing.

8 "Sale at retail" shall be construed to include any Illinois
9 florist's sales transaction in which the purchase order is
10 received in Illinois by a florist and the sale is for use or
11 consumption, but the Illinois florist has a florist in another
12 state deliver the property to the purchaser or the purchaser's
13 donee in such other state.

14 Nonreusable tangible personal property that is used by
15 persons engaged in the business of operating a restaurant,
16 cafeteria, or drive-in is a sale for resale when it is
17 transferred to customers in the ordinary course of business as
18 part of the sale of food or beverages and is used to deliver,
19 package, or consume food or beverages, regardless of where
20 consumption of the food or beverages occurs. Examples of those
21 items include, but are not limited to nonreusable, paper and
22 plastic cups, plates, baskets, boxes, sleeves, buckets or other
23 containers, utensils, straws, placemats, napkins, doggie bags,
24 and wrapping or packaging materials that are transferred to
25 customers as part of the sale of food or beverages in the
26 ordinary course of business.

1 The purchase, employment and transfer of such tangible
2 personal property as newsprint and ink for the primary purpose
3 of conveying news (with or without other information) is not a
4 purchase, use or sale of tangible personal property.

5 A person whose activities are organized and conducted
6 primarily as a not-for-profit service enterprise, and who
7 engages in selling tangible personal property at retail
8 (whether to the public or merely to members and their guests)
9 is engaged in the business of selling tangible personal
10 property at retail with respect to such transactions, excepting
11 only a person organized and operated exclusively for
12 charitable, religious or educational purposes either (1), to
13 the extent of sales by such person to its members, students,
14 patients or inmates of tangible personal property to be used
15 primarily for the purposes of such person, or (2), to the
16 extent of sales by such person of tangible personal property
17 which is not sold or offered for sale by persons organized for
18 profit. The selling of school books and school supplies by
19 schools at retail to students is not "primarily for the
20 purposes of" the school which does such selling. The provisions
21 of this paragraph shall not apply to nor subject to taxation
22 occasional dinners, socials or similar activities of a person
23 organized and operated exclusively for charitable, religious
24 or educational purposes, whether or not such activities are
25 open to the public.

26 A person who is the recipient of a grant or contract under

1 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
2 serves meals to participants in the federal Nutrition Program
3 for the Elderly in return for contributions established in
4 amount by the individual participant pursuant to a schedule of
5 suggested fees as provided for in the federal Act is not
6 engaged in the business of selling tangible personal property
7 at retail with respect to such transactions.

8 "Purchaser" means anyone who, through a sale at retail,
9 acquires the ownership of or title to tangible personal
10 property for a valuable consideration.

11 "Reseller of motor fuel" means any person engaged in the
12 business of selling or delivering or transferring title of
13 motor fuel to another person other than for use or consumption.
14 No person shall act as a reseller of motor fuel within this
15 State without first being registered as a reseller pursuant to
16 Section 2c or a retailer pursuant to Section 2a.

17 "Selling price" or the "amount of sale" means the
18 consideration for a sale valued in money whether received in
19 money or otherwise, including cash, credits, property, other
20 than as hereinafter provided, and services, but, prior to
21 January 1, 2020, not including the value of or credit given for
22 traded-in tangible personal property where the item that is
23 traded-in is of like kind and character as that which is being
24 sold; beginning January 1, 2020, "selling price" includes the
25 portion of the value of or credit given for traded-in tangible
26 personal property of like kind and character as that which is

1 being sold that exceeds \$10,000. "Selling price", ~~and~~ shall be
2 determined without any deduction on account of the cost of the
3 property sold, the cost of materials used, labor or service
4 cost or any other expense whatsoever, but does not include
5 charges that are added to prices by sellers on account of the
6 seller's tax liability under this Act, or on account of the
7 seller's duty to collect, from the purchaser, the tax that is
8 imposed by the Use Tax Act, or, except as otherwise provided
9 with respect to any cigarette tax imposed by a home rule unit,
10 on account of the seller's tax liability under any local
11 occupation tax administered by the Department, or, except as
12 otherwise provided with respect to any cigarette tax imposed by
13 a home rule unit on account of the seller's duty to collect,
14 from the purchasers, the tax that is imposed under any local
15 use tax administered by the Department. Effective December 1,
16 1985, "selling price" shall include charges that are added to
17 prices by sellers on account of the seller's tax liability
18 under the Cigarette Tax Act, on account of the sellers' duty to
19 collect, from the purchaser, the tax imposed under the
20 Cigarette Use Tax Act, and on account of the seller's duty to
21 collect, from the purchaser, any cigarette tax imposed by a
22 home rule unit.

23 Notwithstanding any law to the contrary, for any motor
24 vehicle, as defined in Section 1-146 of the Vehicle Code, that
25 is sold on or after January 1, 2015 for the purpose of leasing
26 the vehicle for a defined period that is longer than one year

1 and (1) is a motor vehicle of the second division that: (A) is
2 a self-contained motor vehicle designed or permanently
3 converted to provide living quarters for recreational,
4 camping, or travel use, with direct walk through access to the
5 living quarters from the driver's seat; (B) is of the van
6 configuration designed for the transportation of not less than
7 nor more than 16 passengers; or (C) has a gross vehicle
8 weight rating of 8,000 pounds or less or (2) is a motor vehicle
9 of the first division, "selling price" or "amount of sale"
10 means the consideration received by the lessor pursuant to the
11 lease contract, including amounts due at lease signing and all
12 monthly or other regular payments charged over the term of the
13 lease. Also included in the selling price is any amount
14 received by the lessor from the lessee for the leased vehicle
15 that is not calculated at the time the lease is executed,
16 including, but not limited to, excess mileage charges and
17 charges for excess wear and tear. For sales that occur in
18 Illinois, with respect to any amount received by the lessor
19 from the lessee for the leased vehicle that is not calculated
20 at the time the lease is executed, the lessor who purchased the
21 motor vehicle does not incur the tax imposed by the Use Tax Act
22 on those amounts, and the retailer who makes the retail sale of
23 the motor vehicle to the lessor is not required to collect the
24 tax imposed by the Use Tax Act or to pay the tax imposed by this
25 Act on those amounts. However, the lessor who purchased the
26 motor vehicle assumes the liability for reporting and paying

1 the tax on those amounts directly to the Department in the same
2 form (Illinois Retailers' Occupation Tax, and local retailers'
3 occupation taxes, if applicable) in which the retailer would
4 have reported and paid such tax if the retailer had accounted
5 for the tax to the Department. For amounts received by the
6 lessor from the lessee that are not calculated at the time the
7 lease is executed, the lessor must file the return and pay the
8 tax to the Department by the due date otherwise required by
9 this Act for returns other than transaction returns. If the
10 retailer is entitled under this Act to a discount for
11 collecting and remitting the tax imposed under this Act to the
12 Department with respect to the sale of the motor vehicle to the
13 lessor, then the right to the discount provided in this Act
14 shall be transferred to the lessor with respect to the tax paid
15 by the lessor for any amount received by the lessor from the
16 lessee for the leased vehicle that is not calculated at the
17 time the lease is executed; provided that the discount is only
18 allowed if the return is timely filed and for amounts timely
19 paid. The "selling price" of a motor vehicle that is sold on or
20 after January 1, 2015 for the purpose of leasing for a defined
21 period of longer than one year shall not be reduced by the
22 value of or credit given for traded-in tangible personal
23 property owned by the lessor, nor shall it be reduced by the
24 value of or credit given for traded-in tangible personal
25 property owned by the lessee, regardless of whether the
26 trade-in value thereof is assigned by the lessee to the lessor.

1 In the case of a motor vehicle that is sold for the purpose of
2 leasing for a defined period of longer than one year, the sale
3 occurs at the time of the delivery of the vehicle, regardless
4 of the due date of any lease payments. A lessor who incurs a
5 Retailers' Occupation Tax liability on the sale of a motor
6 vehicle coming off lease may not take a credit against that
7 liability for the Use Tax the lessor paid upon the purchase of
8 the motor vehicle (or for any tax the lessor paid with respect
9 to any amount received by the lessor from the lessee for the
10 leased vehicle that was not calculated at the time the lease
11 was executed) if the selling price of the motor vehicle at the
12 time of purchase was calculated using the definition of
13 "selling price" as defined in this paragraph. Notwithstanding
14 any other provision of this Act to the contrary, lessors shall
15 file all returns and make all payments required under this
16 paragraph to the Department by electronic means in the manner
17 and form as required by the Department. This paragraph does not
18 apply to leases of motor vehicles for which, at the time the
19 lease is entered into, the term of the lease is not a defined
20 period, including leases with a defined initial period with the
21 option to continue the lease on a month-to-month or other basis
22 beyond the initial defined period.

23 The phrase "like kind and character" shall be liberally
24 construed (including but not limited to any form of motor
25 vehicle for any form of motor vehicle, or any kind of farm or
26 agricultural implement for any other kind of farm or

1 agricultural implement), while not including a kind of item
2 which, if sold at retail by that retailer, would be exempt from
3 retailers' occupation tax and use tax as an isolated or
4 occasional sale.

5 "Gross receipts" from the sales of tangible personal
6 property at retail means the total selling price or the amount
7 of such sales, as hereinbefore defined. In the case of charge
8 and time sales, the amount thereof shall be included only as
9 and when payments are received by the seller. Receipts or other
10 consideration derived by a seller from the sale, transfer or
11 assignment of accounts receivable to a wholly owned subsidiary
12 will not be deemed payments prior to the time the purchaser
13 makes payment on such accounts.

14 "Department" means the Department of Revenue.

15 "Person" means any natural individual, firm, partnership,
16 association, joint stock company, joint adventure, public or
17 private corporation, limited liability company, or a receiver,
18 executor, trustee, guardian or other representative appointed
19 by order of any court.

20 The isolated or occasional sale of tangible personal
21 property at retail by a person who does not hold himself out as
22 being engaged (or who does not habitually engage) in selling
23 such tangible personal property at retail, or a sale through a
24 bulk vending machine, does not constitute engaging in a
25 business of selling such tangible personal property at retail
26 within the meaning of this Act; provided that any person who is

1 engaged in a business which is not subject to the tax imposed
2 by this Act because of involving the sale of or a contract to
3 sell real estate or a construction contract to improve real
4 estate or a construction contract to engineer, install, and
5 maintain an integrated system of products, but who, in the
6 course of conducting such business, transfers tangible
7 personal property to users or consumers in the finished form in
8 which it was purchased, and which does not become real estate
9 or was not engineered and installed, under any provision of a
10 construction contract or real estate sale or real estate sales
11 agreement entered into with some other person arising out of or
12 because of such nontaxable business, is engaged in the business
13 of selling tangible personal property at retail to the extent
14 of the value of the tangible personal property so transferred.
15 If, in such a transaction, a separate charge is made for the
16 tangible personal property so transferred, the value of such
17 property, for the purpose of this Act, shall be the amount so
18 separately charged, but not less than the cost of such property
19 to the transferor; if no separate charge is made, the value of
20 such property, for the purposes of this Act, is the cost to the
21 transferor of such tangible personal property. Construction
22 contracts for the improvement of real estate consisting of
23 engineering, installation, and maintenance of voice, data,
24 video, security, and all telecommunication systems do not
25 constitute engaging in a business of selling tangible personal
26 property at retail within the meaning of this Act if they are

1 sold at one specified contract price.

2 A person who holds himself or herself out as being engaged
3 (or who habitually engages) in selling tangible personal
4 property at retail is a person engaged in the business of
5 selling tangible personal property at retail hereunder with
6 respect to such sales (and not primarily in a service
7 occupation) notwithstanding the fact that such person designs
8 and produces such tangible personal property on special order
9 for the purchaser and in such a way as to render the property
10 of value only to such purchaser, if such tangible personal
11 property so produced on special order serves substantially the
12 same function as stock or standard items of tangible personal
13 property that are sold at retail.

14 Persons who engage in the business of transferring tangible
15 personal property upon the redemption of trading stamps are
16 engaged in the business of selling such property at retail and
17 shall be liable for and shall pay the tax imposed by this Act
18 on the basis of the retail value of the property transferred
19 upon redemption of such stamps.

20 "Bulk vending machine" means a vending machine, containing
21 unsorted confections, nuts, toys, or other items designed
22 primarily to be used or played with by children which, when a
23 coin or coins of a denomination not larger than \$0.50 are
24 inserted, are dispensed in equal portions, at random and
25 without selection by the customer.

26 "Remote retailer" means a retailer located outside of this

1 State that does not maintain within this State, directly or by
2 a subsidiary, an office, distribution house, sales house,
3 warehouse or other place of business, or any agent or other
4 representative operating within this State under the authority
5 of the retailer or its subsidiary, irrespective of whether such
6 place of business or agent is located here permanently or
7 temporarily or whether such retailer or subsidiary is licensed
8 to do business in this State.

9 (Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

10 (35 ILCS 120/2) (from Ch. 120, par. 441)

11 Sec. 2. Tax imposed.

12 (a) A tax is imposed upon persons engaged in the business
13 of selling at retail tangible personal property, including
14 computer software, and including photographs, negatives, and
15 positives that are the product of photoprocessing, but not
16 including products of photoprocessing produced for use in
17 motion pictures for public commercial exhibition. Beginning
18 January 1, 2001, prepaid telephone calling arrangements shall
19 be considered tangible personal property subject to the tax
20 imposed under this Act regardless of the form in which those
21 arrangements may be embodied, transmitted, or fixed by any
22 method now known or hereafter developed. Sales of (1)
23 electricity delivered to customers by wire; (2) natural or
24 artificial gas that is delivered to customers through pipes,
25 pipelines, or mains; and (3) water that is delivered to

1 customers through pipes, pipelines, or mains are not subject to
2 tax under this Act. The provisions of this amendatory Act of
3 the 98th General Assembly are declaratory of existing law as to
4 the meaning and scope of this Act.

5 (b) Beginning on July 1, 2020, a remote retailer is engaged
6 in the occupation of selling at retail in Illinois for purposes
7 of this Act, if:

8 (1) the cumulative gross receipts from sales of
9 tangible personal property to purchasers in Illinois are
10 \$100,000 or more; or

11 (2) the retailer enters into 200 or more separate
12 transactions for the sale of tangible personal property to
13 purchasers in Illinois.

14 Remote retailers that meet or exceed the threshold in
15 either (1) or (2) above shall be liable for all applicable
16 State and locally imposed retailers' occupation taxes on all
17 retail sales to Illinois purchasers.

18 The remote retailer shall determine on a quarterly basis,
19 ending on the last day of March, June, September, and December,
20 whether he or she meets the criteria of either paragraph (1) or
21 (2) of this subsection for the preceding 12-month period. If
22 the retailer meets the criteria of either paragraph (1) or (2)
23 for a 12-month period, he or she is considered a retailer
24 maintaining a place of business in this State and is required
25 to collect and remit the tax imposed under this Act and all
26 retailers' occupation tax imposed by local taxing

1 jurisdictions in Illinois, provided such local taxes are
2 administered by the Department, and to file all applicable
3 returns for one year. At the end of that one-year period, the
4 retailer shall determine whether the retailer met the criteria
5 of either paragraph (1) or (2) for the preceding 12-month
6 period. If the retailer met the criteria in either paragraph
7 (1) or (2) for the preceding 12-month period, he or she is
8 considered a retailer maintaining a place of business in this
9 State and is required to collect and remit all applicable State
10 and local retailers' occupation taxes and file returns for the
11 subsequent year. If, at the end of a one-year period, a
12 retailer that was required to collect and remit the tax imposed
13 under this Act determines that he or she did not meet the
14 criteria in either paragraph (1) or (2) during the preceding
15 12-month period, then the retailer shall subsequently
16 determine on a quarterly basis, ending on the last day of
17 March, June, September, and December, whether he or she meets
18 the criteria of either paragraph (1) or (2) for the preceding
19 12-month period.

20 (Source: P.A. 98-583, eff. 1-1-14.)

21 (35 ILCS 120/2-12)

22 Sec. 2-12. Location where retailer is deemed to be engaged
23 in the business of selling. The purpose of this Section is to
24 specify where a retailer is deemed to be engaged in the
25 business of selling tangible personal property for the purposes

1 of this Act, the Use Tax Act, the Service Use Tax Act, and the
2 Service Occupation Tax Act, and for the purpose of collecting
3 any other local retailers' occupation tax administered by the
4 Department. This Section applies only with respect to the
5 particular selling activities described in the following
6 paragraphs. The provisions of this Section are not intended to,
7 and shall not be interpreted to, affect where a retailer is
8 deemed to be engaged in the business of selling with respect to
9 any activity that is not specifically described in the
10 following paragraphs.

11 (1) If a purchaser who is present at the retailer's
12 place of business, having no prior commitment to the
13 retailer, agrees to purchase and makes payment for tangible
14 personal property at the retailer's place of business, then
15 the transaction shall be deemed an over-the-counter sale
16 occurring at the retailer's same place of business where
17 the purchaser was present and made payment for that
18 tangible personal property if the retailer regularly
19 stocks the purchased tangible personal property or similar
20 tangible personal property in the quantity, or similar
21 quantity, for sale at the retailer's same place of business
22 and then either (i) the purchaser takes possession of the
23 tangible personal property at the same place of business or
24 (ii) the retailer delivers or arranges for the tangible
25 personal property to be delivered to the purchaser.

26 (2) If a purchaser, having no prior commitment to the

1 retailer, agrees to purchase tangible personal property
2 and makes payment over the phone, in writing, or via the
3 Internet and takes possession of the tangible personal
4 property at the retailer's place of business, then the sale
5 shall be deemed to have occurred at the retailer's place of
6 business where the purchaser takes possession of the
7 property if the retailer regularly stocks the item or
8 similar items in the quantity, or similar quantities,
9 purchased by the purchaser.

10 (3) A retailer is deemed to be engaged in the business
11 of selling food, beverages, or other tangible personal
12 property through a vending machine at the location where
13 the vending machine is located at the time the sale is made
14 if (i) the vending machine is a device operated by coin,
15 currency, credit card, token, coupon or similar device; (2)
16 the food, beverage or other tangible personal property is
17 contained within the vending machine and dispensed from the
18 vending machine; and (3) the purchaser takes possession of
19 the purchased food, beverage or other tangible personal
20 property immediately.

21 (4) Minerals. A producer of coal or other mineral mined
22 in Illinois is deemed to be engaged in the business of
23 selling at the place where the coal or other mineral mined
24 in Illinois is extracted from the earth. With respect to
25 minerals (i) the term "extracted from the earth" means the
26 location at which the coal or other mineral is extracted

1 from the mouth of the mine, and (ii) a "mineral" includes
2 not only coal, but also oil, sand, stone taken from a
3 quarry, gravel and any other thing commonly regarded as a
4 mineral and extracted from the earth. This paragraph does
5 not apply to coal or another mineral when it is delivered
6 or shipped by the seller to the purchaser at a point
7 outside Illinois so that the sale is exempt under the
8 United States Constitution as a sale in interstate or
9 foreign commerce.

10 (5) A retailer selling tangible personal property to a
11 nominal lessee or bailee pursuant to a lease with a dollar
12 or other nominal option to purchase is engaged in the
13 business of selling at the location where the property is
14 first delivered to the lessee or bailee for its intended
15 use.

16 (6) Beginning on July 1, 2020, for the purposes of
17 determining the correct local retailers' occupation tax
18 rate, retail sales made by a remote retailer that meet or
19 exceed the thresholds established in paragraph (1) or (2)
20 of subsection (b) of Section 2 of this Act shall be deemed
21 to be made at the Illinois location to which the tangible
22 personal property is shipped or delivered or at which
23 possession is taken by the purchaser.

24 (Source: P.A. 98-1098, eff. 8-26-14; 99-126, eff. 7-23-15.)

25 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

1 Sec. 2a. It is unlawful for any person to engage in the
2 business of selling tangible personal property at retail in
3 this State without a certificate of registration from the
4 Department. Application for a certificate of registration
5 shall be made to the Department upon forms furnished by it.
6 Each such application shall be signed and verified and shall
7 state: (1) the name and social security number of the
8 applicant; (2) the address of his principal place of business;
9 (3) the address of the principal place of business from which
10 he engages in the business of selling tangible personal
11 property at retail in this State and the addresses of all other
12 places of business, if any (enumerating such addresses, if any,
13 in a separate list attached to and made a part of the
14 application), from which he engages in the business of selling
15 tangible personal property at retail in this State; (4) the
16 name and address of the person or persons who will be
17 responsible for filing returns and payment of taxes due under
18 this Act; (5) in the case of a publicly traded corporation, the
19 name and title of the Chief Financial Officer, Chief Operating
20 Officer, and any other officer or employee with responsibility
21 for preparing tax returns under this Act, and, in the case of
22 all other corporations, the name, title, and social security
23 number of each corporate officer; (6) in the case of a limited
24 liability company, the name, social security number, and FEIN
25 number of each manager and member; and (7) such other
26 information as the Department may reasonably require. The

1 application shall contain an acceptance of responsibility
2 signed by the person or persons who will be responsible for
3 filing returns and payment of the taxes due under this Act. If
4 the applicant will sell tangible personal property at retail
5 through vending machines, his application to register shall
6 indicate the number of vending machines to be so operated. If
7 requested by the Department at any time, that person shall
8 verify the total number of vending machines he or she uses in
9 his or her business of selling tangible personal property at
10 retail.

11 The Department shall provide by rule for an expedited
12 business registration process for remote retailers required to
13 register and file under subsection (b) of Section 2 who use a
14 certified service provider to file their returns under this
15 Act. Such expedited registration process shall allow the
16 Department to register a taxpayer based upon the same
17 registration information required by the Streamlined Sales Tax
18 Governing Board for states participating in the Streamlined
19 Sales Tax Project.

20 The Department may deny a certificate of registration to
21 any applicant if a person who is named as the owner, a partner,
22 a manager or member of a limited liability company, or a
23 corporate officer of the applicant on the application for the
24 certificate of registration is or has been named as the owner,
25 a partner, a manager or member of a limited liability company,
26 or a corporate officer on the application for the certificate

1 of registration of another retailer that is in default for
2 moneys due under this Act or any other tax or fee Act
3 administered by the Department. For purposes of this paragraph
4 only, in determining whether a person is in default for moneys
5 due, the Department shall include only amounts established as a
6 final liability within the 20 years prior to the date of the
7 Department's notice of denial of a certificate of registration.

8 The Department may require an applicant for a certificate
9 of registration hereunder to, at the time of filing such
10 application, furnish a bond from a surety company authorized to
11 do business in the State of Illinois, or an irrevocable bank
12 letter of credit or a bond signed by 2 personal sureties who
13 have filed, with the Department, sworn statements disclosing
14 net assets equal to at least 3 times the amount of the bond to
15 be required of such applicant, or a bond secured by an
16 assignment of a bank account or certificate of deposit, stocks
17 or bonds, conditioned upon the applicant paying to the State of
18 Illinois all moneys becoming due under this Act and under any
19 other State tax law or municipal or county tax ordinance or
20 resolution under which the certificate of registration that is
21 issued to the applicant under this Act will permit the
22 applicant to engage in business without registering separately
23 under such other law, ordinance or resolution. In making a
24 determination as to whether to require a bond or other
25 security, the Department shall take into consideration whether
26 the owner, any partner, any manager or member of a limited

1 liability company, or a corporate officer of the applicant is
2 or has been the owner, a partner, a manager or member of a
3 limited liability company, or a corporate officer of another
4 retailer that is in default for moneys due under this Act or
5 any other tax or fee Act administered by the Department; and
6 whether the owner, any partner, any manager or member of a
7 limited liability company, or a corporate officer of the
8 applicant is or has been the owner, a partner, a manager or
9 member of a limited liability company, or a corporate officer
10 of another retailer whose certificate of registration has been
11 revoked within the previous 5 years under this Act or any other
12 tax or fee Act administered by the Department. If a bond or
13 other security is required, the Department shall fix the amount
14 of the bond or other security, taking into consideration the
15 amount of money expected to become due from the applicant under
16 this Act and under any other State tax law or municipal or
17 county tax ordinance or resolution under which the certificate
18 of registration that is issued to the applicant under this Act
19 will permit the applicant to engage in business without
20 registering separately under such other law, ordinance, or
21 resolution. The amount of security required by the Department
22 shall be such as, in its opinion, will protect the State of
23 Illinois against failure to pay the amount which may become due
24 from the applicant under this Act and under any other State tax
25 law or municipal or county tax ordinance or resolution under
26 which the certificate of registration that is issued to the

1 applicant under this Act will permit the applicant to engage in
2 business without registering separately under such other law,
3 ordinance or resolution, but the amount of the security
4 required by the Department shall not exceed three times the
5 amount of the applicant's average monthly tax liability, or
6 \$50,000.00, whichever amount is lower.

7 No certificate of registration under this Act shall be
8 issued by the Department until the applicant provides the
9 Department with satisfactory security, if required, as herein
10 provided for.

11 Upon receipt of the application for certificate of
12 registration in proper form, and upon approval by the
13 Department of the security furnished by the applicant, if
14 required, the Department shall issue to such applicant a
15 certificate of registration which shall permit the person to
16 whom it is issued to engage in the business of selling tangible
17 personal property at retail in this State. The certificate of
18 registration shall be conspicuously displayed at the place of
19 business which the person so registered states in his
20 application to be the principal place of business from which he
21 engages in the business of selling tangible personal property
22 at retail in this State.

23 No certificate of registration issued prior to July 1, 2017
24 to a taxpayer who files returns required by this Act on a
25 monthly basis or renewed prior to July 1, 2017 by a taxpayer
26 who files returns required by this Act on a monthly basis shall

1 be valid after the expiration of 5 years from the date of its
2 issuance or last renewal. No certificate of registration issued
3 on or after July 1, 2017 to a taxpayer who files returns
4 required by this Act on a monthly basis or renewed on or after
5 July 1, 2017 by a taxpayer who files returns required by this
6 Act on a monthly basis shall be valid after the expiration of
7 one year from the date of its issuance or last renewal. The
8 expiration date of a sub-certificate of registration shall be
9 that of the certificate of registration to which the
10 sub-certificate relates. Prior to July 1, 2017, a certificate
11 of registration shall automatically be renewed, subject to
12 revocation as provided by this Act, for an additional 5 years
13 from the date of its expiration unless otherwise notified by
14 the Department as provided by this paragraph. On and after July
15 1, 2017, a certificate of registration shall automatically be
16 renewed, subject to revocation as provided by this Act, for an
17 additional one year from the date of its expiration unless
18 otherwise notified by the Department as provided by this
19 paragraph.

20 Where a taxpayer to whom a certificate of registration is
21 issued under this Act is in default to the State of Illinois
22 for delinquent returns or for moneys due under this Act or any
23 other State tax law or municipal or county ordinance
24 administered or enforced by the Department, the Department
25 shall, not less than 60 days before the expiration date of such
26 certificate of registration, give notice to the taxpayer to

1 whom the certificate was issued of the account period of the
2 delinquent returns, the amount of tax, penalty and interest due
3 and owing from the taxpayer, and that the certificate of
4 registration shall not be automatically renewed upon its
5 expiration date unless the taxpayer, on or before the date of
6 expiration, has filed and paid the delinquent returns or paid
7 the defaulted amount in full. A taxpayer to whom such a notice
8 is issued shall be deemed an applicant for renewal. The
9 Department shall promulgate regulations establishing
10 procedures for taxpayers who file returns on a monthly basis
11 but desire and qualify to change to a quarterly or yearly
12 filing basis and will no longer be subject to renewal under
13 this Section, and for taxpayers who file returns on a yearly or
14 quarterly basis but who desire or are required to change to a
15 monthly filing basis and will be subject to renewal under this
16 Section.

17 The Department may in its discretion approve renewal by an
18 applicant who is in default if, at the time of application for
19 renewal, the applicant files all of the delinquent returns or
20 pays to the Department such percentage of the defaulted amount
21 as may be determined by the Department and agrees in writing to
22 waive all limitations upon the Department for collection of the
23 remaining defaulted amount to the Department over a period not
24 to exceed 5 years from the date of renewal of the certificate;
25 however, no renewal application submitted by an applicant who
26 is in default shall be approved if the immediately preceding

1 renewal by the applicant was conditioned upon the installment
2 payment agreement described in this Section. The payment
3 agreement herein provided for shall be in addition to and not
4 in lieu of the security that may be required by this Section of
5 a taxpayer who is no longer considered a prior continuous
6 compliance taxpayer. The execution of the payment agreement as
7 provided in this Act shall not toll the accrual of interest at
8 the statutory rate.

9 The Department may suspend a certificate of registration if
10 the Department finds that the person to whom the certificate of
11 registration has been issued knowingly sold contraband
12 cigarettes.

13 A certificate of registration issued under this Act more
14 than 5 years before January 1, 1990 (the effective date of
15 Public Act 86-383) shall expire and be subject to the renewal
16 provisions of this Section on the next anniversary of the date
17 of issuance of such certificate which occurs more than 6 months
18 after January 1, 1990 (the effective date of Public Act
19 86-383). A certificate of registration issued less than 5 years
20 before January 1, 1990 (the effective date of Public Act
21 86-383) shall expire and be subject to the renewal provisions
22 of this Section on the 5th anniversary of the issuance of the
23 certificate.

24 If the person so registered states that he operates other
25 places of business from which he engages in the business of
26 selling tangible personal property at retail in this State, the

1 Department shall furnish him with a sub-certificate of
2 registration for each such place of business, and the applicant
3 shall display the appropriate sub-certificate of registration
4 at each such place of business. All sub-certificates of
5 registration shall bear the same registration number as that
6 appearing upon the certificate of registration to which such
7 sub-certificates relate.

8 If the applicant will sell tangible personal property at
9 retail through vending machines, the Department shall furnish
10 him with a sub-certificate of registration for each such
11 vending machine, and the applicant shall display the
12 appropriate sub-certificate of registration on each such
13 vending machine by attaching the sub-certificate of
14 registration to a conspicuous part of such vending machine. If
15 a person who is registered to sell tangible personal property
16 at retail through vending machines adds an additional vending
17 machine or additional vending machines to the number of vending
18 machines he or she uses in his or her business of selling
19 tangible personal property at retail, he or she shall notify
20 the Department, on a form prescribed by the Department, to
21 request an additional sub-certificate or additional
22 sub-certificates of registration, as applicable. With each
23 such request, the applicant shall report the number of
24 sub-certificates of registration he or she is requesting as
25 well as the total number of vending machines from which he or
26 she makes retail sales.

1 Where the same person engages in 2 or more businesses of
2 selling tangible personal property at retail in this State,
3 which businesses are substantially different in character or
4 engaged in under different trade names or engaged in under
5 other substantially dissimilar circumstances (so that it is
6 more practicable, from an accounting, auditing or bookkeeping
7 standpoint, for such businesses to be separately registered),
8 the Department may require or permit such person (subject to
9 the same requirements concerning the furnishing of security as
10 those that are provided for hereinbefore in this Section as to
11 each application for a certificate of registration) to apply
12 for and obtain a separate certificate of registration for each
13 such business or for any of such businesses, under a single
14 certificate of registration supplemented by related
15 sub-certificates of registration.

16 Any person who is registered under the Retailers'
17 Occupation Tax Act as of March 8, 1963, and who, during the
18 3-year period immediately prior to March 8, 1963, or during a
19 continuous 3-year period part of which passed immediately
20 before and the remainder of which passes immediately after
21 March 8, 1963, has been so registered continuously and who is
22 determined by the Department not to have been either delinquent
23 or deficient in the payment of tax liability during that period
24 under this Act or under any other State tax law or municipal or
25 county tax ordinance or resolution under which the certificate
26 of registration that is issued to the registrant under this Act

1 will permit the registrant to engage in business without
2 registering separately under such other law, ordinance or
3 resolution, shall be considered to be a Prior Continuous
4 Compliance taxpayer. Also any taxpayer who has, as verified by
5 the Department, faithfully and continuously complied with the
6 condition of his bond or other security under the provisions of
7 this Act for a period of 3 consecutive years shall be
8 considered to be a Prior Continuous Compliance taxpayer.

9 Every Prior Continuous Compliance taxpayer shall be exempt
10 from all requirements under this Act concerning the furnishing
11 of a bond or other security as a condition precedent to his
12 being authorized to engage in the business of selling tangible
13 personal property at retail in this State. This exemption shall
14 continue for each such taxpayer until such time as he may be
15 determined by the Department to be delinquent in the filing of
16 any returns, or is determined by the Department (either through
17 the Department's issuance of a final assessment which has
18 become final under the Act, or by the taxpayer's filing of a
19 return which admits tax that is not paid to be due) to be
20 delinquent or deficient in the paying of any tax under this Act
21 or under any other State tax law or municipal or county tax
22 ordinance or resolution under which the certificate of
23 registration that is issued to the registrant under this Act
24 will permit the registrant to engage in business without
25 registering separately under such other law, ordinance or
26 resolution, at which time that taxpayer shall become subject to

1 all the financial responsibility requirements of this Act and,
2 as a condition of being allowed to continue to engage in the
3 business of selling tangible personal property at retail, may
4 be required to post bond or other acceptable security with the
5 Department covering liability which such taxpayer may
6 thereafter incur. Any taxpayer who fails to pay an admitted or
7 established liability under this Act may also be required to
8 post bond or other acceptable security with this Department
9 guaranteeing the payment of such admitted or established
10 liability.

11 No certificate of registration shall be issued to any
12 person who is in default to the State of Illinois for moneys
13 due under this Act or under any other State tax law or
14 municipal or county tax ordinance or resolution under which the
15 certificate of registration that is issued to the applicant
16 under this Act will permit the applicant to engage in business
17 without registering separately under such other law, ordinance
18 or resolution.

19 Any person aggrieved by any decision of the Department
20 under this Section may, within 20 days after notice of such
21 decision, protest and request a hearing, whereupon the
22 Department shall give notice to such person of the time and
23 place fixed for such hearing and shall hold a hearing in
24 conformity with the provisions of this Act and then issue its
25 final administrative decision in the matter to such person. In
26 the absence of such a protest within 20 days, the Department's

1 decision shall become final without any further determination
2 being made or notice given.

3 With respect to security other than bonds (upon which the
4 Department may sue in the event of a forfeiture), if the
5 taxpayer fails to pay, when due, any amount whose payment such
6 security guarantees, the Department shall, after such
7 liability is admitted by the taxpayer or established by the
8 Department through the issuance of a final assessment that has
9 become final under the law, convert the security which that
10 taxpayer has furnished into money for the State, after first
11 giving the taxpayer at least 10 days' written notice, by
12 registered or certified mail, to pay the liability or forfeit
13 such security to the Department. If the security consists of
14 stocks or bonds or other securities which are listed on a
15 public exchange, the Department shall sell such securities
16 through such public exchange. If the security consists of an
17 irrevocable bank letter of credit, the Department shall convert
18 the security in the manner provided for in the Uniform
19 Commercial Code. If the security consists of a bank certificate
20 of deposit, the Department shall convert the security into
21 money by demanding and collecting the amount of such bank
22 certificate of deposit from the bank which issued such
23 certificate. If the security consists of a type of stocks or
24 other securities which are not listed on a public exchange, the
25 Department shall sell such security to the highest and best
26 bidder after giving at least 10 days' notice of the date, time

1 and place of the intended sale by publication in the "State
2 Official Newspaper". If the Department realizes more than the
3 amount of such liability from the security, plus the expenses
4 incurred by the Department in converting the security into
5 money, the Department shall pay such excess to the taxpayer who
6 furnished such security, and the balance shall be paid into the
7 State Treasury.

8 The Department shall discharge any surety and shall release
9 and return any security deposited, assigned, pledged or
10 otherwise provided to it by a taxpayer under this Section
11 within 30 days after:

12 (1) such taxpayer becomes a Prior Continuous
13 Compliance taxpayer; or

14 (2) such taxpayer has ceased to collect receipts on
15 which he is required to remit tax to the Department, has
16 filed a final tax return, and has paid to the Department an
17 amount sufficient to discharge his remaining tax
18 liability, as determined by the Department, under this Act
19 and under every other State tax law or municipal or county
20 tax ordinance or resolution under which the certificate of
21 registration issued under this Act permits the registrant
22 to engage in business without registering separately under
23 such other law, ordinance or resolution. The Department
24 shall make a final determination of the taxpayer's
25 outstanding tax liability as expeditiously as possible
26 after his final tax return has been filed; if the

1 Department cannot make such final determination within 45
2 days after receiving the final tax return, within such
3 period it shall so notify the taxpayer, stating its reasons
4 therefor.

5 (Source: P.A. 100-302, eff. 8-24-17; 100-303, eff. 8-24-17;
6 100-863, eff. 8-14-18.)

7 Section 15-35. The Cigarette Tax Act is amended by changing
8 Section 2 as follows:

9 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

10 Sec. 2. Tax imposed; rate; collection, payment, and
11 distribution; discount.

12 (a) Beginning on July 1, 2019, in place of the aggregate
13 tax rate of 99 mills previously imposed by this Act, a tax is
14 imposed upon any person engaged in business as a retailer of
15 cigarettes at the rate of 149 mills per cigarette sold or
16 otherwise disposed of in the course of such business in this
17 State. A tax is imposed upon any person engaged in business as
18 a retailer of cigarettes in this State at the rate of 5 1/2
19 mills per cigarette sold, or otherwise disposed of in the
20 course of such business in this State. In addition to any other
21 tax imposed by this Act, a tax is imposed upon any person
22 engaged in business as a retailer of cigarettes in this State
23 at a rate of 1/2 mill per cigarette sold or otherwise disposed
24 of in the course of such business in this State on and after

1 ~~January 1, 1947, and shall be paid into the Metropolitan Fair~~
2 ~~and Exposition Authority Reconstruction Fund or as otherwise~~
3 ~~provided in Section 29. On and after December 1, 1985, in~~
4 ~~addition to any other tax imposed by this Act, a tax is imposed~~
5 ~~upon any person engaged in business as a retailer of cigarettes~~
6 ~~in this State at a rate of 4 mills per cigarette sold or~~
7 ~~otherwise disposed of in the course of such business in this~~
8 ~~State. Of the additional tax imposed by this amendatory Act of~~
9 ~~1985, \$9,000,000 of the moneys received by the Department of~~
10 ~~Revenue pursuant to this Act shall be paid each month into the~~
11 ~~Common School Fund. On and after the effective date of this~~
12 ~~amendatory Act of 1989, in addition to any other tax imposed by~~
13 ~~this Act, a tax is imposed upon any person engaged in business~~
14 ~~as a retailer of cigarettes at the rate of 5 mills per~~
15 ~~cigarette sold or otherwise disposed of in the course of such~~
16 ~~business in this State. On and after the effective date of this~~
17 ~~amendatory Act of 1993, in addition to any other tax imposed by~~
18 ~~this Act, a tax is imposed upon any person engaged in business~~
19 ~~as a retailer of cigarettes at the rate of 7 mills per~~
20 ~~cigarette sold or otherwise disposed of in the course of such~~
21 ~~business in this State. On and after December 15, 1997, in~~
22 ~~addition to any other tax imposed by this Act, a tax is imposed~~
23 ~~upon any person engaged in business as a retailer of cigarettes~~
24 ~~at the rate of 7 mills per cigarette sold or otherwise disposed~~
25 ~~of in the course of such business of this State. All of the~~
26 ~~moneys received by the Department of Revenue pursuant to this~~

1 ~~Act and the Cigarette Use Tax Act from the additional taxes~~
2 ~~imposed by this amendatory Act of 1997, shall be paid each~~
3 ~~month into the Common School Fund. On and after July 1, 2002,~~
4 ~~in addition to any other tax imposed by this Act, a tax is~~
5 ~~imposed upon any person engaged in business as a retailer of~~
6 ~~cigarettes at the rate of 20.0 mills per cigarette sold or~~
7 ~~otherwise disposed of in the course of such business in this~~
8 ~~State. Beginning on June 24, 2012, in addition to any other tax~~
9 ~~imposed by this Act, a tax is imposed upon any person engaged~~
10 ~~in business as a retailer of cigarettes at the rate of 50 mills~~
11 ~~per cigarette sold or otherwise disposed of in the course of~~
12 ~~such business in this State. All moneys received by the~~
13 ~~Department of Revenue under this Act and the Cigarette Use Tax~~
14 ~~Act from the additional taxes imposed by this amendatory Act of~~
15 ~~the 97th General Assembly shall be paid each month into the~~
16 ~~Healthcare Provider Relief Fund.~~

17 **(b)** The payment of such taxes shall be evidenced by a stamp
18 affixed to each original package of cigarettes, or an
19 authorized substitute for such stamp imprinted on each original
20 package of such cigarettes underneath the sealed transparent
21 outside wrapper of such original package, as hereinafter
22 provided. However, such taxes are not imposed upon any activity
23 in such business in interstate commerce or otherwise, which
24 activity may not under the Constitution and statutes of the
25 United States be made the subject of taxation by this State.

26 ~~Beginning on the effective date of this amendatory Act of~~

1 ~~the 92nd General Assembly and through June 30, 2006, all of the~~
2 ~~moneys received by the Department of Revenue pursuant to this~~
3 ~~Act and the Cigarette Use Tax Act, other than the moneys that~~
4 ~~are dedicated to the Common School Fund, shall be distributed~~
5 ~~each month as follows: first, there shall be paid into the~~
6 ~~General Revenue Fund an amount which, when added to the amount~~
7 ~~paid into the Common School Fund for that month, equals~~
8 ~~\$33,300,000, except that in the month of August of 2004, this~~
9 ~~amount shall equal \$83,300,000; then, from the moneys~~
10 ~~remaining, if any amounts required to be paid into the General~~
11 ~~Revenue Fund in previous months remain unpaid, those amounts~~
12 ~~shall be paid into the General Revenue Fund; then, beginning on~~
13 ~~April 1, 2003, from the moneys remaining, \$5,000,000 per month~~
14 ~~shall be paid into the School Infrastructure Fund; then, if any~~
15 ~~amounts required to be paid into the School Infrastructure Fund~~
16 ~~in previous months remain unpaid, those amounts shall be paid~~
17 ~~into the School Infrastructure Fund; then the moneys remaining,~~
18 ~~if any, shall be paid into the Long Term Care Provider Fund. To~~
19 ~~the extent that more than \$25,000,000 has been paid into the~~
20 ~~General Revenue Fund and Common School Fund per month for the~~
21 ~~period of July 1, 1993 through the effective date of this~~
22 ~~amendatory Act of 1994 from combined receipts of the Cigarette~~
23 ~~Tax Act and the Cigarette Use Tax Act, notwithstanding the~~
24 ~~distribution provided in this Section, the Department of~~
25 ~~Revenue is hereby directed to adjust the distribution provided~~
26 ~~in this Section to increase the next monthly payments to the~~

1 ~~Long Term Care Provider Fund by the amount paid to the General~~
2 ~~Revenue Fund and Common School Fund in excess of \$25,000,000~~
3 ~~per month and to decrease the next monthly payments to the~~
4 ~~General Revenue Fund and Common School Fund by that same excess~~
5 ~~amount.~~

6 Beginning on July 1, 2006, all of the moneys received by
7 the Department of Revenue pursuant to this Act and the
8 Cigarette Use Tax Act, other than the moneys that are dedicated
9 to the Common School Fund and, beginning on the effective date
10 of this amendatory Act of the 97th General Assembly, other than
11 the moneys from the additional taxes imposed by this amendatory
12 Act of the 97th General Assembly that must be paid each month
13 into the Healthcare Provider Relief Fund, and other than the
14 moneys from the additional taxes imposed by this amendatory Act
15 of the 101st General Assembly that must be paid each month
16 under subsection (c), shall be distributed each month as
17 follows: first, there shall be paid into the General Revenue
18 Fund an amount that, when added to the amount paid into the
19 Common School Fund for that month, equals \$29,200,000; then,
20 from the moneys remaining, if any amounts required to be paid
21 into the General Revenue Fund in previous months remain unpaid,
22 those amounts shall be paid into the General Revenue Fund; then
23 from the moneys remaining, \$5,000,000 per month shall be paid
24 into the School Infrastructure Fund; then, if any amounts
25 required to be paid into the School Infrastructure Fund in
26 previous months remain unpaid, those amounts shall be paid into

1 the School Infrastructure Fund; then the moneys remaining, if
2 any, shall be paid into the Long-Term Care Provider Fund.

3 (c) Beginning on July 1, 2019, all of the moneys from the
4 additional taxes imposed by this amendatory Act of the 101st
5 General Assembly received by the Department of Revenue pursuant
6 to this Act and the Cigarette Use Tax Act shall be distributed
7 each month into the Capital Projects Fund.

8 (d) Moneys collected from the tax imposed on little cigars
9 under Section 10-10 of the Tobacco Products Tax Act of 1995
10 shall be included with the moneys collected under the Cigarette
11 Tax Act and the Cigarette Use Tax Act when making distributions
12 to the Common School Fund, the Healthcare Provider Relief Fund,
13 the General Revenue Fund, the School Infrastructure Fund, and
14 the Long-Term Care Provider Fund under this Section.

15 (e) If the ~~When any~~ tax imposed herein terminates or has
16 terminated, distributors who have bought stamps while such tax
17 was in effect and who therefore paid such tax, but who can
18 show, to the Department's satisfaction, that they sold the
19 cigarettes to which they affixed such stamps after such tax had
20 terminated and did not recover the tax or its equivalent from
21 purchasers, shall be allowed by the Department to take credit
22 for such absorbed tax against subsequent tax stamp purchases
23 from the Department by such distributor.

24 (f) The impact of the tax levied by this Act is imposed
25 upon the retailer and shall be prepaid or pre-collected by the
26 distributor for the purpose of convenience and facility only,

1 and the amount of the tax shall be added to the price of the
2 cigarettes sold by such distributor. Collection of the tax
3 shall be evidenced by a stamp or stamps affixed to each
4 original package of cigarettes, as hereinafter provided. Any
5 distributor who purchases stamps may credit any excess payments
6 verified by the Department against amounts subsequently due for
7 the purchase of additional stamps, until such time as no excess
8 payment remains.

9 (g) Each distributor shall collect the tax from the
10 retailer at or before the time of the sale, shall affix the
11 stamps as hereinafter required, and shall remit the tax
12 collected from retailers to the Department, as hereinafter
13 provided. Any distributor who fails to properly collect and pay
14 the tax imposed by this Act shall be liable for the tax. ~~Any~~
15 ~~distributor having cigarettes to which stamps have been affixed~~
16 ~~in his possession for sale on the effective date of this~~
17 ~~amendatory Act of 1989 shall not be required to pay the~~
18 ~~additional tax imposed by this amendatory Act of 1989 on such~~
19 ~~stamped cigarettes. Any distributor having cigarettes to which~~
20 ~~stamps have been affixed in his or her possession for sale at~~
21 ~~12:01 a.m. on the effective date of this amendatory Act of~~
22 ~~1993, is required to pay the additional tax imposed by this~~
23 ~~amendatory Act of 1993 on such stamped cigarettes. This~~
24 ~~payment, less the discount provided in subsection (b), shall be~~
25 ~~due when the distributor first makes a purchase of cigarette~~
26 ~~tax stamps after the effective date of this amendatory Act of~~

1 ~~1993, or on the first due date of a return under this Act after~~
2 ~~the effective date of this amendatory Act of 1993, whichever~~
3 ~~occurs first. Any distributor having cigarettes to which stamps~~
4 ~~have been affixed in his possession for sale on December 15,~~
5 ~~1997 shall not be required to pay the additional tax imposed by~~
6 ~~this amendatory Act of 1997 on such stamped cigarettes.~~

7 ~~Any distributor having cigarettes to which stamps have been~~
8 ~~affixed in his or her possession for sale on July 1, 2002 shall~~
9 ~~not be required to pay the additional tax imposed by this~~
10 ~~amendatory Act of the 92nd General Assembly on those stamped~~
11 ~~cigarettes.~~

12 (h) Any distributor having cigarettes in his or her
13 possession on July 1, 2019 to which tax stamps have been
14 affixed, and any distributor having stamps in his or her
15 possession on July 1, 2019 that have not been affixed to
16 packages of cigarettes before July 1, 2019, is required to pay
17 the additional tax that begins on July 1, 2019 imposed by this
18 amendatory Act of the 101st General Assembly to the extent that
19 the volume of affixed and unaffixed stamps in the distributor's
20 possession on July 1, 2019 exceeds the average monthly volume
21 of cigarette stamps purchased by the distributor in calendar
22 year 2018. This payment, less the discount provided in
23 subsection (l), is due when the distributor first makes a
24 purchase of cigarette stamps on or after July 1, 2019 or on the
25 first due date of a return under this Act occurring on or after
26 July 1, 2019, whichever occurs first. Those distributors may

1 elect to pay the additional tax on packages of cigarettes to
2 which stamps have been affixed and on any stamps in the
3 distributor's possession that have not been affixed to packages
4 of cigarettes in their possession on July 1, 2019 over a period
5 not to exceed 12 months from the due date of the additional tax
6 by notifying the Department in writing. The first payment for
7 distributors making such election is due when the distributor
8 first makes a purchase of cigarette tax stamps on or after July
9 1, 2019 or on the first due date of a return under this Act
10 occurring on or after July 1, 2019, whichever occurs first.
11 Distributors making such an election are not entitled to take
12 the discount provided in subsection (1) on such payments.

13 (i) Any retailer having cigarettes in ~~its~~ his or her
14 possession on ~~July 1, 2019~~ ~~June 24, 2012~~ to which tax stamps
15 have been affixed is not required to pay the additional tax
16 that begins on ~~July 1, 2019~~ ~~June 24, 2012~~ imposed by ~~this~~
17 ~~amendatory Act of the 101st General Assembly~~ ~~this amendatory~~
18 ~~Act of the 97th General Assembly~~ on those stamped cigarettes.
19 ~~Any distributor having cigarettes in his or her possession on~~
20 ~~June 24, 2012 to which tax stamps have been affixed, and any~~
21 ~~distributor having stamps in his or her possession on June 24,~~
22 ~~2012 that have not been affixed to packages of cigarettes~~
23 ~~before June 24, 2012, is required to pay the additional tax~~
24 ~~that begins on June 24, 2012 imposed by this amendatory Act of~~
25 ~~the 97th General Assembly to the extent the calendar year 2012~~
26 ~~average monthly volume of cigarette stamps in the distributor's~~

1 ~~possession exceeds the average monthly volume of cigarette~~
2 ~~stamps purchased by the distributor in calendar year 2011. This~~
3 ~~payment, less the discount provided in subsection (b), is due~~
4 ~~when the distributor first makes a purchase of cigarette stamps~~
5 ~~on or after June 24, 2012 or on the first due date of a return~~
6 ~~under this Act occurring on or after June 24, 2012, whichever~~
7 ~~occurs first. Those distributors may elect to pay the~~
8 ~~additional tax on packages of cigarettes to which stamps have~~
9 ~~been affixed and on any stamps in the distributor's possession~~
10 ~~that have not been affixed to packages of cigarettes over a~~
11 ~~period not to exceed 12 months from the due date of the~~
12 ~~additional tax by notifying the Department in writing. The~~
13 ~~first payment for distributors making such election is due when~~
14 ~~the distributor first makes a purchase of cigarette tax stamps~~
15 ~~on or after June 24, 2012 or on the first due date of a return~~
16 ~~under this Act occurring on or after June 24, 2012, whichever~~
17 ~~occurs first. Distributors making such an election are not~~
18 ~~entitled to take the discount provided in subsection (b) on~~
19 ~~such payments.~~

20 (j) Distributors making sales of cigarettes to secondary
21 distributors shall add the amount of the tax to the price of
22 the cigarettes sold by the distributors. Secondary
23 distributors making sales of cigarettes to retailers shall
24 include the amount of the tax in the price of the cigarettes
25 sold to retailers. The amount of tax shall not be less than the
26 amount of taxes imposed by the State and all local

1 jurisdictions. The amount of local taxes shall be calculated
2 based on the location of the retailer's place of business shown
3 on the retailer's certificate of registration or
4 sub-registration issued to the retailer pursuant to Section 2a
5 of the Retailers' Occupation Tax Act. The original packages of
6 cigarettes sold to the retailer shall bear all the required
7 stamps, or other indicia, for the taxes included in the price
8 of cigarettes.

9 (k) The amount of the Cigarette Tax imposed by this Act
10 shall be separately stated, apart from the price of the goods,
11 by distributors, manufacturer representatives, secondary
12 distributors, and retailers, in all bills and sales invoices.

13 (l) ~~(b)~~ The distributor shall be required to collect the
14 tax ~~taxes~~ provided under paragraph (a) hereof, and, to cover
15 the costs of such collection, shall be allowed a discount
16 during any year commencing July 1st and ending the following
17 June 30th in accordance with the schedule set out hereinbelow,
18 which discount shall be allowed at the time of purchase of the
19 stamps when purchase is required by this Act, or at the time
20 when the tax is remitted to the Department without the purchase
21 of stamps from the Department when that method of paying the
22 tax is required or authorized by this Act. ~~Prior to December 1,~~
23 ~~1985, a discount equal to 1 2/3% of the amount of the tax up to~~
24 ~~and including the first \$700,000 paid hereunder by such~~
25 ~~distributor to the Department during any such year; 1 1/3% of~~
26 ~~the next \$700,000 of tax or any part thereof, paid hereunder by~~

1 ~~such distributor to the Department during any such year; 1% of~~
2 ~~the next \$700,000 of tax, or any part thereof, paid hereunder~~
3 ~~by such distributor to the Department during any such year, and~~
4 ~~2/3 of 1% of the amount of any additional tax paid hereunder by~~
5 ~~such distributor to the Department during any such year shall~~
6 ~~apply.~~

7 On and after December 1, 1985, a discount equal to 1.75% of
8 the amount of the tax payable under this Act up to and
9 including the first \$3,000,000 paid hereunder by such
10 distributor to the Department during any such year and 1.5% of
11 the amount of any additional tax paid hereunder by such
12 distributor to the Department during any such year shall apply.

13 Two or more distributors that use a common means of
14 affixing revenue tax stamps or that are owned or controlled by
15 the same interests shall be treated as a single distributor for
16 the purpose of computing the discount.

17 (m) ~~(e)~~ The taxes herein imposed are in addition to all
18 other occupation or privilege taxes imposed by the State of
19 Illinois, or by any political subdivision thereof, or by any
20 municipal corporation.

21 (Source: P.A. 100-1171, eff. 1-4-19.)

22 (35 ILCS 130/29 rep.)

23 Section 15-40. The Cigarette Tax Act is amended by
24 repealing Section 29.

1 Section 15-45. The Cigarette Use Tax Act is amended by
2 changing Sections 2 and 35 as follows:

3 (35 ILCS 135/2) (from Ch. 120, par. 453.32)

4 Sec. 2. Beginning on July 1, 2019, in place of the
5 aggregate tax rate of 99 mills previously imposed by this Act,
6 a tax is imposed upon the privilege of using cigarettes in this
7 State at the rate of 149 mills per cigarette so used. A tax is
8 ~~imposed upon the privilege of using cigarettes in this State,~~
9 ~~at the rate of 6 mills per cigarette so used. On and after~~
10 ~~December 1, 1985, in addition to any other tax imposed by this~~
11 ~~Act, a tax is imposed upon the privilege of using cigarettes in~~
12 ~~this State at a rate of 4 mills per cigarette so used. On and~~
13 ~~after the effective date of this amendatory Act of 1989, in~~
14 ~~addition to any other tax imposed by this Act, a tax is imposed~~
15 ~~upon the privilege of using cigarettes in this State at the~~
16 ~~rate of 5 mills per cigarette so used. On and after the~~
17 ~~effective date of this amendatory Act of 1993, in addition to~~
18 ~~any other tax imposed by this Act, a tax is imposed upon the~~
19 ~~privilege of using cigarettes in this State at a rate of 7~~
20 ~~mills per cigarette so used. On and after December 15, 1997, in~~
21 ~~addition to any other tax imposed by this Act, a tax is imposed~~
22 ~~upon the privilege of using cigarettes in this State at a rate~~
23 ~~of 7 mills per cigarette so used. On and after July 1, 2002, in~~
24 ~~addition to any other tax imposed by this Act, a tax is imposed~~
25 ~~upon the privilege of using cigarettes in this State at a rate~~

1 ~~of 20.0 mills per cigarette so used. Beginning on June 24,~~
2 ~~2012, in addition to any other tax imposed by this Act, a tax~~
3 ~~is imposed upon the privilege of using cigarettes in this State~~
4 ~~at a rate of 50 mills per cigarette so used. The tax taxes~~
5 herein imposed shall be in addition to all other occupation or
6 privilege taxes imposed by the State of Illinois or by any
7 political subdivision thereof or by any municipal corporation.

8 If the ~~When any~~ tax imposed herein terminates or has
9 terminated, distributors who have bought stamps while such tax
10 was in effect and who therefore paid such tax, but who can
11 show, to the Department's satisfaction, that they sold the
12 cigarettes to which they affixed such stamps after such tax had
13 terminated and did not recover the tax or its equivalent from
14 purchasers, shall be allowed by the Department to take credit
15 for such absorbed tax against subsequent tax stamp purchases
16 from the Department by such distributors.

17 When the word "tax" is used in this Act, it shall include
18 any tax or tax rate imposed by this Act and shall mean the
19 singular of "tax" or the plural "taxes" as the context may
20 require.

21 Any retailer having cigarettes in its possession on July 1,
22 2019 to which tax stamps have been affixed is not required to
23 pay the additional tax that begins on July 1, 2019 imposed by
24 this amendatory Act of the 101st General Assembly on those
25 stamped cigarettes. Any distributor having cigarettes in his or
26 her possession on July 1, 2019 to which tax stamps have been

1 affixed, and any distributor having stamps in his or her
2 possession on July 1, 2019 that have not been affixed to
3 packages of cigarettes before July 1, 2019, is required to pay
4 the additional tax that begins on July 1, 2019 imposed by this
5 amendatory Act of the 101st General Assembly to the extent that
6 the volume of affixed and unaffixed stamps in the distributor's
7 possession on July 1, 2019 exceeds the average monthly volume
8 of cigarette stamps purchased by the distributor in calendar
9 year 2018. This payment, less the discount provided in Section
10 3, is due when the distributor first makes a purchase of
11 cigarette stamps on or after July 1, 2019 or on the first due
12 date of a return under this Act occurring on or after July 1,
13 2019, whichever occurs first. Those distributors may elect to
14 pay the additional tax on packages of cigarettes to which
15 stamps have been affixed and on any stamps in the distributor's
16 possession that have not been affixed to packages of cigarettes
17 in their possession on July 1, 2019 over a period not to exceed
18 12 months from the due date of the additional tax by notifying
19 the Department in writing. The first payment for distributors
20 making such election is due when the distributor first makes a
21 purchase of cigarette tax stamps on or after July 1, 2019 or on
22 the first due date of a return under this Act occurring on or
23 after July 1, 2019, whichever occurs first. Distributors making
24 such an election are not entitled to take the discount provided
25 in Section 3 on such payments.

26 ~~Any distributor having cigarettes to which stamps have been~~

1 ~~affixed in his possession for sale on the effective date of~~
2 ~~this amendatory Act of 1989 shall not be required to pay the~~
3 ~~additional tax imposed by this amendatory Act of 1989 on such~~
4 ~~stamped cigarettes. Any distributor having cigarettes to which~~
5 ~~stamps have been affixed in his or her possession for sale at~~
6 ~~12:01 a.m. on the effective date of this amendatory Act of~~
7 ~~1993, is required to pay the additional tax imposed by this~~
8 ~~amendatory Act of 1993 on such stamped cigarettes. This payment~~
9 ~~shall be due when the distributor first makes a purchase of~~
10 ~~cigarette tax stamps after the effective date of this~~
11 ~~amendatory Act of 1993, or on the first due date of a return~~
12 ~~under this Act after the effective date of this amendatory Act~~
13 ~~of 1993, whichever occurs first. Once a distributor tenders~~
14 ~~payment of the additional tax to the Department, the~~
15 ~~distributor may purchase stamps from the Department. Any~~
16 ~~distributor having cigarettes to which stamps have been affixed~~
17 ~~in his possession for sale on December 15, 1997 shall not be~~
18 ~~required to pay the additional tax imposed by this amendatory~~
19 ~~Act of 1997 on such stamped cigarettes.~~

20 ~~Any distributor having cigarettes to which stamps have been~~
21 ~~affixed in his or her possession for sale on July 1, 2002 shall~~
22 ~~not be required to pay the additional tax imposed by this~~
23 ~~amendatory Act of the 92nd General Assembly on those stamped~~
24 ~~cigarettes.~~

25 ~~Any retailer having cigarettes in his or her possession on~~
26 ~~June 24, 2012 to which tax stamps have been affixed is not~~

1 ~~required to pay the additional tax that begins on June 24, 2012~~
2 ~~imposed by this amendatory Act of the 97th General Assembly on~~
3 ~~those stamped cigarettes. Any distributor having cigarettes in~~
4 ~~his or her possession on June 24, 2012 to which tax stamps have~~
5 ~~been affixed, and any distributor having stamps in his or her~~
6 ~~possession on June 24, 2012 that have not been affixed to~~
7 ~~packages of cigarettes before June 24, 2012, is required to pay~~
8 ~~the additional tax that begins on June 24, 2012 imposed by this~~
9 ~~amendatory Act of the 97th General Assembly to the extent the~~
10 ~~calendar year 2012 average monthly volume of cigarette stamps~~
11 ~~in the distributor's possession exceeds the average monthly~~
12 ~~volume of cigarette stamps purchased by the distributor in~~
13 ~~calendar year 2011. This payment, less the discount provided in~~
14 ~~Section 3, is due when the distributor first makes a purchase~~
15 ~~of cigarette stamps on or after June 24, 2012 or on the first~~
16 ~~due date of a return under this Act occurring on or after June~~
17 ~~24, 2012, whichever occurs first. Those distributors may elect~~
18 ~~to pay the additional tax on packages of cigarettes to which~~
19 ~~stamps have been affixed and on any stamps in the distributor's~~
20 ~~possession that have not been affixed to packages of cigarettes~~
21 ~~over a period not to exceed 12 months from the due date of the~~
22 ~~additional tax by notifying the Department in writing. The~~
23 ~~first payment for distributors making such election is due when~~
24 ~~the distributor first makes a purchase of cigarette tax stamps~~
25 ~~on or after June 24, 2012 or on the first due date of a return~~
26 ~~under this Act occurring on or after June 24, 2012, whichever~~

1 ~~occurs first. Distributors making such an election are not~~
2 ~~entitled to take the discount provided in Section 3 on such~~
3 ~~payments.~~

4 (Source: P.A. 97-688, eff. 6-14-12.)

5 (35 ILCS 135/35) (from Ch. 120, par. 453.65)

6 Sec. 35. Distribution of receipts. All moneys received by
7 the Department under this Act shall be distributed as provided
8 in ~~subsection (a) of~~ Section 2 of the Cigarette Tax Act.

9 (Source: P.A. 88-535.)

10 Section 15-50. The Tobacco Products Tax Act of 1995 is
11 amended by changing Section 10-10 as follows:

12 (35 ILCS 143/10-10)

13 Sec. 10-10. Tax imposed.

14 (a) Except as otherwise provided in this Section with
15 respect to little cigars, on the first day of the third month
16 after the month in which this Act becomes law, a tax is imposed
17 on any person engaged in business as a distributor of tobacco
18 products, as defined in Section 10-5, at the rate of (i) 18% of
19 the wholesale price of tobacco products sold or otherwise
20 disposed of to retailers or consumers located in this State
21 prior to July 1, 2012 and (ii) 36% of the wholesale price of
22 tobacco products sold or otherwise disposed of to retailers or
23 consumers located in this State beginning on July 1, 2012;

1 except that, beginning on January 1, 2013, the tax on moist
2 snuff shall be imposed at a rate of \$0.30 per ounce, and a
3 proportionate tax at the like rate on all fractional parts of
4 an ounce, sold or otherwise disposed of to retailers or
5 consumers located in this State. The tax is in addition to all
6 other occupation or privilege taxes imposed by the State of
7 Illinois, by any political subdivision thereof, or by any
8 municipal corporation. However, the tax is not imposed upon any
9 activity in that business in interstate commerce or otherwise,
10 to the extent to which that activity may not, under the
11 Constitution and Statutes of the United States, be made the
12 subject of taxation by this State, and except that, beginning
13 July 1, 2013, the tax on little cigars shall be imposed at the
14 same rate, and the proceeds shall be distributed in the same
15 manner, as the tax imposed on cigarettes under the Cigarette
16 Tax Act. The tax is also not imposed on sales made to the
17 United States or any entity thereof.

18 (b) Notwithstanding subsection (a) of this Section,
19 stamping distributors of packages of little cigars containing
20 20 or 25 little cigars sold or otherwise disposed of in this
21 State shall remit the tax by purchasing tax stamps from the
22 Department and affixing them to packages of little cigars in
23 the same manner as stamps are purchased and affixed to
24 cigarettes under the Cigarette Tax Act, unless the stamping
25 distributor sells or otherwise disposes of those packages of
26 little cigars to another stamping distributor. Only persons

1 meeting the definition of "stamping distributor" contained in
2 Section 10-5 of this Act may affix stamps to packages of little
3 cigars containing 20 or 25 little cigars. Stamping distributors
4 may not sell or dispose of little cigars at retail to consumers
5 or users at locations where stamping distributors affix stamps
6 to packages of little cigars containing 20 or 25 little cigars.

7 (c) The impact of the tax levied by this Act is imposed
8 upon distributors engaged in the business of selling tobacco
9 products to retailers or consumers in this State. Whenever a
10 stamping distributor brings or causes to be brought into this
11 State from without this State, or purchases from without or
12 within this State, any packages of little cigars containing 20
13 or 25 little cigars upon which there are no tax stamps affixed
14 as required by this Act, for purposes of resale or disposal in
15 this State to a person not a stamping distributor, then such
16 stamping distributor shall pay the tax to the Department and
17 add the amount of the tax to the price of such packages sold by
18 such stamping distributor. Payment of the tax shall be
19 evidenced by a stamp or stamps affixed to each package of
20 little cigars containing 20 or 25 little cigars.

21 Stamping distributors paying the tax to the Department on
22 packages of little cigars containing 20 or 25 little cigars
23 sold to other distributors, wholesalers or retailers shall add
24 the amount of the tax to the price of the packages of little
25 cigars containing 20 or 25 little cigars sold by such stamping
26 distributors.

1 (d) Beginning on January 1, 2013, the tax rate imposed per
2 ounce of moist snuff may not exceed 15% of the tax imposed upon
3 a package of 20 cigarettes pursuant to the Cigarette Tax Act.

4 (e) All moneys received by the Department under this Act
5 from sales occurring prior to July 1, 2012 shall be paid into
6 the Long-Term Care Provider Fund of the State Treasury. Of the
7 moneys received by the Department from sales occurring on or
8 after July 1, 2012, except for moneys received from the tax
9 imposed on the sale of little cigars, 50% shall be paid into
10 the Long-Term Care Provider Fund and 50% shall be paid into the
11 Healthcare Provider Relief Fund. Beginning July 1, 2013, all
12 moneys received by the Department under this Act from the tax
13 imposed on little cigars shall be distributed as provided in
14 ~~subsection (a) of~~ Section 2 of the Cigarette Tax Act.

15 (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13.)

16 Section 15-55. The Property Tax Code is amended by changing
17 Section 31-10 as follows:

18 (35 ILCS 200/31-10)

19 Sec. 31-10. Imposition of tax. A tax is imposed on the
20 privilege of transferring title to real estate located in
21 Illinois, on the privilege of transferring a beneficial
22 interest in real property located in Illinois, and on the
23 privilege of transferring a controlling interest in a real
24 estate entity owning property located in Illinois, at the rate

1 of 50¢ for each \$500 of value or fraction of \$500 stated in the
2 declaration required by Section 31-25. On and after July 1,
3 2019, the rate of tax imposed is increased to \$1.50 for each
4 \$500 of value or fraction of \$500 stated in such declaration if
5 the transaction involves nonresidential real estate. If,
6 however, the transferring document states that the real estate,
7 beneficial interest, or controlling interest is transferred
8 subject to a mortgage, the amount of the mortgage remaining
9 outstanding at the time of transfer shall not be included in
10 the basis of computing the tax. The tax is due if the transfer
11 is made by one or more related transactions or involves one or
12 more persons or entities and whether or not a document is
13 recorded.

14 (Source: P.A. 93-657, eff. 6-1-04; 93-1099, eff. 6-1-05.)

15 Section 15-80. The Motor Vehicle Retail Installment Sales
16 Act is amended by changing Section 11.1 as follows:

17 (815 ILCS 375/11.1) (from Ch. 121 1/2, par. 571.1)

18 Sec. 11.1.

19 (a) A seller in a retail installment contract may add a
20 "documentary fee" for processing documents and performing
21 services related to closing of a sale. The maximum amount that
22 may be charged by a seller for a documentary fee is the base
23 documentary fee beginning January 1, 2008 until January 1,
24 2020, of \$150, which shall be subject to an annual rate

1 adjustment equal to the percentage of change in the Bureau of
2 Labor Statistics Consumer Price Index. Every retail
3 installment contract under this Act shall contain or be
4 accompanied by a notice containing the following information:

5 "DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.
6 A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO
7 BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED
8 TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING
9 JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE
10 CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF
11 \$150, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL
12 TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS
13 CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

14 (b) A seller in a retail installment contract may add a
15 "documentary fee" for processing documents and performing
16 services related to closing of a sale. The maximum amount that
17 may be charged by a seller for a documentary fee is the base
18 documentary fee beginning January 1, 2020, of \$300, which shall
19 be subject to an annual rate adjustment equal to the percentage
20 of change in the Bureau of Labor Statistics Consumer Price
21 Index. Every retail installment contract under this Act shall
22 contain or be accompanied by a notice containing the following
23 information:

24 "DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.
25 A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO
26 BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED

1 TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING
2 JANUARY 1, 2020, WAS \$300. THE MAXIMUM AMOUNT THAT MAY BE
3 CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF
4 \$300, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL
5 TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS
6 CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

7 (Source: P.A. 95-280, eff. 1-1-08.)

8 Article 20. Illinois Works Jobs Program Act

9 Section 20-1. Short title. This Article may be cited as the
10 Illinois Works Jobs Program Act. References in this Article to
11 "this Act" mean this Article.

12 Section 20-5. Findings. It is in the public policy interest
13 of the State to ensure that all Illinois residents have access
14 to State capital projects and careers in the construction
15 industry and building trades, including those who have been
16 historically underrepresented in those trades. To ensure that
17 those interests are met, the General Assembly hereby creates
18 the Illinois Works Preapprenticeship Program and the Illinois
19 Works Apprenticeship Initiative.

20 Section 20-10. Definitions.

21 "Apprentice" means a participant in an apprenticeship
22 program approved by and registered with the United States

1 Department of Labor's Bureau of Apprenticeship and Training.

2 "Apprenticeship program" means an apprenticeship and
3 training program approved by and registered with the United
4 States Department of Labor's Bureau of Apprenticeship and
5 Training.

6 "Bid credit" means a virtual dollar for a contractor or
7 subcontractor to use toward future bids for public works
8 contracts.

9 "Community-based organization" means a nonprofit
10 organization selected by the Department to participate in the
11 Illinois Works Preapprenticeship Program. To qualify as a
12 "community-based organization", the organization must
13 demonstrate the following:

14 (1) the ability to effectively serve diverse and
15 underrepresented populations, including by providing
16 employment services to such populations;

17 (2) knowledge of the construction and building trades;

18 (3) the ability to recruit, prescreen, and provide
19 preapprenticeship training to prepare workers for
20 employment in the construction and building trades; and

21 (4) a plan to provide the following:

22 (A) preparatory classes;

23 (B) workplace readiness skills, such as resume
24 preparation and interviewing techniques;

25 (C) strategies for overcoming barriers to entry
26 and completion of an apprenticeship program; and

1 (D) any prerequisites for acceptance into an
2 apprenticeship program.

3 "Contractor" means a person, corporation, partnership,
4 limited liability company, or joint venture entering into a
5 contract with the State or any State agency to construct a
6 public work.

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Labor hours" means the total hours for workers who are
10 receiving an hourly wage and who are directly employed for the
11 public works project. "Labor hours" includes hours performed by
12 workers employed by the contractor and subcontractors on the
13 public works project. "Labor hours" does not include hours
14 worked by the forepersons, superintendents, owners, and
15 workers who are not subject to prevailing wage requirements.

16 "Minorities" means minority persons as defined in the
17 Business Enterprise for Minorities, Women, and Persons with
18 Disabilities Act.

19 "Public works" means all projects that constitute public
20 works under the Prevailing Wage Act.

21 "Subcontractor" means a person, corporation, partnership,
22 limited liability company, or joint venture that has contracted
23 with the contractor to perform all or part of the work to
24 construct a public work by a contractor.

25 "Underrepresented populations" means populations
26 identified by the Department that historically have had

1 barriers to entry or advancement in the workforce.
2 "Underrepresented populations" includes, but is not limited
3 to, minorities, women, and veterans.

4 Section 20-15. Illinois Works Preapprenticeship Program;
5 Illinois Works Bid Credit Program.

6 (a) The Illinois Works Preapprenticeship Program is
7 established and shall be administered by the Department. The
8 goal of the Illinois Works Preapprenticeship Program is to
9 create a network of community-based organizations throughout
10 the State that will recruit, prescreen, and provide
11 preapprenticeship skills training to create a qualified,
12 diverse pipeline of workers who are prepared for careers in the
13 construction and building trades. Upon completion of the
14 Illinois Works Preapprenticeship Program, the candidates will
15 be skilled and work-ready.

16 (b) There is created the Illinois Works Fund, a special
17 fund in the State treasury. The Illinois Works Fund shall be
18 administered by the Department. The Illinois Works Fund shall
19 be used to provide funding for community-based organizations
20 throughout the State. In addition to any other transfers that
21 may be provided for by law, on and after July 1, 2019 and until
22 June 30, 2020, at the direction of the Director of the
23 Governor's Office of Management and Budget, the State
24 Comptroller shall direct and the State Treasurer shall transfer
25 amounts not exceeding a total of \$25,000,000 from the Rebuild

1 Illinois Projects Fund to the Illinois Works Fund.

2 (c) Each community-based organization that receives
3 funding from the Illinois Works Fund shall provide an annual
4 report to the Illinois Works Review Panel by April 1 of each
5 calendar year. The annual report shall include the following
6 information:

7 (1) a description of the community-based
8 organization's recruitment, screening, and training
9 efforts;

10 (2) the number of individuals who apply to, participate
11 in, and complete the community-based organization's
12 program, broken down by race, gender, age, and veteran
13 status; and

14 (3) the number of the individuals referenced in item
15 (2) of this subsection who are initially accepted and
16 placed into apprenticeship programs in the construction
17 and building trades.

18 (d) The Department shall create and administer the Illinois
19 Works Bid Credit Program that shall provide economic
20 incentives, through bid credits, to encourage contractors and
21 subcontractors to provide contracting and employment
22 opportunities to historically underrepresented populations in
23 the construction industry.

24 The Illinois Works Bid Credit Program shall allow
25 contractors and subcontractors to earn bid credits for use
26 toward future bids for public works projects in order to

1 increase the chances that the contractor and the subcontractors
2 will be selected.

3 Contractors or subcontractors may be eligible for bid
4 credits for employing apprentices who have completed the
5 Illinois Works Preapprenticeship Program. Contractors or
6 subcontractors shall earn bid credits at a rate established by
7 the Department and published on the Department's website,
8 including any appropriate caps.

9 The Illinois Works Credit Bank is hereby created and shall
10 be administered by the Department. The Illinois Works Credit
11 Bank shall track the bid credits.

12 A contractor or subcontractor who has been awarded bid
13 credits under any other State program for employing apprentices
14 who have completed the Illinois Works Preapprenticeship
15 Program is not eligible to receive bid credits under the
16 Illinois Works Bid Credit Program relating to the same
17 contract.

18 The Department shall report to the Illinois Works Review
19 Panel the following: (i) the number of bid credits awarded by
20 the Department; (ii) the number of bid credits submitted by the
21 contractor or subcontractor to the agency administering the
22 public works contract; and (iii) the number of bid credits
23 accepted by the agency for such contract. Any agency that
24 awards bid credits pursuant to the Illinois Works Credit Bank
25 Program shall report to the Department the number of bid
26 credits it accepted for the public works contract.

1 Upon a finding that a contractor or subcontractor has
2 reported falsified records to the Department in order to
3 fraudulently obtain bid credits, the Department shall
4 permanently bar the contractor or subcontractor from
5 participating in the Illinois Works Bid Credit Program and may
6 suspend the contractor or subcontractor from bidding on or
7 participating in any public works project. False or fraudulent
8 claims for payment relating to false bid credits may be subject
9 to damages and penalties under the Illinois False Claims Act or
10 other applicable law.

11 (e) The Department shall adopt any rules deemed necessary
12 to implement this Section.

13 Section 20-20. Illinois Works Apprenticeship Initiative.

14 (a) The Illinois Works Apprenticeship Initiative is
15 established and shall be administered by the Department.

16 (1) Subject to the exceptions set forth in subsection
17 (b) of this Section, apprentices shall be utilized on all
18 public works projects in accordance with this subsection
19 (a).

20 (2) For public works projects, the goal of the Illinois
21 Works Apprenticeship Initiative is that apprentices will
22 perform either 10% of the total labor hours actually worked
23 in each prevailing wage classification or 10% of the
24 estimated labor hours in each prevailing wage
25 classification, whichever is less.

1 (b) Before or during the term of a contract subject to this
2 Section, the Department may reduce or waive the goals set forth
3 in paragraph (2) of subsection (a). Prior to the Department
4 granting a request for a reduction or waiver, the Department
5 shall hold a public hearing and shall consult with the Business
6 Enterprise Council under the Business Enterprise for
7 Minorities, Women, and Persons with Disabilities Act and the
8 Chief Procurement Officer of the agency administering the
9 public works contract. The Department may grant a reduction or
10 waiver upon a determination that:

11 (1) the contractor or subcontractor has demonstrated
12 that insufficient apprentices are available;

13 (2) the reasonable and necessary requirements of the
14 contract do not allow the goal to be met;

15 (3) there is a disproportionately high ratio of
16 material costs to labor hours that makes meeting the goal
17 infeasible; or

18 (4) apprentice labor hour goals conflict with existing
19 requirements, including federal requirements, in
20 connection with the public work.

21 (c) Contractors and subcontractors must submit a
22 certification to the Department and the agency that is
23 administering the contract demonstrating that the contractor
24 or subcontractor has either:

25 (1) met the apprentice labor hour goals set forth in
26 paragraph (2) of subsection (a); or

1 (2) received a reduction or waiver pursuant to
2 subsection (b).

3 It shall be deemed to be a material breach of the contract
4 and entitle the State to declare a default, terminate the
5 contract, and exercise those remedies provided for in the
6 contract, at law, or in equity if the contractor or
7 subcontractor fails to submit the certification required in
8 this subsection or submits false or misleading information.

9 (d) No later than one year after the effective date of this
10 Act, and by April 1 of every calendar year thereafter, the
11 Department of Labor shall submit a report to the Illinois Works
12 Review Panel regarding the use of apprentices under the
13 Illinois Works Apprenticeship Initiative for public works
14 projects. To the extent it is available, the report shall
15 include the following information:

16 (1) the total number of labor hours on each project and
17 the percentage of labor hours actually worked by
18 apprentices on each public works project;

19 (2) the number of apprentices used in each public works
20 project, broken down by trade; and

21 (3) the number and percentage of minorities, women, and
22 veterans utilized as apprentices on each public works
23 project.

24 (e) The Department shall adopt any rules deemed necessary
25 to implement the Illinois Works Apprenticeship Initiative.

26 (f) The Illinois Works Apprenticeship Initiative shall not

1 interfere with any contracts or program in existence on the
2 effective date of this Act.

3 Section 20-25. The Illinois Works Review Panel.

4 (a) The Illinois Works Review Panel is created and shall be
5 comprised of 11 members, each serving 3-year terms. The Speaker
6 of the House of Representatives and the President of the Senate
7 shall each appoint 2 members. The Minority Leader of the House
8 of Representatives and the Minority Leader of the Senate shall
9 each appoint one member. The Director of Commerce and Economic
10 Opportunity, or his or her designee, shall serve as a member.
11 The Governor shall appoint the following individuals to serve
12 as members: a representative from a contractor organization; a
13 representative from a labor organization; and 2 members of the
14 public with workforce development expertise, one of whom shall
15 be a representative of a nonprofit organization that addresses
16 workforce development.

17 (b) The members of the Illinois Works Review Panel shall
18 make recommendations to the Department regarding
19 identification and evaluation of community-based
20 organizations.

21 (c) The Illinois Works Review Panel shall meet, at least
22 quarterly, to review and evaluate (i) the Illinois Works
23 Preapprenticeship Program and the Illinois Works
24 Apprenticeship Initiative, (ii) ideas to diversify the
25 workforce in the construction industry in Illinois, and (iii)

1 workforce demographic data collected by the Illinois
2 Department of Labor.

3 (d) All State contracts shall include a requirement that
4 the contractor and subcontractor shall, upon reasonable
5 notice, appear before and respond to requests for information
6 from the Illinois Works Review Panel.

7 (e) By August 1, 2020, and every August 1 thereafter, the
8 Illinois Works Review Panel shall report to the General
9 Assembly on its evaluation of the Illinois Works
10 Preapprenticeship Program and the Illinois Works
11 Apprenticeship initiative, including any recommended
12 modifications.

13 Section 20-900. The State Finance Act is amended by adding
14 Section 5.895 as follows:

15 (30 ILCS 105/5.895 new)

16 Sec. 5.895. The Illinois Works Fund.

17 Section 20-905. The Illinois Procurement Code is amended by
18 changing Section 20-10 as follows:

19 (30 ILCS 500/20-10)

20 (Text of Section from P.A. 96-159, 96-588, 97-96, 97-895,
21 98-1076, 99-906 and 100-43)

22 Sec. 20-10. Competitive sealed bidding; reverse auction.

1 (a) Conditions for use. All contracts shall be awarded by
2 competitive sealed bidding except as otherwise provided in
3 Section 20-5.

4 (b) Invitation for bids. An invitation for bids shall be
5 issued and shall include a purchase description and the
6 material contractual terms and conditions applicable to the
7 procurement.

8 (c) Public notice. Public notice of the invitation for bids
9 shall be published in the Illinois Procurement Bulletin at
10 least 14 calendar days before the date set in the invitation
11 for the opening of bids.

12 (d) Bid opening. Bids shall be opened publicly or through
13 an electronic procurement system in the presence of one or more
14 witnesses at the time and place designated in the invitation
15 for bids. The name of each bidder, including earned and applied
16 bid credit from the Illinois Works Jobs Program Act, the amount
17 of each bid, and other relevant information as may be specified
18 by rule shall be recorded. After the award of the contract, the
19 winning bid and the record of each unsuccessful bid shall be
20 open to public inspection.

21 (e) Bid acceptance and bid evaluation. Bids shall be
22 unconditionally accepted without alteration or correction,
23 except as authorized in this Code. Bids shall be evaluated
24 based on the requirements set forth in the invitation for bids,
25 which may include criteria to determine acceptability such as
26 inspection, testing, quality, workmanship, delivery, and

1 suitability for a particular purpose. Those criteria that will
2 affect the bid price and be considered in evaluation for award,
3 such as discounts, transportation costs, and total or life
4 cycle costs, shall be objectively measurable. The invitation
5 for bids shall set forth the evaluation criteria to be used.

6 (f) Correction or withdrawal of bids. Correction or
7 withdrawal of inadvertently erroneous bids before or after
8 award, or cancellation of awards of contracts based on bid
9 mistakes, shall be permitted in accordance with rules. After
10 bid opening, no changes in bid prices or other provisions of
11 bids prejudicial to the interest of the State or fair
12 competition shall be permitted. All decisions to permit the
13 correction or withdrawal of bids based on bid mistakes shall be
14 supported by written determination made by a State purchasing
15 officer.

16 (g) Award. The contract shall be awarded with reasonable
17 promptness by written notice to the lowest responsible and
18 responsive bidder whose bid meets the requirements and criteria
19 set forth in the invitation for bids, except when a State
20 purchasing officer determines it is not in the best interest of
21 the State and by written explanation determines another bidder
22 shall receive the award. The explanation shall appear in the
23 appropriate volume of the Illinois Procurement Bulletin. The
24 written explanation must include:

25 (1) a description of the agency's needs;

26 (2) a determination that the anticipated cost will be

1 fair and reasonable;

2 (3) a listing of all responsible and responsive
3 bidders; and

4 (4) the name of the bidder selected, the total contract
5 price, and the reasons for selecting that bidder.

6 Each chief procurement officer may adopt guidelines to
7 implement the requirements of this subsection (g).

8 The written explanation shall be filed with the Legislative
9 Audit Commission and the Procurement Policy Board, and be made
10 available for inspection by the public, within 30 calendar days
11 after the agency's decision to award the contract.

12 (h) Multi-step sealed bidding. When it is considered
13 impracticable to initially prepare a purchase description to
14 support an award based on price, an invitation for bids may be
15 issued requesting the submission of unpriced offers to be
16 followed by an invitation for bids limited to those bidders
17 whose offers have been qualified under the criteria set forth
18 in the first solicitation.

19 (i) Alternative procedures. Notwithstanding any other
20 provision of this Act to the contrary, the Director of the
21 Illinois Power Agency may create alternative bidding
22 procedures to be used in procuring professional services under
23 Section 1-56, subsections (a) and (c) of Section 1-75 and
24 subsection (d) of Section 1-78 of the Illinois Power Agency Act
25 and Section 16-111.5(c) of the Public Utilities Act and to
26 procure renewable energy resources under Section 1-56 of the

1 Illinois Power Agency Act. These alternative procedures shall
2 be set forth together with the other criteria contained in the
3 invitation for bids, and shall appear in the appropriate volume
4 of the Illinois Procurement Bulletin.

5 (j) Reverse auction. Notwithstanding any other provision
6 of this Section and in accordance with rules adopted by the
7 chief procurement officer, that chief procurement officer may
8 procure supplies or services through a competitive electronic
9 auction bidding process after the chief procurement officer
10 determines that the use of such a process will be in the best
11 interest of the State. The chief procurement officer shall
12 publish that determination in his or her next volume of the
13 Illinois Procurement Bulletin.

14 An invitation for bids shall be issued and shall include
15 (i) a procurement description, (ii) all contractual terms,
16 whenever practical, and (iii) conditions applicable to the
17 procurement, including a notice that bids will be received in
18 an electronic auction manner.

19 Public notice of the invitation for bids shall be given in
20 the same manner as provided in subsection (c).

21 Bids shall be accepted electronically at the time and in
22 the manner designated in the invitation for bids. During the
23 auction, a bidder's price shall be disclosed to other bidders.
24 Bidders shall have the opportunity to reduce their bid prices
25 during the auction. At the conclusion of the auction, the
26 record of the bid prices received and the name of each bidder

1 shall be open to public inspection.

2 After the auction period has terminated, withdrawal of bids
3 shall be permitted as provided in subsection (f).

4 The contract shall be awarded within 60 calendar days after
5 the auction by written notice to the lowest responsible bidder,
6 or all bids shall be rejected except as otherwise provided in
7 this Code. Extensions of the date for the award may be made by
8 mutual written consent of the State purchasing officer and the
9 lowest responsible bidder.

10 This subsection does not apply to (i) procurements of
11 professional and artistic services, (ii) telecommunications
12 services, communication services, and information services,
13 and (iii) contracts for construction projects, including
14 design professional services.

15 (Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

16 (Text of Section from P.A. 96-159, 96-795, 97-96, 97-895,
17 98-1076, 99-906, and 100-43)

18 Sec. 20-10. Competitive sealed bidding; reverse auction.

19 (a) Conditions for use. All contracts shall be awarded by
20 competitive sealed bidding except as otherwise provided in
21 Section 20-5.

22 (b) Invitation for bids. An invitation for bids shall be
23 issued and shall include a purchase description and the
24 material contractual terms and conditions applicable to the
25 procurement.

1 (c) Public notice. Public notice of the invitation for bids
2 shall be published in the Illinois Procurement Bulletin at
3 least 14 calendar days before the date set in the invitation
4 for the opening of bids.

5 (d) Bid opening. Bids shall be opened publicly or through
6 an electronic procurement system in the presence of one or more
7 witnesses at the time and place designated in the invitation
8 for bids. The name of each bidder, including earned and applied
9 bid credit from the Illinois Works Jobs Program Act, the amount
10 of each bid, and other relevant information as may be specified
11 by rule shall be recorded. After the award of the contract, the
12 winning bid and the record of each unsuccessful bid shall be
13 open to public inspection.

14 (e) Bid acceptance and bid evaluation. Bids shall be
15 unconditionally accepted without alteration or correction,
16 except as authorized in this Code. Bids shall be evaluated
17 based on the requirements set forth in the invitation for bids,
18 which may include criteria to determine acceptability such as
19 inspection, testing, quality, workmanship, delivery, and
20 suitability for a particular purpose. Those criteria that will
21 affect the bid price and be considered in evaluation for award,
22 such as discounts, transportation costs, and total or life
23 cycle costs, shall be objectively measurable. The invitation
24 for bids shall set forth the evaluation criteria to be used.

25 (f) Correction or withdrawal of bids. Correction or
26 withdrawal of inadvertently erroneous bids before or after

1 award, or cancellation of awards of contracts based on bid
2 mistakes, shall be permitted in accordance with rules. After
3 bid opening, no changes in bid prices or other provisions of
4 bids prejudicial to the interest of the State or fair
5 competition shall be permitted. All decisions to permit the
6 correction or withdrawal of bids based on bid mistakes shall be
7 supported by written determination made by a State purchasing
8 officer.

9 (g) Award. The contract shall be awarded with reasonable
10 promptness by written notice to the lowest responsible and
11 responsive bidder whose bid meets the requirements and criteria
12 set forth in the invitation for bids, except when a State
13 purchasing officer determines it is not in the best interest of
14 the State and by written explanation determines another bidder
15 shall receive the award. The explanation shall appear in the
16 appropriate volume of the Illinois Procurement Bulletin. The
17 written explanation must include:

18 (1) a description of the agency's needs;

19 (2) a determination that the anticipated cost will be
20 fair and reasonable;

21 (3) a listing of all responsible and responsive
22 bidders; and

23 (4) the name of the bidder selected, the total contract
24 price, and the reasons for selecting that bidder.

25 Each chief procurement officer may adopt guidelines to
26 implement the requirements of this subsection (g).

1 The written explanation shall be filed with the Legislative
2 Audit Commission and the Procurement Policy Board, and be made
3 available for inspection by the public, within 30 days after
4 the agency's decision to award the contract.

5 (h) Multi-step sealed bidding. When it is considered
6 impracticable to initially prepare a purchase description to
7 support an award based on price, an invitation for bids may be
8 issued requesting the submission of unpriced offers to be
9 followed by an invitation for bids limited to those bidders
10 whose offers have been qualified under the criteria set forth
11 in the first solicitation.

12 (i) Alternative procedures. Notwithstanding any other
13 provision of this Act to the contrary, the Director of the
14 Illinois Power Agency may create alternative bidding
15 procedures to be used in procuring professional services under
16 subsections (a) and (c) of Section 1-75 and subsection (d) of
17 Section 1-78 of the Illinois Power Agency Act and Section
18 16-111.5(c) of the Public Utilities Act and to procure
19 renewable energy resources under Section 1-56 of the Illinois
20 Power Agency Act. These alternative procedures shall be set
21 forth together with the other criteria contained in the
22 invitation for bids, and shall appear in the appropriate volume
23 of the Illinois Procurement Bulletin.

24 (j) Reverse auction. Notwithstanding any other provision
25 of this Section and in accordance with rules adopted by the
26 chief procurement officer, that chief procurement officer may

1 procure supplies or services through a competitive electronic
2 auction bidding process after the chief procurement officer
3 determines that the use of such a process will be in the best
4 interest of the State. The chief procurement officer shall
5 publish that determination in his or her next volume of the
6 Illinois Procurement Bulletin.

7 An invitation for bids shall be issued and shall include
8 (i) a procurement description, (ii) all contractual terms,
9 whenever practical, and (iii) conditions applicable to the
10 procurement, including a notice that bids will be received in
11 an electronic auction manner.

12 Public notice of the invitation for bids shall be given in
13 the same manner as provided in subsection (c).

14 Bids shall be accepted electronically at the time and in
15 the manner designated in the invitation for bids. During the
16 auction, a bidder's price shall be disclosed to other bidders.
17 Bidders shall have the opportunity to reduce their bid prices
18 during the auction. At the conclusion of the auction, the
19 record of the bid prices received and the name of each bidder
20 shall be open to public inspection.

21 After the auction period has terminated, withdrawal of bids
22 shall be permitted as provided in subsection (f).

23 The contract shall be awarded within 60 calendar days after
24 the auction by written notice to the lowest responsible bidder,
25 or all bids shall be rejected except as otherwise provided in
26 this Code. Extensions of the date for the award may be made by

1 mutual written consent of the State purchasing officer and the
2 lowest responsible bidder.

3 This subsection does not apply to (i) procurements of
4 professional and artistic services, (ii) telecommunications
5 services, communication services, and information services,
6 and (iii) contracts for construction projects, including
7 design professional services.

8 (Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

9 Section 20-910. The Prevailing Wage Act is amended by
10 changing Section 5 as follows:

11 (820 ILCS 130/5) (from Ch. 48, par. 39s-5)

12 (Text of Section before amendment by P.A. 100-1177)

13 Sec. 5. Certified payroll.

14 (a) Any contractor and each subcontractor who participates
15 in public works shall:

16 (1) make and keep, for a period of not less than 3
17 years from the date of the last payment made before January
18 1, 2014 (the effective date of Public Act 98-328) and for a
19 period of 5 years from the date of the last payment made on
20 or after January 1, 2014 (the effective date of Public Act
21 98-328) on a contract or subcontract for public works,
22 records of all laborers, mechanics, and other workers
23 employed by them on the project; the records shall include
24 (i) the worker's name, (ii) the worker's address, (iii) the

1 worker's telephone number when available, (iv) the
2 worker's social security number, (v) the worker's
3 classification or classifications, (vi) the worker's skill
4 level, such as apprentice or journeyman, ~~(vii)~~ the
5 worker's gross and net wages paid in each pay period,
6 (viii) ~~(vii)~~ the worker's number of hours worked each day,
7 (ix) ~~(viii)~~ the worker's starting and ending times of work
8 each day, (x) ~~(ix)~~ the worker's hourly wage rate, (xi) ~~(x)~~
9 the worker's hourly overtime wage rate, (xii) ~~(xi)~~ the
10 worker's hourly fringe benefit rates, (xiii) ~~(xii)~~ the name
11 and address of each fringe benefit fund, (xiv) ~~(xiii)~~ the
12 plan sponsor of each fringe benefit, if applicable, and
13 (xv) ~~(xiv)~~ the plan administrator of each fringe benefit,
14 if applicable; and

15 (2) no later than the 15th day of each calendar month
16 file a certified payroll for the immediately preceding
17 month with the public body in charge of the project. A
18 certified payroll must be filed for only those calendar
19 months during which construction on a public works project
20 has occurred. The certified payroll shall consist of a
21 complete copy of the records identified in paragraph (1) of
22 this subsection (a), but may exclude the starting and
23 ending times of work each day. The certified payroll shall
24 be accompanied by a statement signed by the contractor or
25 subcontractor or an officer, employee, or agent of the
26 contractor or subcontractor which avers that: (i) he or she

1 has examined the certified payroll records required to be
2 submitted by the Act and such records are true and
3 accurate; (ii) the hourly rate paid to each worker is not
4 less than the general prevailing rate of hourly wages
5 required by this Act; and (iii) the contractor or
6 subcontractor is aware that filing a certified payroll that
7 he or she knows to be false is a Class A misdemeanor. A
8 general contractor is not prohibited from relying on the
9 certification of a lower tier subcontractor, provided the
10 general contractor does not knowingly rely upon a
11 subcontractor's false certification. Any contractor or
12 subcontractor subject to this Act and any officer,
13 employee, or agent of such contractor or subcontractor
14 whose duty as such officer, employee, or agent it is to
15 file such certified payroll who willfully fails to file
16 such a certified payroll on or before the date such
17 certified payroll is required by this paragraph to be filed
18 and any person who willfully files a false certified
19 payroll that is false as to any material fact is in
20 violation of this Act and guilty of a Class A misdemeanor.
21 The public body in charge of the project shall keep the
22 records submitted in accordance with this paragraph (2) of
23 subsection (a) before January 1, 2014 (the effective date
24 of Public Act 98-328) for a period of not less than 3
25 years, and the records submitted in accordance with this
26 paragraph (2) of subsection (a) on or after January 1, 2014

1 (the effective date of Public Act 98-328) for a period of 5
2 years, from the date of the last payment for work on a
3 contract or subcontract for public works. The records
4 submitted in accordance with this paragraph (2) of
5 subsection (a) shall be considered public records, except
6 an employee's address, telephone number, and social
7 security number, and made available in accordance with the
8 Freedom of Information Act. The public body shall accept
9 any reasonable submissions by the contractor that meet the
10 requirements of this Section.

11 A contractor, subcontractor, or public body may retain
12 records required under this Section in paper or electronic
13 format.

14 (b) Upon 7 business days' notice, the contractor and each
15 subcontractor shall make available for inspection and copying
16 at a location within this State during reasonable hours, the
17 records identified in paragraph (1) of subsection (a) of this
18 Section to the public body in charge of the project, its
19 officers and agents, the Director of Labor and his deputies and
20 agents, and to federal, State, or local law enforcement
21 agencies and prosecutors.

22 (c) A contractor or subcontractor who remits contributions
23 to fringe benefit funds that are jointly maintained and jointly
24 governed by one or more employers and one or more labor
25 organizations in accordance with the federal Labor Management
26 Relations Act shall make and keep certified payroll records

1 that include the information required under items (i) through
2 (ix) ~~(viii)~~ of paragraph (1) of subsection (a) only. However,
3 the information required under items (x) ~~(ix)~~ through (xv)
4 ~~(xiv)~~ of paragraph (1) of subsection (a) shall be required for
5 any contractor or subcontractor who remits contributions to a
6 fringe benefit fund that is not jointly maintained and jointly
7 governed by one or more employers and one or more labor
8 organizations in accordance with the federal Labor Management
9 Relations Act.

10 (Source: P.A. 97-571, eff. 1-1-12; 98-328, eff. 1-1-14; 98-482,
11 eff. 1-1-14; 98-756, eff. 7-16-14.)

12 (Text of Section after amendment by P.A. 100-1177)

13 Sec. 5. Certified payroll.

14 (a) Any contractor and each subcontractor who participates
15 in public works shall:

16 (1) make and keep, for a period of not less than 3
17 years from the date of the last payment made before January
18 1, 2014 (the effective date of Public Act 98-328) and for a
19 period of 5 years from the date of the last payment made on
20 or after January 1, 2014 (the effective date of Public Act
21 98-328) on a contract or subcontract for public works,
22 records of all laborers, mechanics, and other workers
23 employed by them on the project; the records shall include
24 (i) the worker's name, (ii) the worker's address, (iii) the
25 worker's telephone number when available, (iv) the last 4

1 digits of the worker's social security number, (v) the
2 worker's gender, (vi) the worker's race, (vii) the worker's
3 ethnicity, (viii) veteran status, (ix) the worker's
4 classification or classifications, (x) the worker's skill
5 level, such as apprentice or journeyman, (xi) ~~(x)~~ the
6 worker's gross and net wages paid in each pay period, (xii)
7 ~~(xi)~~ the worker's number of hours worked each day, (xiii)
8 ~~(xii)~~ the worker's starting and ending times of work each
9 day, (xiv) ~~(xiii)~~ the worker's hourly wage rate, (xv) ~~(xiv)~~
10 the worker's hourly overtime wage rate, (xvi) ~~(xv)~~ the
11 worker's hourly fringe benefit rates, (xvii) ~~(xvi)~~ the name
12 and address of each fringe benefit fund, (xviii) ~~(xvii)~~ the
13 plan sponsor of each fringe benefit, if applicable, and
14 (xix) ~~(xviii)~~ the plan administrator of each fringe
15 benefit, if applicable; and

16 (2) no later than the 15th day of each calendar month
17 file a certified payroll for the immediately preceding
18 month with the public body in charge of the project until
19 the Department of Labor activates the database created
20 under Section 5.1 at which time certified payroll shall
21 only be submitted to that database, except for projects
22 done by State agencies that opt to have contractors submit
23 certified payrolls directly to that State agency. A State
24 agency that opts to directly receive certified payrolls
25 must submit the required information in a specified
26 electronic format to the Department of Labor no later than

1 10 days after the certified payroll was filed with the
2 State agency. A certified payroll must be filed for only
3 those calendar months during which construction on a public
4 works project has occurred. The certified payroll shall
5 consist of a complete copy of the records identified in
6 paragraph (1) of this subsection (a), but may exclude the
7 starting and ending times of work each day. The certified
8 payroll shall be accompanied by a statement signed by the
9 contractor or subcontractor or an officer, employee, or
10 agent of the contractor or subcontractor which avers that:
11 (i) he or she has examined the certified payroll records
12 required to be submitted by the Act and such records are
13 true and accurate; (ii) the hourly rate paid to each worker
14 is not less than the general prevailing rate of hourly
15 wages required by this Act; and (iii) the contractor or
16 subcontractor is aware that filing a certified payroll that
17 he or she knows to be false is a Class A misdemeanor. A
18 general contractor is not prohibited from relying on the
19 certification of a lower tier subcontractor, provided the
20 general contractor does not knowingly rely upon a
21 subcontractor's false certification. Any contractor or
22 subcontractor subject to this Act and any officer,
23 employee, or agent of such contractor or subcontractor
24 whose duty as such officer, employee, or agent it is to
25 file such certified payroll who willfully fails to file
26 such a certified payroll on or before the date such

1 certified payroll is required by this paragraph to be filed
2 and any person who willfully files a false certified
3 payroll that is false as to any material fact is in
4 violation of this Act and guilty of a Class A misdemeanor.
5 The public body in charge of the project shall keep the
6 records submitted in accordance with this paragraph (2) of
7 subsection (a) before January 1, 2014 (the effective date
8 of Public Act 98-328) for a period of not less than 3
9 years, and the records submitted in accordance with this
10 paragraph (2) of subsection (a) on or after January 1, 2014
11 (the effective date of Public Act 98-328) for a period of 5
12 years, from the date of the last payment for work on a
13 contract or subcontract for public works or until the
14 Department of Labor activates the database created under
15 Section 5.1, whichever is less. After the activation of the
16 database created under Section 5.1, the Department of Labor
17 rather than the public body in charge of the project shall
18 keep the records and maintain the database. The records
19 submitted in accordance with this paragraph (2) of
20 subsection (a) shall be considered public records, except
21 an employee's address, telephone number, social security
22 number, race, ethnicity, and gender, and made available in
23 accordance with the Freedom of Information Act. The public
24 body shall accept any reasonable submissions by the
25 contractor that meet the requirements of this Section.
26 A contractor, subcontractor, or public body may retain

1 records required under this Section in paper or electronic
2 format.

3 (b) Upon 7 business days' notice, the contractor and each
4 subcontractor shall make available for inspection and copying
5 at a location within this State during reasonable hours, the
6 records identified in paragraph (1) of subsection (a) of this
7 Section to the public body in charge of the project, its
8 officers and agents, the Director of Labor and his deputies and
9 agents, and to federal, State, or local law enforcement
10 agencies and prosecutors.

11 (c) A contractor or subcontractor who remits contributions
12 to fringe benefit funds that are jointly maintained and jointly
13 governed by one or more employers and one or more labor
14 organizations in accordance with the federal Labor Management
15 Relations Act shall make and keep certified payroll records
16 that include the information required under items (i) through
17 (viii) of paragraph (1) of subsection (a) only. However, the
18 information required under items (ix) through (xv) ~~(xiv)~~ of
19 paragraph (1) of subsection (a) shall be required for any
20 contractor or subcontractor who remits contributions to a
21 fringe benefit fund that is not jointly maintained and jointly
22 governed by one or more employers and one or more labor
23 organizations in accordance with the federal Labor Management
24 Relations Act.

25 (Source: P.A. 100-1177, eff. 6-1-19.)

1 Article 25. Sports Wagering Act

2 Section 25-1. Short title. This Article may be cited as the
3 Sports Wagering Act. References in this Article to "this Act"
4 mean this Article.

5 Section 25-5. Legislative findings. The General Assembly
6 recognizes the promotion of public safety is an important
7 consideration for sports leagues, teams, players, and fans at
8 large. All persons who present sporting contests are encouraged
9 to take reasonable measures to ensure the safety and security
10 of all involved or attending sporting contests. Persons who
11 present sporting contests are encouraged to establish codes of
12 conduct that forbid all persons associated with the sporting
13 contest from engaging in violent behavior and to hire, train,
14 and equip safety and security personnel to enforce those codes
15 of conduct. Persons who present sporting contests are further
16 encouraged to provide public notice of those codes of conduct.

17 Section 25-10. Definitions. As used in this Act:

18 "Adjusted gross sports wagering receipts" means a master
19 sports wagering licensee's gross sports wagering receipts,
20 less winnings paid to wagerers in such games.

21 "Athlete" means any current or former professional athlete
22 or collegiate athlete.

23 "Board" means the Illinois Gaming Board.

1 "Covered persons" includes athletes; umpires, referees,
2 and officials; personnel associated with clubs, teams,
3 leagues, and athletic associations; medical professionals
4 (including athletic trainers) who provide services to athletes
5 and players; and the family members and associates of these
6 persons where required to serve the purposes of this Act.

7 "Department" means the Department of the Lottery.

8 "Gaming facility" means a facility at which gambling
9 operations are conducted under the Illinois Gambling Act,
10 pari-mutuel wagering is conducted under the Illinois Horse
11 Racing Act of 1975, or sports wagering is conducted under this
12 Act.

13 "Official league data" means statistics, results,
14 outcomes, and other data related to a sports event obtained
15 pursuant to an agreement with the relevant sports governing
16 body, or an entity expressly authorized by the sports governing
17 body to provide such information to licensees, that authorizes
18 the use of such data for determining the outcome of tier 2
19 sports wagers on such sports events.

20 "Organization licensee" has the meaning given to that term
21 in the Illinois Horse Racing Act of 1975.

22 "Owners licensee" means the holder of an owners license
23 under the Illinois Gambling Act.

24 "Person" means an individual, partnership, committee,
25 association, corporation, or any other organization or group of
26 persons.

1 "Personal biometric data" means an athlete's information
2 derived from DNA, heart rate, blood pressure, perspiration
3 rate, internal or external body temperature, hormone levels,
4 glucose levels, hydration levels, vitamin levels, bone
5 density, muscle density, and sleep patterns.

6 "Prohibited conduct" includes any statement, action, and
7 other communication intended to influence, manipulate, or
8 control a betting outcome of a sporting contest or of any
9 individual occurrence or performance in a sporting contest in
10 exchange for financial gain or to avoid financial or physical
11 harm. "Prohibited conduct" includes statements, actions, and
12 communications made to a covered person by a third party, such
13 as a family member or through social media. "Prohibited
14 conduct" does not include statements, actions, or
15 communications made or sanctioned by a team or sports governing
16 body.

17 "Qualified applicant" means an applicant for a license
18 under this Act whose application meets the mandatory minimum
19 qualification criteria as required by the Board.

20 "Sporting contest" means a sports event or game on which
21 the State allows sports wagering to occur under this Act.

22 "Sports event" means a professional sport or athletic
23 event, a collegiate sport or athletic event, a motor race
24 event, or any other event or competition of relative skill
25 authorized by the Board under this Act.

26 "Sports facility" means a facility that hosts sports events

1 and holds a seating capacity greater than 17,000 persons.

2 "Sports governing body" means the organization that
3 prescribes final rules and enforces codes of conduct with
4 respect to a sports event and participants therein.

5 "Sports wagering" means accepting wagers on sports events
6 or portions of sports events, or on the individual performance
7 statistics of athletes in a sports event or combination of
8 sports events, by any system or method of wagering, including,
9 but not limited to, in person or over the Internet through
10 websites and on mobile devices. "Sports wagering" includes, but
11 is not limited to, single-game bets, teaser bets, parlays,
12 over-under, moneyline, pools, exchange wagering, in-game
13 wagering, in-play bets, proposition bets, and straight bets.

14 "Sports wagering account" means a financial record
15 established by a master sports wagering licensee for an
16 individual patron in which the patron shall deposit and
17 withdraw funds within a gaming facility until issuance of the
18 first license under Section 25-45 and, thereafter, may also
19 deposit and withdraw over the Internet through websites and on
20 mobile devices for sports wagering and other authorized
21 purchases and to which the master sports wagering licensee may
22 credit winnings or other amounts due to that patron or
23 authorized by that patron.

24 "Tier 1 sports wager" means a sports wager that is
25 determined solely by the final score or final outcome of the
26 sports event and is placed before the sports event has begun.

1 "Tier 2 sports wager" means a sports wager that is not a
2 tier 1 sports wager.

3 "Wager" means a sum of money or thing of value risked on an
4 uncertain occurrence.

5 "Winning bidder" means a qualified applicant for a master
6 sports wagering license chosen through the competitive
7 selection process under Section 25-45.

8 Section 25-15. Board duties and powers.

9 (a) Except for sports wagering conducted under Section
10 25-70, the Board shall have the authority to regulate the
11 conduct of sports wagering under this Act.

12 (b) The Board may adopt any rules the Board considers
13 necessary for the successful implementation, administration,
14 and enforcement of this Act, except for Section 25-70. Rules
15 proposed by the Board may be adopted as emergency rules
16 pursuant to Section 5-45 of the Illinois Administrative
17 Procedure Act.

18 (c) The Board shall levy and collect all fees, surcharges,
19 civil penalties, and monthly taxes on adjusted gross sports
20 wagering receipts imposed by this Act and deposit all moneys
21 into the Sports Wagering Fund, except as otherwise provided
22 under this Act.

23 (d) The Board may exercise any other powers necessary to
24 enforce the provisions of this Act that it regulates and the
25 rules of the Board.

1 (e) The Board shall adopt rules for a license to be
2 employed by a master sports wagering licensee when the employee
3 works in a designated gaming area that has sports wagering or
4 performs duties in furtherance of or associated with the
5 operation of sports wagering by the master sports wagering
6 licensee (occupational license), which shall require an annual
7 license fee of \$250. License fees shall be deposited into the
8 State Gaming Fund and used for the administration of this Act.

9 (f) The Board may require that licensees share, in real
10 time and at the sports wagering account level, information
11 regarding a wagerer, amount and type of wager, the time the
12 wager was placed, the location of the wager, including the
13 Internet protocol address, if applicable, the outcome of the
14 wager, and records of abnormal wagering activity. Information
15 shared under this subsection (f) must be submitted in the form
16 and manner as required by rule. If a sports governing body has
17 notified the Board that real-time information sharing for
18 wagers placed on its sports events is necessary and desirable,
19 licensees may share the same information in the form and manner
20 required by the Board by rule with the sports governing body or
21 its designee with respect to wagers on its sports events
22 subject to applicable federal, State, or local laws or
23 regulations, including, without limitation, privacy laws and
24 regulations. Such information may be provided in anonymized
25 form and may be used by a sports governing body solely for
26 integrity purposes. For purposes of this subsection (f),

1 "real-time" means a commercially reasonable periodic interval.

2 (g) A master sports wagering licensee, professional sports
3 team, league, or association, sports governing body, or
4 institution of higher education may submit to the Board in
5 writing a request to prohibit a type or form of wagering if the
6 master sports wagering licensee, professional sports team,
7 league, or association, sports governing body, or institution
8 of higher education believes that such wagering by type or form
9 is contrary to public policy, unfair to consumers, or affects
10 the integrity of a particular sport or the sports betting
11 industry. The Board shall grant the request upon a
12 demonstration of good cause from the requester and consultation
13 with licensees. The Board shall respond to a request pursuant
14 to this subsection (g) concerning a particular event before the
15 start of the event or, if it is not feasible to respond before
16 the start of the event, as soon as practicable.

17 (h) The Board and master sports wagering licensees may
18 cooperate with investigations conducted by sports governing
19 bodies or law enforcement agencies, including, but not limited
20 to, providing and facilitating the provision of account-level
21 betting information and audio or video files relating to
22 persons placing wagers.

23 (i) A master sports wagering licensee shall make
24 commercially reasonable efforts to promptly notify the Board
25 any information relating to:

26 (1) criminal or disciplinary proceedings commenced

1 against the master sports wagering licensee in connection
2 with its operations;

3 (2) abnormal wagering activity or patterns that may
4 indicate a concern with the integrity of a sports event or
5 sports events;

6 (3) any potential breach of the relevant sports
7 governing body's internal rules and codes of conduct
8 pertaining to sports wagering that a licensee has knowledge
9 of;

10 (4) any other conduct that corrupts a wagering outcome
11 of a sports event or sports events for purposes of
12 financial gain, including match fixing; and

13 (5) suspicious or illegal wagering activities,
14 including use of funds derived from illegal activity,
15 wagers to conceal or launder funds derived from illegal
16 activity, using agents to place wagers, and using false
17 identification.

18 A master sports wagering licensee shall also make
19 commercially reasonable efforts to promptly report information
20 relating to conduct described in paragraphs (2), (3), and (4)
21 of this subsection (i) to the relevant sports governing body.

22 Section 25-20. Licenses required.

23 (a) No person may engage in any activity in connection with
24 sports wagering in this State unless all necessary licenses
25 have been obtained in accordance with this Act and the rules of

1 the Board and the Department. The following licenses shall be
2 issued under this Act:

- 3 (1) master sports wagering license;
- 4 (2) occupational license;
- 5 (3) supplier license;
- 6 (4) management services provider license
- 7 (5) tier 2 official league data provider license; and
- 8 (6) central system provider license.

9 No person or entity may engage in a sports wagering
10 operation or activity without first obtaining the appropriate
11 license.

12 (b) An applicant for a license issued under this Act shall
13 submit an application to the Board in the form the Board
14 requires. The applicant shall submit fingerprints for a
15 national criminal records check by the Department of State
16 Police and the Federal Bureau of Investigation. The
17 fingerprints shall be furnished by the applicant's officers and
18 directors (if a corporation), members (if a limited liability
19 company), and partners (if a partnership). The fingerprints
20 shall be accompanied by a signed authorization for the release
21 of information by the Federal Bureau of Investigation. The
22 Board may require additional background checks on licensees
23 when they apply for license renewal, and an applicant convicted
24 of a disqualifying offense shall not be licensed.

25 (c) Each master sports wagering licensee shall display the
26 license conspicuously in the licensee's place of business or

1 have the license available for inspection by an agent of the
2 Board or a law enforcement agency.

3 (d) Each holder of an occupational license shall carry the
4 license and have some indicia of licensure prominently
5 displayed on his or her person when present in a gaming
6 facility licensed under this Act at all times, in accordance
7 with the rules of the Board.

8 (e) Each person licensed under this Act shall give the
9 Board written notice within 30 days after a material change to
10 information provided in the licensee's application for a
11 license or renewal.

12 Section 25-25. Sports wagering authorized.

13 (a) Notwithstanding any provision of law to the contrary,
14 the operation of sports wagering is only lawful when conducted
15 in accordance with the provisions of this Act and the rules of
16 the Illinois Gaming Board and the Department of the Lottery.

17 (b) A person placing a wager under this Act shall be at
18 least 21 years of age.

19 (c) A licensee under this Act may not accept a wager on a
20 minor league sports event.

21 (d) A licensee under this Act may not accept a wager for a
22 sports event involving an Illinois collegiate team.

23 (e) A licensee under this Act may only accept a wager from
24 a person physically located in the State.

25 (f) Master sports wagering licensees may use any data

1 source for determining the results of all tier 1 sports wagers.

2 (g) A sports governing body headquartered in the United
3 States may notify the Board that it desires to supply official
4 league data to master sports wagering licensees for determining
5 the results of tier 2 sports wagers. Such notification shall be
6 made in the form and manner as the Board may require. If a
7 sports governing body does not notify the Board of its desire
8 to supply official league data, a master sports wagering
9 licensee may use any data source for determining the results of
10 any and all tier 2 sports wagers on sports contests for that
11 sports governing body.

12 Within 30 days of a sports governing body notifying the
13 Board, master sports wagering licensees shall use only official
14 league data to determine the results of tier 2 sports wagers on
15 sports events sanctioned by that sports governing body, unless:
16 (1) the sports governing body or designee cannot provide a feed
17 of official league data to determine the results of a
18 particular type of tier 2 sports wager, in which case master
19 sports wagering licensees may use any data source for
20 determining the results of the applicable tier 2 sports wager
21 until such time as such data feed becomes available on
22 commercially reasonable terms; or (2) a master sports wagering
23 licensee can demonstrate to the Board that the sports governing
24 body or its designee cannot provide a feed of official league
25 data to the master sports wagering licensee on commercially
26 reasonable terms. During the pendency of the Board's

1 determination, such master sports wagering licensee may use any
2 data source for determining the results of any and all tier 2
3 sports wagers.

4 (h) A licensee under this Act may not accept wagers on a
5 kindergarten through 12th grade sports event.

6 Section 25-30. Master sports wagering license issued to an
7 organization licensee.

8 (a) An organization licensee may apply to the Board for a
9 master sports wagering license. To the extent permitted by
10 federal and State law, the Board shall actively seek to achieve
11 racial, ethnic, and geographic diversity when issuing master
12 sports wagering licenses to organization licensees and
13 encourage minority-owned businesses, women-owned businesses,
14 veteran-owned businesses, and businesses owned by persons with
15 disabilities to apply for licensure. Additionally, the report
16 published under subsection (m) of Section 25-45 shall impact
17 the issuance of the master sports wagering license to the
18 extent permitted by federal and State law.

19 For the purposes of this subsection (a), "minority-owned
20 business", "women-owned business", and "business owned by
21 persons with disabilities" have the meanings given to those
22 terms in Section 2 of the Business Enterprise for Minorities,
23 Women, and Persons with Disabilities Act.

24 (b) Except as otherwise provided in this subsection (b),
25 the initial license fee for a master sports wagering license

1 for an organization licensee is 5% of its handle from the
2 preceding calendar year or the lowest amount that is required
3 to be paid as an initial license fee by an owners licensee
4 under subsection (b) of Section 25-35, whichever is greater. No
5 initial license fee shall exceed \$10,000,000. An organization
6 licensee licensed on the effective date of this Act shall pay
7 the initial master sports wagering license fee by July 1, 2020.
8 For an organization licensee licensed after the effective date
9 of this Act, the master sports wagering license fee shall be
10 \$5,000,000, but the amount shall be adjusted 12 months after
11 the organization licensee begins racing operations based on 5%
12 of its handle from the first 12 months of racing operations.
13 The master sports wagering license is valid for 4 years.

14 (c) The organization licensee may renew the master sports
15 wagering license for a period of 4 years by paying a \$1,000,000
16 renewal fee to the Board.

17 (d) An organization licensee issued a master sports
18 wagering license may conduct sports wagering:

19 (1) at its facility at which inter-track wagering is
20 conducted pursuant to an inter-track wagering license
21 under the Illinois Horse Racing Act of 1975;

22 (2) at 3 inter-track wagering locations if the
23 inter-track wagering location licensee from which it
24 derives its license is an organization licensee that is
25 issued a master sports wagering license; and

26 (3) over the Internet or through a mobile application.

1 (e) The sports wagering offered over the Internet or
2 through a mobile application shall only be offered under the
3 same brand as the organization licensee is operating under.

4 (f) Until issuance of the first license under Section
5 25-45, an individual must register in person at a facility
6 under paragraph (1) or (2) of subsection (d) to participate in
7 sports wagering offered over the Internet or through a mobile
8 application.

9 Section 25-35. Master sports wagering license issued to an
10 owners licensee.

11 (a) An owners licensee may apply to the Board for a master
12 sports wagering license. To the extent permitted by federal and
13 State law, the Board shall actively seek to achieve racial,
14 ethnic, and geographic diversity when issuing master sports
15 wagering licenses to owners licensees and encourage
16 minority-owned businesses, women-owned businesses,
17 veteran-owned businesses, and businesses owned by persons with
18 disabilities to apply for licensure. Additionally, the report
19 published under subsection (m) of Section 25-45 shall impact
20 the issuance of the master sports wagering license to the
21 extent permitted by federal and State law.

22 For the purposes of this subsection (a), "minority-owned
23 business", "women-owned business", and "business owned by
24 persons with disabilities" have the meanings given to those
25 terms in Section 2 of the Business Enterprise for Minorities,

1 Women, and Persons with Disabilities Act.

2 (b) Except as otherwise provided in subsection (b-5), the
3 initial license fee for a master sports wagering license for an
4 owners licensee is 5% of its adjusted gross receipts from the
5 preceding calendar year. No initial license fee shall exceed
6 \$10,000,000. An owners licensee licensed on the effective date
7 of this Act shall pay the initial master sports wagering
8 license fee by July 1, 2020. The master sports wagering license
9 is valid for 4 years.

10 (b-5) For an owners licensee licensed after the effective
11 date of this Act, the master sports wagering license fee shall
12 be \$5,000,000, but the amount shall be adjusted 12 months after
13 the owners licensee begins gambling operations under the
14 Illinois Gambling Act based on 5% of its adjusted gross
15 receipts from the first 12 months of gambling operations. The
16 master sports wagering license is valid for 4 years.

17 (c) The owners licensee may renew the master sports
18 wagering license for a period of 4 years by paying a \$1,000,000
19 renewal fee to the Board.

20 (d) An owners licensee issued a master sports wagering
21 license may conduct sports wagering:

22 (1) at its facility in this State that is authorized to
23 conduct gambling operations under the Illinois Gambling
24 Act; and

25 (2) over the Internet or through a mobile application.

26 (e) The sports wagering offered over the Internet or

1 through a mobile application shall only be offered under the
2 same brand as the owners licensee is operating under.

3 (f) Until issuance of the first license under Section
4 25-45, an individual must register in person at a facility
5 under paragraph (1) of subsection (d) to participate in sports
6 wagering offered over the Internet or through a mobile
7 application.

8 Section 25-40. Master sports wagering license issued to a
9 sports facility.

10 (a) As used in this Section, "designee" means a master
11 sports wagering licensee under Section 25-30, 25-35, or 25-45
12 or a management services provider licensee.

13 (b) A sports facility or a designee contracted to operate
14 sports wagering at or within a 5-block radius of the sports
15 facility may apply to the Board for a master sports wagering
16 license. To the extent permitted by federal and State law, the
17 Board shall actively seek to achieve racial, ethnic, and
18 geographic diversity when issuing master sports wagering
19 licenses to sports facilities or their designees and encourage
20 minority-owned businesses, women-owned businesses,
21 veteran-owned businesses, and businesses owned by persons with
22 disabilities to apply for licensure. Additionally, the report
23 published under subsection (m) of Section 25-45 shall impact
24 the issuance of the master sports wagering license to the
25 extent permitted by federal and State law.

1 For the purposes of this subsection (b), "minority-owned
2 business", "women-owned business", and "business owned by
3 persons with disabilities" have the meanings given to those
4 terms in Section 2 of the Business Enterprise for Minorities,
5 Women, and Persons with Disabilities Act.

6 (c) The Board may issue up to 7 master sports wagering
7 licenses to sports facilities or their designees that meet the
8 requirements for licensure as determined by rule by the Board.
9 If more than 7 qualified applicants apply for a master sports
10 wagering license under this Section, the licenses shall be
11 granted in the order in which the applications were received.
12 If a license is denied, revoked, or not renewed, the Board may
13 begin a new application process and issue a license under this
14 Section in the order in which the application was received.

15 (d) The initial license fee for a master sports wagering
16 license for a sports facility is \$10,000,000. The master sports
17 wagering license is valid for 4 years.

18 (e) The sports facility or its designee may renew the
19 master sports wagering license for a period of 4 years by
20 paying a \$1,000,000 renewal fee to the Board.

21 (f) A sports facility or its designee issued a master
22 sports wagering license may conduct sports wagering at or
23 within a 5-block radius of the sports facility.

24 (g) A sports facility or its designee issued a master
25 sports wagering license may conduct sports wagering over the
26 Internet within the sports facility or within a 5-block radius

1 of the sports facility.

2 (h) The sports wagering offered by a sports facility or its
3 designee over the Internet or through a mobile application
4 shall be offered under the same brand as the sports facility is
5 operating under, the brand the designee is operating under, or
6 a combination thereof.

7 (i) Until issuance of the first license under Section
8 25-45, an individual must register in person at a sports
9 facility or the designee's facility to participate in sports
10 wagering offered over the Internet or through a mobile
11 application.

12 Section 25-45. Master sports wagering license issued to an
13 online sports wagering operator.

14 (a) The Board shall issue 3 master sports wagering licenses
15 to online sports wagering operators for a nonrefundable license
16 fee of \$20,000,000 pursuant to an open and competitive
17 selection process. The master sports wagering license issued
18 under this Section may be renewed every 4 years upon payment of
19 a \$1,000,000 renewal fee. To the extent permitted by federal
20 and State law, the Board shall actively seek to achieve racial,
21 ethnic, and geographic diversity when issuing master sports
22 wagering licenses under this Section and encourage
23 minority-owned businesses, women-owned businesses,
24 veteran-owned businesses, and businesses owned by persons with
25 disabilities to apply for licensure.

1 For the purposes of this subsection (a), "minority-owned
2 business", "women-owned business", and "business owned by
3 persons with disabilities" have the meanings given to those
4 terms in Section 2 of the Business Enterprise for Minorities,
5 Women, and Persons with Disabilities Act.

6 (b) Applications for the initial competitive selection
7 occurring after the effective date of this Act shall be
8 received by the Board within 540 days after the first license
9 is issued under this Act to qualify. The Board shall announce
10 the winning bidders for the initial competitive selection
11 within 630 days after the first license is issued under this
12 Act, and this time frame may be extended at the discretion of
13 the Board.

14 (c) The Board shall provide public notice of its intent to
15 solicit applications for master sports wagering licenses under
16 this Section by posting the notice, application instructions,
17 and materials on its website for at least 30 calendar days
18 before the applications are due. Failure by an applicant to
19 submit all required information may result in the application
20 being disqualified. The Board may notify an applicant that its
21 application is incomplete and provide an opportunity to cure by
22 rule. Application instructions shall include a brief overview
23 of the selection process and how applications are scored.

24 (d) To be eligible for a master sports wagering license
25 under this Section, an applicant must: (1) be at least 21 years
26 of age; (2) not have been convicted of a felony offense or a

1 violation of Article 28 of the Criminal Code of 1961 or the
2 Criminal Code of 2012 or a similar statute of any other
3 jurisdiction; (3) not have been convicted of a crime involving
4 dishonesty or moral turpitude; (4) have demonstrated a level of
5 skill or knowledge that the Board determines to be necessary in
6 order to operate sports wagering; and (5) have met standards
7 for the holding of a license as adopted by rules of the Board.

8 The Board may adopt rules to establish additional
9 qualifications and requirements to preserve the integrity and
10 security of sports wagering in this State and to promote and
11 maintain a competitive sports wagering market. After the close
12 of the application period, the Board shall determine whether
13 the applications meet the mandatory minimum qualification
14 criteria and conduct a comprehensive, fair, and impartial
15 evaluation of all qualified applications.

16 (e) The Board shall open all qualified applications in a
17 public forum and disclose the applicants' names. The Board
18 shall summarize the terms of the proposals and make the
19 summaries available to the public on its website.

20 (f) Not more than 90 days after the publication of the
21 qualified applications, the Board shall identify the winning
22 bidders. In granting the licenses, the Board may give favorable
23 consideration to qualified applicants presenting plans that
24 provide for economic development and community engagement. To
25 the extent permitted by federal and State law, the Board may
26 give favorable consideration to qualified applicants

1 demonstrating commitment to diversity in the workplace.

2 (g) Upon selection of the winning bidders, the Board shall
3 have a reasonable period of time to ensure compliance with all
4 applicable statutory and regulatory criteria before issuing
5 the licenses. If the Board determines a winning bidder does not
6 satisfy all applicable statutory and regulatory criteria, the
7 Board shall select another bidder from the remaining qualified
8 applicants.

9 (h) Nothing in this Section is intended to confer a
10 property or other right, duty, privilege, or interest entitling
11 an applicant to an administrative hearing upon denial of an
12 application.

13 (i) Upon issuance of a master sports wagering license to a
14 winning bidder, the information and plans provided in the
15 application become a condition of the license. A master sports
16 wagering licensee under this Section has a duty to disclose any
17 material changes to the application. Failure to comply with the
18 conditions or requirements in the application may subject the
19 master sports wagering licensee under this Section to
20 discipline, including, but not limited to, fines, suspension,
21 and revocation of its license, pursuant to rules adopted by the
22 Board.

23 (j) The Board shall disseminate information about the
24 licensing process through media demonstrated to reach large
25 numbers of business owners and entrepreneurs who are
26 minorities, women, veterans, and persons with disabilities.

1 (k) The Department of Commerce and Economic Opportunity, in
2 conjunction with the Board, shall conduct ongoing, thorough,
3 and comprehensive outreach to businesses owned by minorities,
4 women, veterans, and persons with disabilities about
5 contracting and entrepreneurial opportunities in sports
6 wagering. This outreach shall include, but not be limited to:

7 (1) cooperating and collaborating with other State
8 boards, commissions, and agencies; public and private
9 universities and community colleges; and local governments
10 to target outreach efforts; and

11 (2) working with organizations serving minorities,
12 women, and persons with disabilities to establish and
13 conduct training for employment in sports wagering.

14 (1) The Board shall partner with the Department of Labor,
15 the Department of Financial and Professional Regulation, and
16 the Department of Commerce and Economic Opportunity to identify
17 employment opportunities within the sports wagering industry
18 for job seekers and dislocated workers.

19 (m) By March 1, 2020, the Board shall prepare a request for
20 proposals to conduct a study of the online sports wagering
21 industry and market to determine whether there is a compelling
22 interest in implementing remedial measures, including the
23 application of the Business Enterprise Program under the
24 Business Enterprise for Minorities, Women, and Persons with
25 Disabilities Act or a similar program to assist minorities,
26 women, and persons with disabilities in the sports wagering

1 industry.

2 As a part of the study, the Board shall evaluate race and
3 gender-neutral programs or other methods that may be used to
4 address the needs of minority and women applicants and
5 minority-owned and women-owned businesses seeking to
6 participate in the sports wagering industry. The Board shall
7 submit to the General Assembly and publish on its website the
8 results of this study by August 1, 2020.

9 If, as a result of the study conducted under this
10 subsection (m), the Board finds that there is a compelling
11 interest in implementing remedial measures, the Board may adopt
12 rules, including emergency rules, to implement remedial
13 measures, if necessary and to the extent permitted by State and
14 federal law, based on the findings of the study conducted under
15 this subsection (m).

16 Section 25-50. Supplier license.

17 (a) The Board may issue a supplier license to a person to
18 sell or lease sports wagering equipment, systems, or other
19 gaming items to conduct sports wagering and offer services
20 related to the equipment or other gaming items and data to a
21 master sports wagering licensee while the license is active.

22 (b) The Board may adopt rules establishing additional
23 requirements for a supplier and any system or other equipment
24 utilized for sports wagering. The Board may accept licensing by
25 another jurisdiction that it specifically determines to have

1 similar licensing requirements as evidence the applicant meets
2 supplier licensing requirements.

3 (c) An applicant for a supplier license shall demonstrate
4 that the equipment, system, or services that the applicant
5 plans to offer to the master sports wagering licensee conforms
6 to standards established by the Board and applicable State law.
7 The Board may accept approval by another jurisdiction that it
8 specifically determines have similar equipment standards as
9 evidence the applicant meets the standards established by the
10 Board and applicable State law.

11 (d) Applicants shall pay to the Board a nonrefundable
12 license and application fee in the amount of \$150,000. After
13 the initial 4-year term, the Board shall renew supplier
14 licenses annually thereafter. Renewal of a supplier license
15 shall be granted to a renewal applicant who has continued to
16 comply with all applicable statutory and regulatory
17 requirements, upon submission of the Board-issued renewal form
18 and payment of a \$150,000 renewal fee.

19 (e) A supplier shall submit to the Board a list of all
20 sports wagering equipment and services sold, delivered, or
21 offered to a master sports wagering licensee in this State, as
22 required by the Board, all of which must be tested and approved
23 by an independent testing laboratory approved by the Board. A
24 master sports wagering licensee may continue to use supplies
25 acquired from a licensed supplier, even if a supplier's license
26 expires or is otherwise canceled, unless the Board finds a

1 defect in the supplies.

2 Section 25-55. Management services provider license.

3 (a) A master sports wagering licensee may contract with an
4 entity to conduct that operation in accordance with the rules
5 of the Board and the provisions of this Act. That entity shall
6 obtain a license as a management services provider before the
7 execution of any such contract, and the management services
8 provider license shall be issued pursuant to the provisions of
9 this Act and any rules adopted by the Board.

10 (b) Each applicant for a management services provider
11 license shall meet all requirements for licensure and pay a
12 nonrefundable license and application fee of \$1,000,000. The
13 Board may adopt rules establishing additional requirements for
14 an authorized management services provider. The Board may
15 accept licensing by another jurisdiction that it specifically
16 determines to have similar licensing requirements as evidence
17 the applicant meets authorized management services provider
18 licensing requirements.

19 (c) Management services provider licenses shall be renewed
20 every 4 years to licensees who continue to be in compliance
21 with all requirements and who pay the renewal fee of \$500,000.

22 (d) A person who shares in revenue shall be licensed under
23 this Section.

24 Section 25-60. Tier 2 official league data provider

1 license.

2 (a) A sports governing body or a sports league,
3 organization, or association may apply to the Board for a tier
4 2 official league data provider license.

5 (b) A tier 2 official league data provider licensee may
6 provide a master sports wagering licensee with official league
7 data for tier 2 sports wagers. No sports governing body or
8 sports league, organization, or association may provide tier 2
9 official league data to a master sports wagering licensee
10 without a tier 2 official league data provider license.

11 (c) The initial license fee for a tier 2 official league
12 data provider license is payable to the Board at the end of the
13 first year of licensure based on the amount of data sold to
14 master sports wagering licensees as official league data as
15 follows:

16 (1) for data sales up to and including \$500,000, the
17 fee is \$30,000;

18 (2) for data sales in excess of \$500,000 and up to and
19 including \$750,000, the fee is \$60,000;

20 (3) for data sales in excess of \$750,000 and up to and
21 including \$1,000,000, the fee is \$125,000;

22 (4) for data sales in excess of \$1,000,000 and up to
23 and including \$1,500,000, the fee is \$250,000;

24 (5) for data sales in excess of \$1,500,000 and up to
25 and including \$2,000,000, the fee is \$375,000; and

26 (6) for data sales in excess of \$2,000,000, the fee is

1 \$500,000.

2 The license is valid for 3 years.

3 (d) The tier 2 official league data provider licensee may
4 renew the license for 3 years by paying a renewal fee to the
5 Board based on the amount of data sold to master sports
6 wagering licensees as official league data in the immediately
7 preceding year as provided in paragraphs (1) through (6) of
8 subsection (c).

9 Section 25-65. Sports wagering at a sports facility. Sports
10 wagering may be offered in person at or within a 5-block radius
11 of a sports facility if sports wagering is offered by a
12 designee, as defined in Section 25-40, and that designee has
13 received written authorization from the relevant sports
14 governing body that plays its home contests at the sports
15 facility. If more than one professional sports team plays its
16 home contests at the same sports facility, written
17 authorization is required from all relevant sports governing
18 bodies of those professional sports teams that play home
19 contests at the sports facility.

20 Section 25-70. Lottery sports wagering pilot program.

21 (a) As used in this Section:

22 "Central system" means the hardware, software,
23 peripherals, and network components provided by the
24 Department's central system provider that link and support all

1 required sports lottery terminals and the central site and that
2 are unique and separate from the lottery central system for
3 draw and instant games.

4 "Central system provider" means an individual,
5 partnership, corporation, or limited liability company that
6 has been licensed for the purpose of providing and maintaining
7 a central system and the related management facilities
8 specifically for the management of sports lottery terminals.

9 "Electronic card" means a card purchased from a lottery
10 retailer.

11 "Lottery retailer" means a location licensed by the
12 Department to sell lottery tickets or shares.

13 "Sports lottery systems" means systems provided by the
14 central system provider consisting of sports wagering
15 products, risk management, operations, and support services.

16 "Sports lottery terminal" means a terminal linked to the
17 central system in which bills or coins are deposited or an
18 electronic card is inserted in order to place wagers on a
19 sports event and lottery offerings.

20 (b) The Department shall issue one central system provider
21 license pursuant to an open and competitive bidding process
22 that uses the following procedures:

23 (1) The Department shall make applications for the
24 central system provider license available to the public and
25 allow a reasonable time for applicants to submit
26 applications to the Department.

1 (2) During the filing period for central system
2 provider license applications, the Department may retain
3 professional services to assist the Department in
4 conducting the open and competitive bidding process.

5 (3) After receiving all of the bid proposals, the
6 Department shall open all of the proposals in a public
7 forum and disclose the prospective central system provider
8 names and venture partners, if any.

9 (4) The Department shall summarize the terms of the bid
10 proposals and may make this summary available to the
11 public.

12 (5) The Department shall evaluate the bid proposals
13 within a reasonable time and select no more than 3 final
14 applicants to make presentations of their bid proposals to
15 the Department.

16 (6) The final applicants shall make their
17 presentations to the Department on the same day during an
18 open session of the Department.

19 (7) As soon as practicable after the public
20 presentations by the final applicants, the Department, in
21 its discretion, may conduct further negotiations among the
22 3 final applicants. At the conclusion of such negotiations,
23 the Department shall select the winning bid.

24 (8) Upon selection of the winning bid, the Department
25 shall evaluate the winning bid within a reasonable period
26 of time for licensee suitability in accordance with all

1 applicable statutory and regulatory criteria.

2 (9) If the winning bidder is unable or otherwise fails
3 to consummate the transaction, (including if the
4 Department determines that the winning bidder does not
5 satisfy the suitability requirements), the Department may,
6 on the same criteria, select from the remaining bidders.

7 (10) The winning bidder shall pay \$20,000,000 to the
8 Department upon being issued the central system provider
9 license.

10 (c) Every sports lottery terminal offered in this State for
11 play shall first be tested and approved pursuant to the rules
12 of the Department, and each sports lottery terminal offered in
13 this State for play shall conform to an approved model. For the
14 examination of sports lottery terminals and associated
15 equipment as required by this Section, the central system
16 provider may utilize the services of one or more independent
17 outside testing laboratories that have been accredited by a
18 national accreditation body and that, in the judgment of the
19 Department, are qualified to perform such examinations. Every
20 sports lottery terminal offered in this State for play must
21 meet minimum standards set by an independent outside testing
22 laboratory approved by the Department.

23 (d) During the first 360 days after the effective date of
24 this Act, sport lottery terminals may be placed in no more than
25 2,500 Lottery retail locations in the State. Sports lottery
26 terminals may be placed in an additional 2,500 Lottery retail

1 locations during the second year after the effective date of
2 this Act.

3 (e) A sports lottery terminal may not directly dispense
4 coins, cash, tokens, or any other article of exchange or value
5 except for receipt tickets. Tickets shall be dispensed by
6 pressing the ticket dispensing button on the sports lottery
7 terminal at the end of the placement of one's wager or wagers.
8 The ticket shall indicate the total amount wagered, odds for
9 each wager placed, and the cash award for each bet placed, the
10 time of day in a 24-hour format showing hours and minutes, the
11 date, the terminal serial number, the sequential number of the
12 ticket, and an encrypted validation number from which the
13 validity of the prize may be determined. The player shall turn
14 in this ticket to the appropriate person at a lottery retailer
15 to receive the cash award.

16 (f) No lottery retailer may cause or permit any person
17 under the age of 21 years to use a sports lottery terminal or
18 sports wagering application. A lottery retailer who knowingly
19 causes or permits a person under the age of 21 years to use a
20 sports lottery terminal or sports wagering application is
21 guilty of a business offense and shall be fined an amount not
22 to exceed \$5,000.

23 (g) A sports lottery terminal shall only accept parlay
24 wagers and fixed odds parlay wagers. The Department shall, by
25 rule, establish the total amount, as a percentage, of all
26 wagers placed that a lottery retailer may retain.

1 (h) The Department shall have jurisdiction over and shall
2 supervise all lottery sports wagering operations governed by
3 this Section. The Department shall have all powers necessary
4 and proper to fully and effectively execute the provisions of
5 this Section, including, but not limited to, the following:

6 (1) To investigate applicants and determine the
7 eligibility of applicants for licenses and to select among
8 competing applicants the applicants which best serve the
9 interests of the citizens of Illinois.

10 (2) To have jurisdiction and supervision over all
11 lottery sports wagering operations in this State.

12 (3) To adopt rules for the purpose of administering the
13 provisions of this Section and to adopt rules and
14 conditions under which all lottery sports wagering in the
15 State shall be conducted. Such rules are to provide for the
16 prevention of practices detrimental to the public interest
17 and for the best interests of lottery sports wagering,
18 including rules (i) regarding the inspection of such
19 licensees necessary to operate a lottery retailer under any
20 laws or rules applicable to licensees, (ii) to impose
21 penalties for violations of the Act and its rules, and
22 (iii) establishing standards for advertising lottery
23 sports wagering.

24 (i) The Department shall adopt emergency rules to
25 administer this Section in accordance with Section 5-45 of the
26 Illinois Administrative Procedure Act. For the purposes of the

1 Illinois Administrative Procedure Act, the General Assembly
2 finds that the adoption of rules to implement this Section is
3 deemed an emergency and necessary to the public interest,
4 safety, and welfare.

5 (j) For the privilege of operating lottery sports wagering
6 under this Section, all proceeds minus net of proceeds returned
7 to players shall be electronically transferred daily or weekly,
8 at the discretion of the Director of the Lottery, into the
9 State Lottery Fund. After amounts owed to the central system
10 provider and licensed agents, as determined by the Department,
11 are paid from the moneys deposited into the State Lottery Fund
12 under this subsection, the remainder shall be transferred on
13 the 15th of each month to the Capital Projects Fund.

14 (k) This Section is repealed on January 1, 2024.

15 Section 25-75. Reporting prohibited conduct;
16 investigations of prohibited conduct.

17 (a) The Board shall establish a hotline or other method of
18 communication that allows any person to confidentially report
19 information about prohibited conduct to the Board.

20 (b) The Board shall investigate all reasonable allegations
21 of prohibited conduct and refer any allegations it deems
22 credible to the appropriate law enforcement entity.

23 (c) The identity of any reporting person shall remain
24 confidential unless that person authorizes disclosure of his or
25 her identity or until such time as the allegation of prohibited

1 conduct is referred to law enforcement.

2 (d) If the Board receives a complaint of prohibited conduct
3 by an athlete, the Board shall notify the appropriate sports
4 governing body of the athlete to review the complaint as
5 provided by rule.

6 (e) The Board shall adopt emergency rules to administer
7 this Section in accordance with Section 5-45 of the Illinois
8 Administrative Procedure Act.

9 (f) The Board shall adopt rules governing investigations of
10 prohibited conduct and referrals to law enforcement entities.

11 Section 25-80. Personal biometric data. A master sports
12 wagering licensee shall not purchase or use any personal
13 biometric data of an athlete unless the master sports wagering
14 licensee has received written permission from the athlete's
15 exclusive bargaining representative.

16 Section 25-85. Supplier diversity goals for sports
17 wagering.

18 (a) As used in this Section only, "licensee" means a
19 licensee under this Act other than an occupational licensee.

20 (b) The public policy of this State is to collaboratively
21 work with companies that serve Illinois residents to improve
22 their supplier diversity in a non-antagonistic manner.

23 (c) The Board and the Department shall require all
24 licensees under this Act to submit an annual report by April

1 15, 2020 and every April 15 thereafter, in a searchable Adobe
2 PDF format, on all procurement goals and actual spending for
3 businesses owned by women, minorities, veterans, and persons
4 with disabilities and small business enterprises in the
5 previous calendar year. These goals shall be expressed as a
6 percentage of the total work performed by the entity submitting
7 the report, and the actual spending for all businesses owned by
8 women, minorities, veterans, and persons with disabilities and
9 small business enterprises shall also be expressed as a
10 percentage of the total work performed by the entity submitting
11 the report.

12 (d) Each licensee in its annual report shall include the
13 following information:

14 (1) an explanation of the plan for the next year to
15 increase participation;

16 (2) an explanation of the plan to increase the goals;

17 (3) the areas of procurement each licensee shall be
18 actively seeking more participation in the next year;

19 (4) an outline of the plan to alert and encourage
20 potential vendors in that area to seek business from the
21 licensee;

22 (5) an explanation of the challenges faced in finding
23 quality vendors and offer any suggestions for what the
24 Board could do to be helpful to identify those vendors;

25 (6) a list of the certifications the licensee
26 recognizes;

1 (7) the point of contact for any potential vendor who
2 wishes to do business with the licensee and explain the
3 process for a vendor to enroll with the licensee as a
4 businesses owned by women, minorities, veterans, or
5 persons with disabilities; and

6 (8) any particular success stories to encourage other
7 licensee to emulate best practices.

8 (e) Each annual report shall include as much State-specific
9 data as possible. If the submitting entity does not submit
10 State-specific data, then the licensee shall include any
11 national data it does have and explain why it could not submit
12 State-specific data and how it intends to do so in future
13 reports, if possible.

14 (f) Each annual report shall include the rules,
15 regulations, and definitions used for the procurement goals in
16 the licensee's annual report.

17 (g) The Board, Department, and all licensees shall hold an
18 annual workshop and job fair open to the public in 2020 and
19 every year thereafter on the state of supplier diversity to
20 collaboratively seek solutions to structural impediments to
21 achieving stated goals, including testimony from each licensee
22 as well as subject matter experts and advocates. The Board and
23 Department shall publish a database on their websites of the
24 point of contact for licensees they regulate under this Act for
25 supplier diversity, along with a list of certifications each
26 licensee recognizes from the information submitted in each

1 annual report. The Board and Department shall publish each
2 annual report on their websites and shall maintain each annual
3 report for at least 5 years.

4 Section 25-90. Tax; Sports Wagering Fund.

5 (a) For the privilege of holding a license to operate
6 sports wagering under this Act, this State shall impose and
7 collect 15% of a master sports wagering licensee's adjusted
8 gross sports wagering receipts from sports wagering. The
9 accrual method of accounting shall be used for purposes of
10 calculating the amount of the tax owed by the licensee.

11 The taxes levied and collected pursuant to this subsection
12 (a) are due and payable to the Board no later than the last day
13 of the month following the calendar month in which the adjusted
14 gross sports wagering receipts were received and the tax
15 obligation was accrued.

16 (a-5) In addition to the tax imposed under subsection (a)
17 of this Section, for the privilege of holding a license to
18 operate sports wagering under this Act, the State shall impose
19 and collect 2% of the adjusted gross receipts from sports
20 wagers that are placed within a home rule county with a
21 population of over 3,000,000 inhabitants, which shall be paid,
22 subject to appropriation from the General Assembly, from the
23 Sports Wagering Fund to that home rule county for the purpose
24 of enhancing the county's criminal justice system.

25 (b) The Sports Wagering Fund is hereby created as special

1 fund in the State treasury. Except as otherwise provided in
2 this Act, all moneys collected under this Act by the Board
3 shall be deposited into the Sports Wagering Fund. On the 25th
4 of each month, any moneys remaining in the Sports Wagering Fund
5 shall be transferred to the Capital Projects Fund.

6 Section 25-95. Compulsive gambling. Each master sports
7 wagering licensee shall include a statement regarding
8 obtaining assistance with gambling problems, the text of which
9 shall be determined by rule by the Department of Human
10 Services, on the master sports wagering licensee's portal,
11 Internet website, or computer or mobile application.

12 Section 25-100. Voluntary self-exclusion program for
13 sports wagering. Any resident, or non-resident if allowed to
14 participate in sports wagering, may voluntarily prohibit
15 himself or herself from establishing a sports wagering account
16 with a licensee under this Act. The Board and Department shall
17 incorporate the voluntary self-exclusion program for sports
18 wagering into any existing self-exclusion program that it
19 operates on the effective date of this Act.

20 Section 25-105. Report to General Assembly. On or before
21 January 15, 2021 and every January 15 thereafter, the Board
22 shall provide a report to the General Assembly on sports
23 wagering conducted under this Act.

1 Section 25-110. Preemption. Nothing in this Act shall be
2 deemed to diminish the rights, privileges, or remedies of a
3 person under any other federal or State law, rule, or
4 regulation.

5 Section 25-900. The Illinois Administrative Procedure Act
6 is amended by changing Section 5-45 as follows:

7 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

8 Sec. 5-45. Emergency rulemaking.

9 (a) "Emergency" means the existence of any situation that
10 any agency finds reasonably constitutes a threat to the public
11 interest, safety, or welfare.

12 (b) If any agency finds that an emergency exists that
13 requires adoption of a rule upon fewer days than is required by
14 Section 5-40 and states in writing its reasons for that
15 finding, the agency may adopt an emergency rule without prior
16 notice or hearing upon filing a notice of emergency rulemaking
17 with the Secretary of State under Section 5-70. The notice
18 shall include the text of the emergency rule and shall be
19 published in the Illinois Register. Consent orders or other
20 court orders adopting settlements negotiated by an agency may
21 be adopted under this Section. Subject to applicable
22 constitutional or statutory provisions, an emergency rule
23 becomes effective immediately upon filing under Section 5-65 or

1 at a stated date less than 10 days thereafter. The agency's
2 finding and a statement of the specific reasons for the finding
3 shall be filed with the rule. The agency shall take reasonable
4 and appropriate measures to make emergency rules known to the
5 persons who may be affected by them.

6 (c) An emergency rule may be effective for a period of not
7 longer than 150 days, but the agency's authority to adopt an
8 identical rule under Section 5-40 is not precluded. No
9 emergency rule may be adopted more than once in any 24-month
10 period, except that this limitation on the number of emergency
11 rules that may be adopted in a 24-month period does not apply
12 to (i) emergency rules that make additions to and deletions
13 from the Drug Manual under Section 5-5.16 of the Illinois
14 Public Aid Code or the generic drug formulary under Section
15 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
16 emergency rules adopted by the Pollution Control Board before
17 July 1, 1997 to implement portions of the Livestock Management
18 Facilities Act, (iii) emergency rules adopted by the Illinois
19 Department of Public Health under subsections (a) through (i)
20 of Section 2 of the Department of Public Health Act when
21 necessary to protect the public's health, (iv) emergency rules
22 adopted pursuant to subsection (n) of this Section, (v)
23 emergency rules adopted pursuant to subsection (o) of this
24 Section, or (vi) emergency rules adopted pursuant to subsection
25 (c-5) of this Section. Two or more emergency rules having
26 substantially the same purpose and effect shall be deemed to be

1 a single rule for purposes of this Section.

2 (c-5) To facilitate the maintenance of the program of group
3 health benefits provided to annuitants, survivors, and retired
4 employees under the State Employees Group Insurance Act of
5 1971, rules to alter the contributions to be paid by the State,
6 annuitants, survivors, retired employees, or any combination
7 of those entities, for that program of group health benefits,
8 shall be adopted as emergency rules. The adoption of those
9 rules shall be considered an emergency and necessary for the
10 public interest, safety, and welfare.

11 (d) In order to provide for the expeditious and timely
12 implementation of the State's fiscal year 1999 budget,
13 emergency rules to implement any provision of Public Act 90-587
14 or 90-588 or any other budget initiative for fiscal year 1999
15 may be adopted in accordance with this Section by the agency
16 charged with administering that provision or initiative,
17 except that the 24-month limitation on the adoption of
18 emergency rules and the provisions of Sections 5-115 and 5-125
19 do not apply to rules adopted under this subsection (d). The
20 adoption of emergency rules authorized by this subsection (d)
21 shall be deemed to be necessary for the public interest,
22 safety, and welfare.

23 (e) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 2000 budget,
25 emergency rules to implement any provision of Public Act 91-24
26 or any other budget initiative for fiscal year 2000 may be

1 adopted in accordance with this Section by the agency charged
2 with administering that provision or initiative, except that
3 the 24-month limitation on the adoption of emergency rules and
4 the provisions of Sections 5-115 and 5-125 do not apply to
5 rules adopted under this subsection (e). The adoption of
6 emergency rules authorized by this subsection (e) shall be
7 deemed to be necessary for the public interest, safety, and
8 welfare.

9 (f) In order to provide for the expeditious and timely
10 implementation of the State's fiscal year 2001 budget,
11 emergency rules to implement any provision of Public Act 91-712
12 or any other budget initiative for fiscal year 2001 may be
13 adopted in accordance with this Section by the agency charged
14 with administering that provision or initiative, except that
15 the 24-month limitation on the adoption of emergency rules and
16 the provisions of Sections 5-115 and 5-125 do not apply to
17 rules adopted under this subsection (f). The adoption of
18 emergency rules authorized by this subsection (f) shall be
19 deemed to be necessary for the public interest, safety, and
20 welfare.

21 (g) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 2002 budget,
23 emergency rules to implement any provision of Public Act 92-10
24 or any other budget initiative for fiscal year 2002 may be
25 adopted in accordance with this Section by the agency charged
26 with administering that provision or initiative, except that

1 the 24-month limitation on the adoption of emergency rules and
2 the provisions of Sections 5-115 and 5-125 do not apply to
3 rules adopted under this subsection (g). The adoption of
4 emergency rules authorized by this subsection (g) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare.

7 (h) In order to provide for the expeditious and timely
8 implementation of the State's fiscal year 2003 budget,
9 emergency rules to implement any provision of Public Act 92-597
10 or any other budget initiative for fiscal year 2003 may be
11 adopted in accordance with this Section by the agency charged
12 with administering that provision or initiative, except that
13 the 24-month limitation on the adoption of emergency rules and
14 the provisions of Sections 5-115 and 5-125 do not apply to
15 rules adopted under this subsection (h). The adoption of
16 emergency rules authorized by this subsection (h) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare.

19 (i) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2004 budget,
21 emergency rules to implement any provision of Public Act 93-20
22 or any other budget initiative for fiscal year 2004 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (i). The adoption of
2 emergency rules authorized by this subsection (i) shall be
3 deemed to be necessary for the public interest, safety, and
4 welfare.

5 (j) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2005 budget as provided under the Fiscal Year 2005 Budget
8 Implementation (Human Services) Act, emergency rules to
9 implement any provision of the Fiscal Year 2005 Budget
10 Implementation (Human Services) Act may be adopted in
11 accordance with this Section by the agency charged with
12 administering that provision, except that the 24-month
13 limitation on the adoption of emergency rules and the
14 provisions of Sections 5-115 and 5-125 do not apply to rules
15 adopted under this subsection (j). The Department of Public Aid
16 may also adopt rules under this subsection (j) necessary to
17 administer the Illinois Public Aid Code and the Children's
18 Health Insurance Program Act. The adoption of emergency rules
19 authorized by this subsection (j) shall be deemed to be
20 necessary for the public interest, safety, and welfare.

21 (k) In order to provide for the expeditious and timely
22 implementation of the provisions of the State's fiscal year
23 2006 budget, emergency rules to implement any provision of
24 Public Act 94-48 or any other budget initiative for fiscal year
25 2006 may be adopted in accordance with this Section by the
26 agency charged with administering that provision or

1 initiative, except that the 24-month limitation on the adoption
2 of emergency rules and the provisions of Sections 5-115 and
3 5-125 do not apply to rules adopted under this subsection (k).
4 The Department of Healthcare and Family Services may also adopt
5 rules under this subsection (k) necessary to administer the
6 Illinois Public Aid Code, the Senior Citizens and Persons with
7 Disabilities Property Tax Relief Act, the Senior Citizens and
8 Disabled Persons Prescription Drug Discount Program Act (now
9 the Illinois Prescription Drug Discount Program Act), and the
10 Children's Health Insurance Program Act. The adoption of
11 emergency rules authorized by this subsection (k) shall be
12 deemed to be necessary for the public interest, safety, and
13 welfare.

14 (l) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2007 budget, the Department of Healthcare and Family Services
17 may adopt emergency rules during fiscal year 2007, including
18 rules effective July 1, 2007, in accordance with this
19 subsection to the extent necessary to administer the
20 Department's responsibilities with respect to amendments to
21 the State plans and Illinois waivers approved by the federal
22 Centers for Medicare and Medicaid Services necessitated by the
23 requirements of Title XIX and Title XXI of the federal Social
24 Security Act. The adoption of emergency rules authorized by
25 this subsection (l) shall be deemed to be necessary for the
26 public interest, safety, and welfare.

1 (m) In order to provide for the expeditious and timely
2 implementation of the provisions of the State's fiscal year
3 2008 budget, the Department of Healthcare and Family Services
4 may adopt emergency rules during fiscal year 2008, including
5 rules effective July 1, 2008, in accordance with this
6 subsection to the extent necessary to administer the
7 Department's responsibilities with respect to amendments to
8 the State plans and Illinois waivers approved by the federal
9 Centers for Medicare and Medicaid Services necessitated by the
10 requirements of Title XIX and Title XXI of the federal Social
11 Security Act. The adoption of emergency rules authorized by
12 this subsection (m) shall be deemed to be necessary for the
13 public interest, safety, and welfare.

14 (n) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2010 budget, emergency rules to implement any provision of
17 Public Act 96-45 or any other budget initiative authorized by
18 the 96th General Assembly for fiscal year 2010 may be adopted
19 in accordance with this Section by the agency charged with
20 administering that provision or initiative. The adoption of
21 emergency rules authorized by this subsection (n) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare. The rulemaking authority granted in this subsection
24 (n) shall apply only to rules promulgated during Fiscal Year
25 2010.

26 (o) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2011 budget, emergency rules to implement any provision of
3 Public Act 96-958 or any other budget initiative authorized by
4 the 96th General Assembly for fiscal year 2011 may be adopted
5 in accordance with this Section by the agency charged with
6 administering that provision or initiative. The adoption of
7 emergency rules authorized by this subsection (o) is deemed to
8 be necessary for the public interest, safety, and welfare. The
9 rulemaking authority granted in this subsection (o) applies
10 only to rules promulgated on or after July 1, 2010 (the
11 effective date of Public Act 96-958) through June 30, 2011.

12 (p) In order to provide for the expeditious and timely
13 implementation of the provisions of Public Act 97-689,
14 emergency rules to implement any provision of Public Act 97-689
15 may be adopted in accordance with this subsection (p) by the
16 agency charged with administering that provision or
17 initiative. The 150-day limitation of the effective period of
18 emergency rules does not apply to rules adopted under this
19 subsection (p), and the effective period may continue through
20 June 30, 2013. The 24-month limitation on the adoption of
21 emergency rules does not apply to rules adopted under this
22 subsection (p). The adoption of emergency rules authorized by
23 this subsection (p) is deemed to be necessary for the public
24 interest, safety, and welfare.

25 (q) In order to provide for the expeditious and timely
26 implementation of the provisions of Articles 7, 8, 9, 11, and

1 12 of Public Act 98-104, emergency rules to implement any
2 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
3 may be adopted in accordance with this subsection (q) by the
4 agency charged with administering that provision or
5 initiative. The 24-month limitation on the adoption of
6 emergency rules does not apply to rules adopted under this
7 subsection (q). The adoption of emergency rules authorized by
8 this subsection (q) is deemed to be necessary for the public
9 interest, safety, and welfare.

10 (r) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 98-651,
12 emergency rules to implement Public Act 98-651 may be adopted
13 in accordance with this subsection (r) by the Department of
14 Healthcare and Family Services. The 24-month limitation on the
15 adoption of emergency rules does not apply to rules adopted
16 under this subsection (r). The adoption of emergency rules
17 authorized by this subsection (r) is deemed to be necessary for
18 the public interest, safety, and welfare.

19 (s) In order to provide for the expeditious and timely
20 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
21 the Illinois Public Aid Code, emergency rules to implement any
22 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
23 Public Aid Code may be adopted in accordance with this
24 subsection (s) by the Department of Healthcare and Family
25 Services. The rulemaking authority granted in this subsection
26 (s) shall apply only to those rules adopted prior to July 1,

1 2015. Notwithstanding any other provision of this Section, any
2 emergency rule adopted under this subsection (s) shall only
3 apply to payments made for State fiscal year 2015. The adoption
4 of emergency rules authorized by this subsection (s) is deemed
5 to be necessary for the public interest, safety, and welfare.

6 (t) In order to provide for the expeditious and timely
7 implementation of the provisions of Article II of Public Act
8 99-6, emergency rules to implement the changes made by Article
9 II of Public Act 99-6 to the Emergency Telephone System Act may
10 be adopted in accordance with this subsection (t) by the
11 Department of State Police. The rulemaking authority granted in
12 this subsection (t) shall apply only to those rules adopted
13 prior to July 1, 2016. The 24-month limitation on the adoption
14 of emergency rules does not apply to rules adopted under this
15 subsection (t). The adoption of emergency rules authorized by
16 this subsection (t) is deemed to be necessary for the public
17 interest, safety, and welfare.

18 (u) In order to provide for the expeditious and timely
19 implementation of the provisions of the Burn Victims Relief
20 Act, emergency rules to implement any provision of the Act may
21 be adopted in accordance with this subsection (u) by the
22 Department of Insurance. The rulemaking authority granted in
23 this subsection (u) shall apply only to those rules adopted
24 prior to December 31, 2015. The adoption of emergency rules
25 authorized by this subsection (u) is deemed to be necessary for
26 the public interest, safety, and welfare.

1 (v) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 99-516,
3 emergency rules to implement Public Act 99-516 may be adopted
4 in accordance with this subsection (v) by the Department of
5 Healthcare and Family Services. The 24-month limitation on the
6 adoption of emergency rules does not apply to rules adopted
7 under this subsection (v). The adoption of emergency rules
8 authorized by this subsection (v) is deemed to be necessary for
9 the public interest, safety, and welfare.

10 (w) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 99-796,
12 emergency rules to implement the changes made by Public Act
13 99-796 may be adopted in accordance with this subsection (w) by
14 the Adjutant General. The adoption of emergency rules
15 authorized by this subsection (w) is deemed to be necessary for
16 the public interest, safety, and welfare.

17 (x) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 99-906,
19 emergency rules to implement subsection (i) of Section 16-115D,
20 subsection (g) of Section 16-128A, and subsection (a) of
21 Section 16-128B of the Public Utilities Act may be adopted in
22 accordance with this subsection (x) by the Illinois Commerce
23 Commission. The rulemaking authority granted in this
24 subsection (x) shall apply only to those rules adopted within
25 180 days after June 1, 2017 (the effective date of Public Act
26 99-906). The adoption of emergency rules authorized by this

1 subsection (x) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (y) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 100-23,
5 emergency rules to implement the changes made by Public Act
6 100-23 to Section 4.02 of the Illinois Act on the Aging,
7 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
8 Section 55-30 of the Alcoholism and Other Drug Abuse and
9 Dependency Act, and Sections 74 and 75 of the Mental Health and
10 Developmental Disabilities Administrative Act may be adopted
11 in accordance with this subsection (y) by the respective
12 Department. The adoption of emergency rules authorized by this
13 subsection (y) is deemed to be necessary for the public
14 interest, safety, and welfare.

15 (z) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 100-554,
17 emergency rules to implement the changes made by Public Act
18 100-554 to Section 4.7 of the Lobbyist Registration Act may be
19 adopted in accordance with this subsection (z) by the Secretary
20 of State. The adoption of emergency rules authorized by this
21 subsection (z) is deemed to be necessary for the public
22 interest, safety, and welfare.

23 (aa) In order to provide for the expeditious and timely
24 initial implementation of the changes made to Articles 5, 5A,
25 12, and 14 of the Illinois Public Aid Code under the provisions
26 of Public Act 100-581, the Department of Healthcare and Family

1 Services may adopt emergency rules in accordance with this
2 subsection (aa). The 24-month limitation on the adoption of
3 emergency rules does not apply to rules to initially implement
4 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
5 Public Aid Code adopted under this subsection (aa). The
6 adoption of emergency rules authorized by this subsection (aa)
7 is deemed to be necessary for the public interest, safety, and
8 welfare.

9 (bb) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-587,
11 emergency rules to implement the changes made by Public Act
12 100-587 to Section 4.02 of the Illinois Act on the Aging,
13 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
14 subsection (b) of Section 55-30 of the Alcoholism and Other
15 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
16 Mental Health Rehabilitation Act of 2013, and Section 75 and
17 subsection (b) of Section 74 of the Mental Health and
18 Developmental Disabilities Administrative Act may be adopted
19 in accordance with this subsection (bb) by the respective
20 Department. The adoption of emergency rules authorized by this
21 subsection (bb) is deemed to be necessary for the public
22 interest, safety, and welfare.

23 (cc) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 100-587,
25 emergency rules may be adopted in accordance with this
26 subsection (cc) to implement the changes made by Public Act

1 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
2 Pension Code by the Board created under Article 14 of the Code;
3 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
4 the Board created under Article 15 of the Code; and Sections
5 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
6 created under Article 16 of the Code. The adoption of emergency
7 rules authorized by this subsection (cc) is deemed to be
8 necessary for the public interest, safety, and welfare.

9 (dd) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-864,
11 emergency rules to implement the changes made by Public Act
12 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
13 may be adopted in accordance with this subsection (dd) by the
14 Secretary of State. The adoption of emergency rules authorized
15 by this subsection (dd) is deemed to be necessary for the
16 public interest, safety, and welfare.

17 (ee) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 100-1172 ~~this~~
19 ~~amendatory Act of the 100th General Assembly~~, emergency rules
20 implementing the Illinois Underground Natural Gas Storage
21 Safety Act may be adopted in accordance with this subsection by
22 the Department of Natural Resources. The adoption of emergency
23 rules authorized by this subsection is deemed to be necessary
24 for the public interest, safety, and welfare.

25 (ff) ~~(ee)~~ In order to provide for the expeditious and
26 timely initial implementation of the changes made to Articles

1 5A and 14 of the Illinois Public Aid Code under the provisions
2 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~
3 ~~Assembly~~, the Department of Healthcare and Family Services may
4 on a one-time-only basis adopt emergency rules in accordance
5 with this subsection (ff) ~~(ee)~~. The 24-month limitation on the
6 adoption of emergency rules does not apply to rules to
7 initially implement the changes made to Articles 5A and 14 of
8 the Illinois Public Aid Code adopted under this subsection (ff)
9 ~~(ee)~~. The adoption of emergency rules authorized by this
10 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public
11 interest, safety, and welfare.

12 (gg) ~~(ff)~~ In order to provide for the expeditious and
13 timely implementation of the provisions of Public Act 101-1
14 ~~this amendatory Act of the 101st General Assembly~~, emergency
15 rules may be adopted by the Department of Labor in accordance
16 with this subsection (gg) ~~(ff)~~ to implement the changes made by
17 Public Act 101-1 ~~this amendatory Act of the 101st General~~
18 ~~Assembly~~ to the Minimum Wage Law. The adoption of emergency
19 rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be
20 necessary for the public interest, safety, and welfare.

21 (ii) In order to provide for the expeditious and timely
22 implementation of the provisions of Section 25-70 of the Sports
23 Wagering Act, emergency rules to implement Section 25-70 of the
24 Sports Wagering Act may be adopted in accordance with this
25 subsection (ii) by the Department of the Lottery as provided in
26 the Sports Wagering Act. The adoption of emergency rules

1 authorized by this subsection (ii) is deemed to be necessary
2 for the public interest, safety, and welfare.

3 (jj) In order to provide for the expeditious and timely
4 implementation of the Sports Wagering Act, emergency rules to
5 implement the Sports Wagering Act may be adopted in accordance
6 with this subsection (jj) by the Illinois Gaming Board. The
7 adoption of emergency rules authorized by this subsection (jj)
8 is deemed to be necessary for the public interest, safety, and
9 welfare.

10 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
11 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
12 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
13 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
14 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

15 Section 25-905. The State Finance Act is amended by adding
16 Section 5.896 as follows:

17 (30 ILCS 105/5.896 new)

18 Sec. 5.896. The Sports Wagering Fund.

19 Section 25-910. The Riverboat Gambling Act is amended by
20 changing Section 13 as follows:

21 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

9 15% of annual adjusted gross receipts up to and
10 including \$25,000,000;

11 20% of annual adjusted gross receipts in excess of
12 \$25,000,000 but not exceeding \$50,000,000;

13 25% of annual adjusted gross receipts in excess of
14 \$50,000,000 but not exceeding \$75,000,000;

15 30% of annual adjusted gross receipts in excess of
16 \$75,000,000 but not exceeding \$100,000,000;

17 35% of annual adjusted gross receipts in excess of
18 \$100,000,000.

19 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
20 is imposed on persons engaged in the business of conducting
21 riverboat gambling operations, other than licensed managers
22 conducting riverboat gambling operations on behalf of the
23 State, based on the adjusted gross receipts received by a
24 licensed owner from gambling games authorized under this Act at
25 the following rates:

26 15% of annual adjusted gross receipts up to and

1 including \$25,000,000;

2 22.5% of annual adjusted gross receipts in excess of
3 \$25,000,000 but not exceeding \$50,000,000;

4 27.5% of annual adjusted gross receipts in excess of
5 \$50,000,000 but not exceeding \$75,000,000;

6 32.5% of annual adjusted gross receipts in excess of
7 \$75,000,000 but not exceeding \$100,000,000;

8 37.5% of annual adjusted gross receipts in excess of
9 \$100,000,000 but not exceeding \$150,000,000;

10 45% of annual adjusted gross receipts in excess of
11 \$150,000,000 but not exceeding \$200,000,000;

12 50% of annual adjusted gross receipts in excess of
13 \$200,000,000.

14 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
15 persons engaged in the business of conducting riverboat
16 gambling operations, other than licensed managers conducting
17 riverboat gambling operations on behalf of the State, based on
18 the adjusted gross receipts received by a licensed owner from
19 gambling games authorized under this Act at the following
20 rates:

21 15% of annual adjusted gross receipts up to and
22 including \$25,000,000;

23 27.5% of annual adjusted gross receipts in excess of
24 \$25,000,000 but not exceeding \$37,500,000;

25 32.5% of annual adjusted gross receipts in excess of
26 \$37,500,000 but not exceeding \$50,000,000;

1 37.5% of annual adjusted gross receipts in excess of
2 \$50,000,000 but not exceeding \$75,000,000;

3 45% of annual adjusted gross receipts in excess of
4 \$75,000,000 but not exceeding \$100,000,000;

5 50% of annual adjusted gross receipts in excess of
6 \$100,000,000 but not exceeding \$250,000,000;

7 70% of annual adjusted gross receipts in excess of
8 \$250,000,000.

9 An amount equal to the amount of wagering taxes collected
10 under this subsection (a-3) that are in addition to the amount
11 of wagering taxes that would have been collected if the
12 wagering tax rates under subsection (a-2) were in effect shall
13 be paid into the Common School Fund.

14 The privilege tax imposed under this subsection (a-3) shall
15 no longer be imposed beginning on the earlier of (i) July 1,
16 2005; (ii) the first date after June 20, 2003 that riverboat
17 gambling operations are conducted pursuant to a dormant
18 license; or (iii) the first day that riverboat gambling
19 operations are conducted under the authority of an owners
20 license that is in addition to the 10 owners licenses initially
21 authorized under this Act. For the purposes of this subsection
22 (a-3), the term "dormant license" means an owners license that
23 is authorized by this Act under which no riverboat gambling
24 operations are being conducted on June 20, 2003.

25 (a-4) Beginning on the first day on which the tax imposed
26 under subsection (a-3) is no longer imposed, a privilege tax is

1 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-8) Riverboat gambling operations conducted by a
22 licensed manager on behalf of the State are not subject to the
23 tax imposed under this Section.

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

1 (a-15) If the privilege tax imposed under subsection (a-3)
2 is no longer imposed pursuant to item (i) of the last paragraph
3 of subsection (a-3), then by June 15 of each year, each owners
4 licensee, other than an owners licensee that admitted 1,000,000
5 persons or fewer in calendar year 2004, must, in addition to
6 the payment of all amounts otherwise due under this Section,
7 pay to the Board a reconciliation payment in the amount, if
8 any, by which the licensed owner's base amount exceeds the
9 amount of net privilege tax paid by the licensed owner to the
10 Board in the then current State fiscal year. A licensed owner's
11 net privilege tax obligation due for the balance of the State
12 fiscal year shall be reduced up to the total of the amount paid
13 by the licensed owner in its June 15 reconciliation payment.
14 The obligation imposed by this subsection (a-15) is binding on
15 any person, firm, corporation, or other entity that acquires an
16 ownership interest in any such owners license. The obligation
17 imposed under this subsection (a-15) terminates on the earliest
18 of: (i) July 1, 2007, (ii) the first day after the effective
19 date of this amendatory Act of the 94th General Assembly that
20 riverboat gambling operations are conducted pursuant to a
21 dormant license, (iii) the first day that riverboat gambling
22 operations are conducted under the authority of an owners
23 license that is in addition to the 10 owners licenses initially
24 authorized under this Act, or (iv) the first day that a
25 licensee under the Illinois Horse Racing Act of 1975 conducts
26 gaming operations with slot machines or other electronic gaming

1 devices. The Board must reduce the obligation imposed under
2 this subsection (a-15) by an amount the Board deems reasonable
3 for any of the following reasons: (A) an act or acts of God,
4 (B) an act of bioterrorism or terrorism or a bioterrorism or
5 terrorism threat that was investigated by a law enforcement
6 agency, or (C) a condition beyond the control of the owners
7 licensee that does not result from any act or omission by the
8 owners licensee or any of its agents and that poses a hazardous
9 threat to the health and safety of patrons. If an owners
10 licensee pays an amount in excess of its liability under this
11 Section, the Board shall apply the overpayment to future
12 payments required under this Section.

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

14 "Act of God" means an incident caused by the operation of
15 an extraordinary force that cannot be foreseen, that cannot be
16 avoided by the exercise of due care, and for which no person
17 can be held liable.

18 "Base amount" means the following:

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

20 For a riverboat in East Peoria, \$43,000,000.

21 For the Empress riverboat in Joliet, \$86,000,000.

22 For a riverboat in Metropolis, \$45,000,000.

23 For the Harrah's riverboat in Joliet, \$114,000,000.

24 For a riverboat in Aurora, \$86,000,000.

25 For a riverboat in East St. Louis, \$48,500,000.

26 For a riverboat in Elgin, \$198,000,000.

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

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

7 The changes made to this subsection (a-15) by Public Act
8 94-839 are intended to restate and clarify the intent of Public
9 Act 94-673 with respect to the amount of the payments required
10 to be made under this subsection by an owners licensee to the
11 Board.

12 (b) Until January 1, 1998, 25% of the tax revenue deposited
13 in the State Gaming Fund under this Section shall be paid,
14 subject to appropriation by the General Assembly, to the unit
15 of local government which is designated as the home dock of the
16 riverboat. Beginning January 1, 1998, from the tax revenue
17 deposited in the State Gaming Fund under this Section, an
18 amount equal to 5% of adjusted gross receipts generated by a
19 riverboat shall be paid monthly, subject to appropriation by
20 the General Assembly, to the unit of local government that is
21 designated as the home dock of the riverboat. From the tax
22 revenue deposited in the State Gaming Fund pursuant to
23 riverboat gambling operations conducted by a licensed manager
24 on behalf of the State, an amount equal to 5% of adjusted gross
25 receipts generated pursuant to those riverboat gambling
26 operations 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 upon which those
3 riverboat gambling operations are conducted.

4 (c) Appropriations, as approved by the General Assembly,
5 may be made from the State Gaming Fund to the Board (i) for the
6 administration and enforcement of this Act and the Video Gaming
7 Act, (ii) for distribution to the Department of State Police
8 and to the Department of Revenue for the enforcement of this
9 Act, and (iii) to the Department of Human Services for the
10 administration of programs to treat problem gambling,
11 including problem gambling from sports wagering.

12 (c-5) Before May 26, 2006 (the effective date of Public Act
13 94-804) and beginning on the effective date of this amendatory
14 Act of the 95th General Assembly, unless any organization
15 licensee under the Illinois Horse Racing Act of 1975 begins to
16 operate a slot machine or video game of chance under the
17 Illinois Horse Racing Act of 1975 or this Act, after the
18 payments required under subsections (b) and (c) have been made,
19 an amount equal to 15% of the adjusted gross receipts of (1) an
20 owners licensee that relocates pursuant to Section 11.2, (2) an
21 owners licensee conducting riverboat gambling operations
22 pursuant to an owners license that is initially issued after
23 June 25, 1999, or (3) the first riverboat gambling operations
24 conducted by a licensed manager on behalf of the State under
25 Section 7.3, whichever comes first, shall be paid from the
26 State Gaming Fund into the Horse Racing Equity Fund.

1 (c-10) Each year the General Assembly shall appropriate
2 from the General Revenue Fund to the Education Assistance Fund
3 an amount equal to the amount paid into the Horse Racing Equity
4 Fund pursuant to subsection (c-5) in the prior calendar year.

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

17 (c-20) Each year the General Assembly shall appropriate
18 from the General Revenue Fund to the Education Assistance Fund
19 an amount equal to the amount paid to each home rule county
20 with a population of over 3,000,000 inhabitants pursuant to
21 subsection (c-15) in the prior calendar year.

22 (c-25) On July 1, 2013 and each July 1 thereafter,
23 \$1,600,000 shall be transferred from the State Gaming Fund to
24 the Chicago State University Education Improvement Fund.

25 (c-30) On July 1, 2013 or as soon as possible thereafter,
26 \$92,000,000 shall be transferred from the State Gaming Fund to

1 the School Infrastructure Fund and \$23,000,000 shall be
2 transferred from the State Gaming Fund to the Horse Racing
3 Equity Fund.

4 (c-35) Beginning on July 1, 2013, in addition to any amount
5 transferred under subsection (c-30) of this Section,
6 \$5,530,000 shall be transferred monthly from the State Gaming
7 Fund to the School Infrastructure Fund.

8 (d) From time to time, the Board shall transfer the
9 remainder of the funds generated by this Act into the Education
10 Assistance Fund, created by Public Act 86-0018, of the State of
11 Illinois.

12 (e) Nothing in this Act shall prohibit the unit of local
13 government designated as the home dock of the riverboat from
14 entering into agreements with other units of local government
15 in this State or in other states to share its portion of the
16 tax revenue.

17 (f) To the extent practicable, the Board shall administer
18 and collect the wagering taxes imposed by this Section in a
19 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
20 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
21 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act.

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

24 Section 25-915. The Criminal Code of 2012 is amended by
25 changing Sections 28-1, 28-3, and 28-5 as follows:

1 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

2 Sec. 28-1. Gambling.

3 (a) A person commits gambling when he or she:

4 (1) knowingly plays a game of chance or skill for money
5 or other thing of value, unless excepted in subsection (b)
6 of this Section;

7 (2) knowingly makes a wager upon the result of any
8 game, contest, or any political nomination, appointment or
9 election;

10 (3) knowingly operates, keeps, owns, uses, purchases,
11 exhibits, rents, sells, bargains for the sale or lease of,
12 manufactures or distributes any gambling device;

13 (4) contracts to have or give himself or herself or
14 another the option to buy or sell, or contracts to buy or
15 sell, at a future time, any grain or other commodity
16 whatsoever, or any stock or security of any company, where
17 it is at the time of making such contract intended by both
18 parties thereto that the contract to buy or sell, or the
19 option, whenever exercised, or the contract resulting
20 therefrom, shall be settled, not by the receipt or delivery
21 of such property, but by the payment only of differences in
22 prices thereof; however, the issuance, purchase, sale,
23 exercise, endorsement or guarantee, by or through a person
24 registered with the Secretary of State pursuant to Section
25 8 of the Illinois Securities Law of 1953, or by or through

1 a person exempt from such registration under said Section
2 8, of a put, call, or other option to buy or sell
3 securities which have been registered with the Secretary of
4 State or which are exempt from such registration under
5 Section 3 of the Illinois Securities Law of 1953 is not
6 gambling within the meaning of this paragraph (4);

7 (5) knowingly owns or possesses any book, instrument or
8 apparatus by means of which bets or wagers have been, or
9 are, recorded or registered, or knowingly possesses any
10 money which he has received in the course of a bet or
11 wager;

12 (6) knowingly sells pools upon the result of any game
13 or contest of skill or chance, political nomination,
14 appointment or election;

15 (7) knowingly sets up or promotes any lottery or sells,
16 offers to sell or transfers any ticket or share for any
17 lottery;

18 (8) knowingly sets up or promotes any policy game or
19 sells, offers to sell or knowingly possesses or transfers
20 any policy ticket, slip, record, document or other similar
21 device;

22 (9) knowingly drafts, prints or publishes any lottery
23 ticket or share, or any policy ticket, slip, record,
24 document or similar device, except for such activity
25 related to lotteries, bingo games and raffles authorized by
26 and conducted in accordance with the laws of Illinois or

1 any other state or foreign government;

2 (10) knowingly advertises any lottery or policy game,
3 except for such activity related to lotteries, bingo games
4 and raffles authorized by and conducted in accordance with
5 the laws of Illinois or any other state;

6 (11) knowingly transmits information as to wagers,
7 betting odds, or changes in betting odds by telephone,
8 telegraph, radio, semaphore or similar means; or knowingly
9 installs or maintains equipment for the transmission or
10 receipt of such information; except that nothing in this
11 subdivision (11) prohibits transmission or receipt of such
12 information for use in news reporting of sporting events or
13 contests; or

14 (12) knowingly establishes, maintains, or operates an
15 Internet site that permits a person to play a game of
16 chance or skill for money or other thing of value by means
17 of the Internet or to make a wager upon the result of any
18 game, contest, political nomination, appointment, or
19 election by means of the Internet. This item (12) does not
20 apply to activities referenced in items (6), ~~and~~ (6.1), and
21 (15) of subsection (b) of this Section.

22 (b) Participants in any of the following activities shall
23 not be convicted of gambling:

24 (1) Agreements to compensate for loss caused by the
25 happening of chance including without limitation contracts
26 of indemnity or guaranty and life or health or accident

1 insurance.

2 (2) Offers of prizes, award or compensation to the
3 actual contestants in any bona fide contest for the
4 determination of skill, speed, strength or endurance or to
5 the owners of animals or vehicles entered in such contest.

6 (3) Pari-mutuel betting as authorized by the law of
7 this State.

8 (4) Manufacture of gambling devices, including the
9 acquisition of essential parts therefor and the assembly
10 thereof, for transportation in interstate or foreign
11 commerce to any place outside this State when such
12 transportation is not prohibited by any applicable Federal
13 law; or the manufacture, distribution, or possession of
14 video gaming terminals, as defined in the Video Gaming Act,
15 by manufacturers, distributors, and terminal operators
16 licensed to do so under the Video Gaming Act.

17 (5) The game commonly known as "bingo", when conducted
18 in accordance with the Bingo License and Tax Act.

19 (6) Lotteries when conducted by the State of Illinois
20 in accordance with the Illinois Lottery Law. This exemption
21 includes any activity conducted by the Department of
22 Revenue to sell lottery tickets pursuant to the provisions
23 of the Illinois Lottery Law and its rules.

24 (6.1) The purchase of lottery tickets through the
25 Internet for a lottery conducted by the State of Illinois
26 under the program established in Section 7.12 of the

1 Illinois Lottery Law.

2 (7) Possession of an antique slot machine that is
3 neither used nor intended to be used in the operation or
4 promotion of any unlawful gambling activity or enterprise.
5 For the purpose of this subparagraph (b)(7), an antique
6 slot machine is one manufactured 25 years ago or earlier.

7 (8) Raffles and poker runs when conducted in accordance
8 with the Raffles and Poker Runs Act.

9 (9) Charitable games when conducted in accordance with
10 the Charitable Games Act.

11 (10) Pull tabs and jar games when conducted under the
12 Illinois Pull Tabs and Jar Games Act.

13 (11) Gambling games conducted on riverboats when
14 authorized by the Riverboat Gambling Act.

15 (12) Video gaming terminal games at a licensed
16 establishment, licensed truck stop establishment, licensed
17 fraternal establishment, or licensed veterans
18 establishment when conducted in accordance with the Video
19 Gaming Act.

20 (13) Games of skill or chance where money or other
21 things of value can be won but no payment or purchase is
22 required to participate.

23 (14) Savings promotion raffles authorized under
24 Section 5g of the Illinois Banking Act, Section 7008 of the
25 Savings Bank Act, Section 42.7 of the Illinois Credit Union
26 Act, Section 5136B of the National Bank Act (12 U.S.C.

1 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
2 1463).

3 (15) Sports wagering when conducted in accordance with
4 the Sports Wagering Act.

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 5/28-3) (from Ch. 38, par. 28-3)

15 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
16 any real estate, vehicle, boat or any other property whatsoever
17 used for the purposes of gambling other than gambling conducted
18 in the manner authorized by the Riverboat Gambling Act, the
19 Sports Wagering Act, or the Video Gaming Act. Any person who
20 knowingly permits any premises or property owned or occupied by
21 him or under his control to be used as a gambling place commits
22 a Class A misdemeanor. Each subsequent offense is a Class 4
23 felony. When any premises is determined by the circuit court to
24 be a gambling place:

25 (a) Such premises is a public nuisance and may be proceeded

1 against as such, and

2 (b) All licenses, permits or certificates issued by the
3 State of Illinois or any subdivision or public agency thereof
4 authorizing the serving of food or liquor on such premises
5 shall be void; and no license, permit or certificate so
6 cancelled shall be reissued for such premises for a period of
7 60 days thereafter; nor shall any person convicted of keeping a
8 gambling place be reissued such license for one year from his
9 conviction and, after a second conviction of keeping a gambling
10 place, any such person shall not be reissued such license, and

11 (c) Such premises of any person who knowingly permits
12 thereon a violation of any Section of this Article shall be
13 held liable for, and may be sold to pay any unsatisfied
14 judgment that may be recovered and any unsatisfied fine that
15 may be levied under any Section of this Article.

16 (Source: P.A. 96-34, eff. 7-13-09.)

17 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

18 Sec. 28-5. Seizure of gambling devices and gambling funds.

19 (a) Every device designed for gambling which is incapable
20 of lawful use or every device used unlawfully for gambling
21 shall be considered a "gambling device", and shall be subject
22 to seizure, confiscation and destruction by the Department of
23 State Police or by any municipal, or other local authority,
24 within whose jurisdiction the same may be found. As used in
25 this Section, a "gambling device" includes any slot machine,

1 and includes any machine or device constructed for the
2 reception of money or other thing of value and so constructed
3 as to return, or to cause someone to return, on chance to the
4 player thereof money, property or a right to receive money or
5 property. With the exception of any device designed for
6 gambling which is incapable of lawful use, no gambling device
7 shall be forfeited or destroyed unless an individual with a
8 property interest in said device knows of the unlawful use of
9 the device.

10 (b) Every gambling device shall be seized and forfeited to
11 the county wherein such seizure occurs. Any money or other
12 thing of value integrally related to acts of gambling shall be
13 seized and forfeited to the county wherein such seizure occurs.

14 (c) If, within 60 days after any seizure pursuant to
15 subparagraph (b) of this Section, a person having any property
16 interest in the seized property is charged with an offense, the
17 court which renders judgment upon such charge shall, within 30
18 days after such judgment, conduct a forfeiture hearing to
19 determine whether such property was a gambling device at the
20 time of seizure. Such hearing shall be commenced by a written
21 petition by the State, including material allegations of fact,
22 the name and address of every person determined by the State to
23 have any property interest in the seized property, a
24 representation that written notice of the date, time and place
25 of such hearing has been mailed to every such person by
26 certified mail at least 10 days before such date, and a request

1 for forfeiture. Every such person may appear as a party and
2 present evidence at such hearing. The quantum of proof required
3 shall be a preponderance of the evidence, and the burden of
4 proof shall be on the State. If the court determines that the
5 seized property was a gambling device at the time of seizure,
6 an order of forfeiture and disposition of the seized property
7 shall be entered: a gambling device shall be received by the
8 State's Attorney, who shall effect its destruction, except that
9 valuable parts thereof may be liquidated and the resultant
10 money shall be deposited in the general fund of the county
11 wherein such seizure occurred; money and other things of value
12 shall be received by the State's Attorney and, upon
13 liquidation, shall be deposited in the general fund of the
14 county wherein such seizure occurred. However, in the event
15 that a defendant raises the defense that the seized slot
16 machine is an antique slot machine described in subparagraph
17 (b) (7) of Section 28-1 of this Code and therefore he is exempt
18 from the charge of a gambling activity participant, the seized
19 antique slot machine shall not be destroyed or otherwise
20 altered until a final determination is made by the Court as to
21 whether it is such an antique slot machine. Upon a final
22 determination by the Court of this question in favor of the
23 defendant, such slot machine shall be immediately returned to
24 the defendant. Such order of forfeiture and disposition shall,
25 for the purposes of appeal, be a final order and judgment in a
26 civil proceeding.

1 (d) If a seizure pursuant to subparagraph (b) of this
2 Section is not followed by a charge pursuant to subparagraph
3 (c) of this Section, or if the prosecution of such charge is
4 permanently terminated or indefinitely discontinued without
5 any judgment of conviction or acquittal (1) the State's
6 Attorney shall commence an in rem proceeding for the forfeiture
7 and destruction of a gambling device, or for the forfeiture and
8 deposit in the general fund of the county of any seized money
9 or other things of value, or both, in the circuit court and (2)
10 any person having any property interest in such seized gambling
11 device, money or other thing of value may commence separate
12 civil proceedings in the manner provided by law.

13 (e) Any gambling device displayed for sale to a riverboat
14 gambling operation or used to train occupational licensees of a
15 riverboat gambling operation as authorized under the Riverboat
16 Gambling Act is exempt from seizure under this Section.

17 (f) Any gambling equipment, devices and supplies provided
18 by a licensed supplier in accordance with the Riverboat
19 Gambling Act which are removed from the riverboat for repair
20 are exempt from seizure under this Section.

21 (g) The following video gaming terminals are exempt from
22 seizure under this Section:

23 (1) Video gaming terminals for sale to a licensed
24 distributor or operator under the Video Gaming Act.

25 (2) Video gaming terminals used to train licensed
26 technicians or licensed terminal handlers.

1 (3) Video gaming terminals that are removed from a
2 licensed establishment, licensed truck stop establishment,
3 licensed fraternal establishment, or licensed veterans
4 establishment for repair.

5 (h) Property seized or forfeited under this Section is
6 subject to reporting under the Seizure and Forfeiture Reporting
7 Act.

8 (i) Any sports lottery terminals provided by a central
9 system provider that are removed from a lottery retailer for
10 repair under the Sports Wagering Act are exempt from seizure
11 under this Section.

12 (Source: P.A. 100-512, eff. 7-1-18.)

13 Article 30. State Fair Gaming Act

14 Section 30-1. Short title. This Article may be cited as the
15 State Fair Gaming Act. References in this Article to "this Act"
16 mean this Article.

17 Section 30-5. Definitions. As used in this Act:

18 "Board" means the Illinois Gaming Board.

19 "State Fair" has the meaning given to that term in the
20 State Fair Act.

21 Section 30-10. Gambling at the State Fair.

22 (a) The Board shall issue a licensed establishment license

1 as provided under Section 25 of the Video Gaming Act to a
2 concessioner who will operate at the Illinois State Fairgrounds
3 and at the DuQuoin State Fairgrounds. The concessioner shall be
4 chosen under the Illinois Procurement Code for an operational
5 period not to exceed 3 years. At the conclusion of each 3-year
6 cycle, the Illinois Procurement Code shall be used to determine
7 the new concessioner.

8 (b) Moneys bid by the concessioner shall be deposited into
9 the State Fairgrounds Capital Improvements and Harness Racing
10 Fund.

11 Section 30-15. Video gaming at the State Fair.

12 (a) The concessioner issued a licensed establishment
13 license under Section 30-10 may operate: (1) up to 50 video
14 gaming terminals as provided in the Video Gaming Act during the
15 scheduled dates of the Illinois State Fair; and (2) up to 30
16 video gaming terminals as provided in the Video Gaming Act
17 during the scheduled dates of the DuQuoin State Fair.

18 (b) No more than 10 video gaming terminals may be placed in
19 any temporary pavilion where alcoholic beverages are served at
20 either State Fair.

21 Section 30-20. Revenue.

22 (a) Notwithstanding any other law to the contrary, a tax is
23 imposed at the rate of 35% of net terminal income received from
24 video gaming under this Act, which shall be remitted to the

1 Board and deposited into the State Fairgrounds Capital
2 Improvements and Harness Racing Fund.

3 (b) There is created within the State treasury the State
4 Fairgrounds Capital Improvements and Harness Racing Fund. The
5 Department of Agriculture shall use moneys in the State
6 Fairgrounds Capital Improvements and Harness Racing Fund as
7 follows and in the order of priority:

8 (1) to provide support for a harness race meeting
9 produced by an organization licensee under the Illinois
10 Horse Racing Act of 1975 and which shall consist of up to
11 30 days of live racing per year at the Illinois State
12 Fairgrounds in Springfield;

13 (2) to repair and rehabilitate fairgrounds'
14 backstretch facilities to such a level as determined by the
15 Department of Agriculture to be required to carry out a
16 program of live harness racing; and

17 (3) for the overall repair and rehabilitation of the
18 capital infrastructure of: (i) the Illinois State
19 Fairgrounds in Springfield, and (ii) the DuQuoin State
20 Fairgrounds in DuQuoin, and for no other purpose.

21 Notwithstanding any other law to the contrary, the entire
22 State share of tax revenues from the race meetings under
23 paragraph (1) of this subsection (c) shall be reinvested into
24 the State Fairgrounds Capital Improvements and Harness Racing
25 Fund.

1 Section 30-25. Rules. The Board and the Department of
2 Agriculture may adopt rules for the implementation of this Act.

3 Section 30-900. The State Finance Act is amended by adding
4 Section 5.897 as follows:

5 (30 ILCS 105/5.897 new)

6 Sec. 5.897. The State Fairgrounds Capital Improvements and
7 Harness Racing Fund.

8 Article 35. Amendatory Provisions

9 Section 35-3. The Illinois Administrative Procedure Act is
10 amended by changing Section 5-45 as follows:

11 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

12 Sec. 5-45. Emergency rulemaking.

13 (a) "Emergency" means the existence of any situation that
14 any agency finds reasonably constitutes a threat to the public
15 interest, safety, or welfare.

16 (b) If any agency finds that an emergency exists that
17 requires adoption of a rule upon fewer days than is required by
18 Section 5-40 and states in writing its reasons for that
19 finding, the agency may adopt an emergency rule without prior
20 notice or hearing upon filing a notice of emergency rulemaking
21 with the Secretary of State under Section 5-70. The notice

1 shall include the text of the emergency rule and shall be
2 published in the Illinois Register. Consent orders or other
3 court orders adopting settlements negotiated by an agency may
4 be adopted under this Section. Subject to applicable
5 constitutional or statutory provisions, an emergency rule
6 becomes effective immediately upon filing under Section 5-65 or
7 at a stated date less than 10 days thereafter. The agency's
8 finding and a statement of the specific reasons for the finding
9 shall be filed with the rule. The agency shall take reasonable
10 and appropriate measures to make emergency rules known to the
11 persons who may be affected by them.

12 (c) An emergency rule may be effective for a period of not
13 longer than 150 days, but the agency's authority to adopt an
14 identical rule under Section 5-40 is not precluded. No
15 emergency rule may be adopted more than once in any 24-month
16 period, except that this limitation on the number of emergency
17 rules that may be adopted in a 24-month period does not apply
18 to (i) emergency rules that make additions to and deletions
19 from the Drug Manual under Section 5-5.16 of the Illinois
20 Public Aid Code or the generic drug formulary under Section
21 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
22 emergency rules adopted by the Pollution Control Board before
23 July 1, 1997 to implement portions of the Livestock Management
24 Facilities Act, (iii) emergency rules adopted by the Illinois
25 Department of Public Health under subsections (a) through (i)
26 of Section 2 of the Department of Public Health Act when

1 necessary to protect the public's health, (iv) emergency rules
2 adopted pursuant to subsection (n) of this Section, (v)
3 emergency rules adopted pursuant to subsection (o) of this
4 Section, or (vi) emergency rules adopted pursuant to subsection
5 (c-5) of this Section. Two or more emergency rules having
6 substantially the same purpose and effect shall be deemed to be
7 a single rule for purposes of this Section.

8 (c-5) To facilitate the maintenance of the program of group
9 health benefits provided to annuitants, survivors, and retired
10 employees under the State Employees Group Insurance Act of
11 1971, rules to alter the contributions to be paid by the State,
12 annuitants, survivors, retired employees, or any combination
13 of those entities, for that program of group health benefits,
14 shall be adopted as emergency rules. The adoption of those
15 rules shall be considered an emergency and necessary for the
16 public interest, safety, and welfare.

17 (d) In order to provide for the expeditious and timely
18 implementation of the State's fiscal year 1999 budget,
19 emergency rules to implement any provision of Public Act 90-587
20 or 90-588 or any other budget initiative for fiscal year 1999
21 may be adopted in accordance with this Section by the agency
22 charged with administering that provision or initiative,
23 except that the 24-month limitation on the adoption of
24 emergency rules and the provisions of Sections 5-115 and 5-125
25 do not apply to rules adopted under this subsection (d). The
26 adoption of emergency rules authorized by this subsection (d)

1 shall be deemed to be necessary for the public interest,
2 safety, and welfare.

3 (e) In order to provide for the expeditious and timely
4 implementation of the State's fiscal year 2000 budget,
5 emergency rules to implement any provision of Public Act 91-24
6 or any other budget initiative for fiscal year 2000 may be
7 adopted in accordance with this Section by the agency charged
8 with administering that provision or initiative, except that
9 the 24-month limitation on the adoption of emergency rules and
10 the provisions of Sections 5-115 and 5-125 do not apply to
11 rules adopted under this subsection (e). The adoption of
12 emergency rules authorized by this subsection (e) shall be
13 deemed to be necessary for the public interest, safety, and
14 welfare.

15 (f) In order to provide for the expeditious and timely
16 implementation of the State's fiscal year 2001 budget,
17 emergency rules to implement any provision of Public Act 91-712
18 or any other budget initiative for fiscal year 2001 may be
19 adopted in accordance with this Section by the agency charged
20 with administering that provision or initiative, except that
21 the 24-month limitation on the adoption of emergency rules and
22 the provisions of Sections 5-115 and 5-125 do not apply to
23 rules adopted under this subsection (f). The adoption of
24 emergency rules authorized by this subsection (f) shall be
25 deemed to be necessary for the public interest, safety, and
26 welfare.

1 (g) In order to provide for the expeditious and timely
2 implementation of the State's fiscal year 2002 budget,
3 emergency rules to implement any provision of Public Act 92-10
4 or any other budget initiative for fiscal year 2002 may be
5 adopted in accordance with this Section by the agency charged
6 with administering that provision or initiative, except that
7 the 24-month limitation on the adoption of emergency rules and
8 the provisions of Sections 5-115 and 5-125 do not apply to
9 rules adopted under this subsection (g). The adoption of
10 emergency rules authorized by this subsection (g) shall be
11 deemed to be necessary for the public interest, safety, and
12 welfare.

13 (h) In order to provide for the expeditious and timely
14 implementation of the State's fiscal year 2003 budget,
15 emergency rules to implement any provision of Public Act 92-597
16 or any other budget initiative for fiscal year 2003 may be
17 adopted in accordance with this Section by the agency charged
18 with administering that provision or initiative, except that
19 the 24-month limitation on the adoption of emergency rules and
20 the provisions of Sections 5-115 and 5-125 do not apply to
21 rules adopted under this subsection (h). The adoption of
22 emergency rules authorized by this subsection (h) shall be
23 deemed to be necessary for the public interest, safety, and
24 welfare.

25 (i) In order to provide for the expeditious and timely
26 implementation of the State's fiscal year 2004 budget,

1 emergency rules to implement any provision of Public Act 93-20
2 or any other budget initiative for fiscal year 2004 may be
3 adopted in accordance with this Section by the agency charged
4 with administering that provision or initiative, except that
5 the 24-month limitation on the adoption of emergency rules and
6 the provisions of Sections 5-115 and 5-125 do not apply to
7 rules adopted under this subsection (i). The adoption of
8 emergency rules authorized by this subsection (i) shall be
9 deemed to be necessary for the public interest, safety, and
10 welfare.

11 (j) In order to provide for the expeditious and timely
12 implementation of the provisions of the State's fiscal year
13 2005 budget as provided under the Fiscal Year 2005 Budget
14 Implementation (Human Services) Act, emergency rules to
15 implement any provision of the Fiscal Year 2005 Budget
16 Implementation (Human Services) Act may be adopted in
17 accordance with this Section by the agency charged with
18 administering that provision, except that the 24-month
19 limitation on the adoption of emergency rules and the
20 provisions of Sections 5-115 and 5-125 do not apply to rules
21 adopted under this subsection (j). The Department of Public Aid
22 may also adopt rules under this subsection (j) necessary to
23 administer the Illinois Public Aid Code and the Children's
24 Health Insurance Program Act. The adoption of emergency rules
25 authorized by this subsection (j) shall be deemed to be
26 necessary for the public interest, safety, and welfare.

1 (k) In order to provide for the expeditious and timely
2 implementation of the provisions of the State's fiscal year
3 2006 budget, emergency rules to implement any provision of
4 Public Act 94-48 or any other budget initiative for fiscal year
5 2006 may be adopted in accordance with this Section by the
6 agency charged with administering that provision or
7 initiative, except that the 24-month limitation on the adoption
8 of emergency rules and the provisions of Sections 5-115 and
9 5-125 do not apply to rules adopted under this subsection (k).
10 The Department of Healthcare and Family Services may also adopt
11 rules under this subsection (k) necessary to administer the
12 Illinois Public Aid Code, the Senior Citizens and Persons with
13 Disabilities Property Tax Relief Act, the Senior Citizens and
14 Disabled Persons Prescription Drug Discount Program Act (now
15 the Illinois Prescription Drug Discount Program Act), and the
16 Children's Health Insurance Program Act. The adoption of
17 emergency rules authorized by this subsection (k) shall be
18 deemed to be necessary for the public interest, safety, and
19 welfare.

20 (l) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2007 budget, the Department of Healthcare and Family Services
23 may adopt emergency rules during fiscal year 2007, including
24 rules effective July 1, 2007, in accordance with this
25 subsection to the extent necessary to administer the
26 Department's responsibilities with respect to amendments to

1 the State plans and Illinois waivers approved by the federal
2 Centers for Medicare and Medicaid Services necessitated by the
3 requirements of Title XIX and Title XXI of the federal Social
4 Security Act. The adoption of emergency rules authorized by
5 this subsection (l) shall be deemed to be necessary for the
6 public interest, safety, and welfare.

7 (m) In order to provide for the expeditious and timely
8 implementation of the provisions of the State's fiscal year
9 2008 budget, the Department of Healthcare and Family Services
10 may adopt emergency rules during fiscal year 2008, including
11 rules effective July 1, 2008, in accordance with this
12 subsection to the extent necessary to administer the
13 Department's responsibilities with respect to amendments to
14 the State plans and Illinois waivers approved by the federal
15 Centers for Medicare and Medicaid Services necessitated by the
16 requirements of Title XIX and Title XXI of the federal Social
17 Security Act. The adoption of emergency rules authorized by
18 this subsection (m) shall be deemed to be necessary for the
19 public interest, safety, and welfare.

20 (n) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2010 budget, emergency rules to implement any provision of
23 Public Act 96-45 or any other budget initiative authorized by
24 the 96th General Assembly for fiscal year 2010 may be adopted
25 in accordance with this Section by the agency charged with
26 administering that provision or initiative. The adoption of

1 emergency rules authorized by this subsection (n) shall be
2 deemed to be necessary for the public interest, safety, and
3 welfare. The rulemaking authority granted in this subsection
4 (n) shall apply only to rules promulgated during Fiscal Year
5 2010.

6 (o) In order to provide for the expeditious and timely
7 implementation of the provisions of the State's fiscal year
8 2011 budget, emergency rules to implement any provision of
9 Public Act 96-958 or any other budget initiative authorized by
10 the 96th General Assembly for fiscal year 2011 may be adopted
11 in accordance with this Section by the agency charged with
12 administering that provision or initiative. The adoption of
13 emergency rules authorized by this subsection (o) is deemed to
14 be necessary for the public interest, safety, and welfare. The
15 rulemaking authority granted in this subsection (o) applies
16 only to rules promulgated on or after July 1, 2010 (the
17 effective date of Public Act 96-958) through June 30, 2011.

18 (p) In order to provide for the expeditious and timely
19 implementation of the provisions of Public Act 97-689,
20 emergency rules to implement any provision of Public Act 97-689
21 may be adopted in accordance with this subsection (p) by the
22 agency charged with administering that provision or
23 initiative. The 150-day limitation of the effective period of
24 emergency rules does not apply to rules adopted under this
25 subsection (p), and the effective period may continue through
26 June 30, 2013. The 24-month limitation on the adoption of

1 emergency rules does not apply to rules adopted under this
2 subsection (p). The adoption of emergency rules authorized by
3 this subsection (p) is deemed to be necessary for the public
4 interest, safety, and welfare.

5 (q) In order to provide for the expeditious and timely
6 implementation of the provisions of Articles 7, 8, 9, 11, and
7 12 of Public Act 98-104, emergency rules to implement any
8 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
9 may be adopted in accordance with this subsection (q) by the
10 agency charged with administering that provision or
11 initiative. The 24-month limitation on the adoption of
12 emergency rules does not apply to rules adopted under this
13 subsection (q). The adoption of emergency rules authorized by
14 this subsection (q) is deemed to be necessary for the public
15 interest, safety, and welfare.

16 (r) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 98-651,
18 emergency rules to implement Public Act 98-651 may be adopted
19 in accordance with this subsection (r) by the Department of
20 Healthcare and Family Services. The 24-month limitation on the
21 adoption of emergency rules does not apply to rules adopted
22 under this subsection (r). The adoption of emergency rules
23 authorized by this subsection (r) is deemed to be necessary for
24 the public interest, safety, and welfare.

25 (s) In order to provide for the expeditious and timely
26 implementation of the provisions of Sections 5-5b.1 and 5A-2 of

1 the Illinois Public Aid Code, emergency rules to implement any
2 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
3 Public Aid Code may be adopted in accordance with this
4 subsection (s) by the Department of Healthcare and Family
5 Services. The rulemaking authority granted in this subsection
6 (s) shall apply only to those rules adopted prior to July 1,
7 2015. Notwithstanding any other provision of this Section, any
8 emergency rule adopted under this subsection (s) shall only
9 apply to payments made for State fiscal year 2015. The adoption
10 of emergency rules authorized by this subsection (s) is deemed
11 to be necessary for the public interest, safety, and welfare.

12 (t) In order to provide for the expeditious and timely
13 implementation of the provisions of Article II of Public Act
14 99-6, emergency rules to implement the changes made by Article
15 II of Public Act 99-6 to the Emergency Telephone System Act may
16 be adopted in accordance with this subsection (t) by the
17 Department of State Police. The rulemaking authority granted in
18 this subsection (t) shall apply only to those rules adopted
19 prior to July 1, 2016. The 24-month limitation on the adoption
20 of emergency rules does not apply to rules adopted under this
21 subsection (t). The adoption of emergency rules authorized by
22 this subsection (t) is deemed to be necessary for the public
23 interest, safety, and welfare.

24 (u) In order to provide for the expeditious and timely
25 implementation of the provisions of the Burn Victims Relief
26 Act, emergency rules to implement any provision of the Act may

1 be adopted in accordance with this subsection (u) by the
2 Department of Insurance. The rulemaking authority granted in
3 this subsection (u) shall apply only to those rules adopted
4 prior to December 31, 2015. The adoption of emergency rules
5 authorized by this subsection (u) is deemed to be necessary for
6 the public interest, safety, and welfare.

7 (v) In order to provide for the expeditious and timely
8 implementation of the provisions of Public Act 99-516,
9 emergency rules to implement Public Act 99-516 may be adopted
10 in accordance with this subsection (v) by the Department of
11 Healthcare and Family Services. The 24-month limitation on the
12 adoption of emergency rules does not apply to rules adopted
13 under this subsection (v). The adoption of emergency rules
14 authorized by this subsection (v) is deemed to be necessary for
15 the public interest, safety, and welfare.

16 (w) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 99-796,
18 emergency rules to implement the changes made by Public Act
19 99-796 may be adopted in accordance with this subsection (w) by
20 the Adjutant General. The adoption of emergency rules
21 authorized by this subsection (w) is deemed to be necessary for
22 the public interest, safety, and welfare.

23 (x) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 99-906,
25 emergency rules to implement subsection (i) of Section 16-115D,
26 subsection (g) of Section 16-128A, and subsection (a) of

1 Section 16-128B of the Public Utilities Act may be adopted in
2 accordance with this subsection (x) by the Illinois Commerce
3 Commission. The rulemaking authority granted in this
4 subsection (x) shall apply only to those rules adopted within
5 180 days after June 1, 2017 (the effective date of Public Act
6 99-906). The adoption of emergency rules authorized by this
7 subsection (x) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (y) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-23,
11 emergency rules to implement the changes made by Public Act
12 100-23 to Section 4.02 of the Illinois Act on the Aging,
13 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
14 Section 55-30 of the Alcoholism and Other Drug Abuse and
15 Dependency Act, and Sections 74 and 75 of the Mental Health and
16 Developmental Disabilities Administrative Act may be adopted
17 in accordance with this subsection (y) by the respective
18 Department. The adoption of emergency rules authorized by this
19 subsection (y) is deemed to be necessary for the public
20 interest, safety, and welfare.

21 (z) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-554,
23 emergency rules to implement the changes made by Public Act
24 100-554 to Section 4.7 of the Lobbyist Registration Act may be
25 adopted in accordance with this subsection (z) by the Secretary
26 of State. The adoption of emergency rules authorized by this

1 subsection (z) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (aa) In order to provide for the expeditious and timely
4 initial implementation of the changes made to Articles 5, 5A,
5 12, and 14 of the Illinois Public Aid Code under the provisions
6 of Public Act 100-581, the Department of Healthcare and Family
7 Services may adopt emergency rules in accordance with this
8 subsection (aa). The 24-month limitation on the adoption of
9 emergency rules does not apply to rules to initially implement
10 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
11 Public Aid Code adopted under this subsection (aa). The
12 adoption of emergency rules authorized by this subsection (aa)
13 is deemed to be necessary for the public interest, safety, and
14 welfare.

15 (bb) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 100-587,
17 emergency rules to implement the changes made by Public Act
18 100-587 to Section 4.02 of the Illinois Act on the Aging,
19 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
20 subsection (b) of Section 55-30 of the Alcoholism and Other
21 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
22 Mental Health Rehabilitation Act of 2013, and Section 75 and
23 subsection (b) of Section 74 of the Mental Health and
24 Developmental Disabilities Administrative Act may be adopted
25 in accordance with this subsection (bb) by the respective
26 Department. The adoption of emergency rules authorized by this

1 subsection (bb) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (cc) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 100-587,
5 emergency rules may be adopted in accordance with this
6 subsection (cc) to implement the changes made by Public Act
7 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
8 Pension Code by the Board created under Article 14 of the Code;
9 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
10 the Board created under Article 15 of the Code; and Sections
11 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
12 created under Article 16 of the Code. The adoption of emergency
13 rules authorized by this subsection (cc) is deemed to be
14 necessary for the public interest, safety, and welfare.

15 (dd) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 100-864,
17 emergency rules to implement the changes made by Public Act
18 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
19 may be adopted in accordance with this subsection (dd) by the
20 Secretary of State. The adoption of emergency rules authorized
21 by this subsection (dd) is deemed to be necessary for the
22 public interest, safety, and welfare.

23 (ee) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 100-1172 ~~this~~
25 ~~amendatory Act of the 100th General Assembly~~, emergency rules
26 implementing the Illinois Underground Natural Gas Storage

1 Safety Act may be adopted in accordance with this subsection by
2 the Department of Natural Resources. The adoption of emergency
3 rules authorized by this subsection is deemed to be necessary
4 for the public interest, safety, and welfare.

5 (ff) ~~(ee)~~ In order to provide for the expeditious and
6 timely initial implementation of the changes made to Articles
7 5A and 14 of the Illinois Public Aid Code under the provisions
8 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~
9 ~~Assembly~~, the Department of Healthcare and Family Services may
10 on a one-time-only basis adopt emergency rules in accordance
11 with this subsection (ff) ~~(ee)~~. The 24-month limitation on the
12 adoption of emergency rules does not apply to rules to
13 initially implement the changes made to Articles 5A and 14 of
14 the Illinois Public Aid Code adopted under this subsection (ff)
15 ~~(ee)~~. The adoption of emergency rules authorized by this
16 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public
17 interest, safety, and welfare.

18 (gg) ~~(ff)~~ In order to provide for the expeditious and
19 timely implementation of the provisions of Public Act 101-1
20 ~~this amendatory Act of the 101st General Assembly~~, emergency
21 rules may be adopted by the Department of Labor in accordance
22 with this subsection (gg) ~~(ff)~~ to implement the changes made by
23 Public Act 101-1 ~~this amendatory Act of the 101st General~~
24 ~~Assembly~~ to the Minimum Wage Law. The adoption of emergency
25 rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be
26 necessary for the public interest, safety, and welfare.

1 (kk) In order to provide for the expeditious and timely
2 implementation of the provisions of subsection (c) of Section
3 20 of the Video Gaming Act, emergency rules to implement the
4 provisions of subsection (c) of Section 20 of the Video Gaming
5 Act may be adopted in accordance with this subsection (kk) by
6 the Illinois Gaming Board. The adoption of emergency rules
7 authorized by this subsection (kk) is deemed to be necessary
8 for the public interest, safety, and welfare.

9 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
10 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
11 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
12 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
13 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

14 Section 35-5. The Open Meetings Act is amended by changing
15 Section 2 as follows:

16 (5 ILCS 120/2) (from Ch. 102, par. 42)

17 Sec. 2. Open meetings.

18 (a) Openness required. All meetings of public bodies shall
19 be open to the public unless excepted in subsection (c) and
20 closed in accordance with Section 2a.

21 (b) Construction of exceptions. The exceptions contained
22 in subsection (c) are in derogation of the requirement that
23 public bodies meet in the open, and therefore, the exceptions
24 are to be strictly construed, extending only to subjects

1 clearly within their scope. The exceptions authorize but do not
2 require the holding of a closed meeting to discuss a subject
3 included within an enumerated exception.

4 (c) Exceptions. A public body may hold closed meetings to
5 consider the following subjects:

6 (1) The appointment, employment, compensation,
7 discipline, performance, or dismissal of specific
8 employees of the public body or legal counsel for the
9 public body, including hearing testimony on a complaint
10 lodged against an employee of the public body or against
11 legal counsel for the public body to determine its
12 validity. However, a meeting to consider an increase in
13 compensation to a specific employee of a public body that
14 is subject to the Local Government Wage Increase
15 Transparency Act may not be closed and shall be open to the
16 public and posted and held in accordance with this Act.

17 (2) Collective negotiating matters between the public
18 body and its employees or their representatives, or
19 deliberations concerning salary schedules for one or more
20 classes of employees.

21 (3) The selection of a person to fill a public office,
22 as defined in this Act, including a vacancy in a public
23 office, when the public body is given power to appoint
24 under law or ordinance, or the discipline, performance or
25 removal of the occupant of a public office, when the public
26 body is given power to remove the occupant under law or

1 ordinance.

2 (4) Evidence or testimony presented in open hearing, or
3 in closed hearing where specifically authorized by law, to
4 a quasi-adjudicative body, as defined in this Act, provided
5 that the body prepares and makes available for public
6 inspection a written decision setting forth its
7 determinative reasoning.

8 (5) The purchase or lease of real property for the use
9 of the public body, including meetings held for the purpose
10 of discussing whether a particular parcel should be
11 acquired.

12 (6) The setting of a price for sale or lease of
13 property owned by the public body.

14 (7) The sale or purchase of securities, investments, or
15 investment contracts. This exception shall not apply to the
16 investment of assets or income of funds deposited into the
17 Illinois Prepaid Tuition Trust Fund.

18 (8) Security procedures, school building safety and
19 security, and the use of personnel and equipment to respond
20 to an actual, a threatened, or a reasonably potential
21 danger to the safety of employees, students, staff, the
22 public, or public property.

23 (9) Student disciplinary cases.

24 (10) The placement of individual students in special
25 education programs and other matters relating to
26 individual students.

1 (11) Litigation, when an action against, affecting or
2 on behalf of the particular public body has been filed and
3 is pending before a court or administrative tribunal, or
4 when the public body finds that an action is probable or
5 imminent, in which case the basis for the finding shall be
6 recorded and entered into the minutes of the closed
7 meeting.

8 (12) The establishment of reserves or settlement of
9 claims as provided in the Local Governmental and
10 Governmental Employees Tort Immunity Act, if otherwise the
11 disposition of a claim or potential claim might be
12 prejudiced, or the review or discussion of claims, loss or
13 risk management information, records, data, advice or
14 communications from or with respect to any insurer of the
15 public body or any intergovernmental risk management
16 association or self insurance pool of which the public body
17 is a member.

18 (13) Conciliation of complaints of discrimination in
19 the sale or rental of housing, when closed meetings are
20 authorized by the law or ordinance prescribing fair housing
21 practices and creating a commission or administrative
22 agency for their enforcement.

23 (14) Informant sources, the hiring or assignment of
24 undercover personnel or equipment, or ongoing, prior or
25 future criminal investigations, when discussed by a public
26 body with criminal investigatory responsibilities.

1 (15) Professional ethics or performance when
2 considered by an advisory body appointed to advise a
3 licensing or regulatory agency on matters germane to the
4 advisory body's field of competence.

5 (16) Self evaluation, practices and procedures or
6 professional ethics, when meeting with a representative of
7 a statewide association of which the public body is a
8 member.

9 (17) The recruitment, credentialing, discipline or
10 formal peer review of physicians or other health care
11 professionals, or for the discussion of matters protected
12 under the federal Patient Safety and Quality Improvement
13 Act of 2005, and the regulations promulgated thereunder,
14 including 42 C.F.R. Part 3 (73 FR 70732), or the federal
15 Health Insurance Portability and Accountability Act of
16 1996, and the regulations promulgated thereunder,
17 including 45 C.F.R. Parts 160, 162, and 164, by a hospital,
18 or other institution providing medical care, that is
19 operated by the public body.

20 (18) Deliberations for decisions of the Prisoner
21 Review Board.

22 (19) Review or discussion of applications received
23 under the Experimental Organ Transplantation Procedures
24 Act.

25 (20) The classification and discussion of matters
26 classified as confidential or continued confidential by

1 the State Government Suggestion Award Board.

2 (21) Discussion of minutes of meetings lawfully closed
3 under this Act, whether for purposes of approval by the
4 body of the minutes or semi-annual review of the minutes as
5 mandated by Section 2.06.

6 (22) Deliberations for decisions of the State
7 Emergency Medical Services Disciplinary Review Board.

8 (23) The operation by a municipality of a municipal
9 utility or the operation of a municipal power agency or
10 municipal natural gas agency when the discussion involves
11 (i) contracts relating to the purchase, sale, or delivery
12 of electricity or natural gas or (ii) the results or
13 conclusions of load forecast studies.

14 (24) Meetings of a residential health care facility
15 resident sexual assault and death review team or the
16 Executive Council under the Abuse Prevention Review Team
17 Act.

18 (25) Meetings of an independent team of experts under
19 Brian's Law.

20 (26) Meetings of a mortality review team appointed
21 under the Department of Juvenile Justice Mortality Review
22 Team Act.

23 (27) (Blank).

24 (28) Correspondence and records (i) that may not be
25 disclosed under Section 11-9 of the Illinois Public Aid
26 Code or (ii) that pertain to appeals under Section 11-8 of

1 the Illinois Public Aid Code.

2 (29) Meetings between internal or external auditors
3 and governmental audit committees, finance committees, and
4 their equivalents, when the discussion involves internal
5 control weaknesses, identification of potential fraud risk
6 areas, known or suspected frauds, and fraud interviews
7 conducted in accordance with generally accepted auditing
8 standards of the United States of America.

9 (30) Those meetings or portions of meetings of a
10 fatality review team or the Illinois Fatality Review Team
11 Advisory Council during which a review of the death of an
12 eligible adult in which abuse or neglect is suspected,
13 alleged, or substantiated is conducted pursuant to Section
14 15 of the Adult Protective Services Act.

15 (31) Meetings and deliberations for decisions of the
16 Concealed Carry Licensing Review Board under the Firearm
17 Concealed Carry Act.

18 (32) Meetings between the Regional Transportation
19 Authority Board and its Service Boards when the discussion
20 involves review by the Regional Transportation Authority
21 Board of employment contracts under Section 28d of the
22 Metropolitan Transit Authority Act and Sections 3A.18 and
23 3B.26 of the Regional Transportation Authority Act.

24 (33) Those meetings or portions of meetings of the
25 advisory committee and peer review subcommittee created
26 under Section 320 of the Illinois Controlled Substances Act

1 during which specific controlled substance prescriber,
2 dispenser, or patient information is discussed.

3 (34) Meetings of the Tax Increment Financing Reform
4 Task Force under Section 2505-800 of the Department of
5 Revenue Law of the Civil Administrative Code of Illinois.

6 (35) Meetings of the group established to discuss
7 Medicaid capitation rates under Section 5-30.8 of the
8 Illinois Public Aid Code.

9 (36) Those deliberations or portions of deliberations
10 for decisions of the Illinois Gaming Board in which there
11 is discussed any of the following: (i) personal,
12 commercial, financial, or other information obtained from
13 any source that is privileged, proprietary, confidential,
14 or a trade secret; or (ii) information specifically
15 exempted from the disclosure by federal or State law.

16 (d) Definitions. For purposes of this Section:

17 "Employee" means a person employed by a public body whose
18 relationship with the public body constitutes an
19 employer-employee relationship under the usual common law
20 rules, and who is not an independent contractor.

21 "Public office" means a position created by or under the
22 Constitution or laws of this State, the occupant of which is
23 charged with the exercise of some portion of the sovereign
24 power of this State. The term "public office" shall include
25 members of the public body, but it shall not include
26 organizational positions filled by members thereof, whether

1 established by law or by a public body itself, that exist to
2 assist the body in the conduct of its business.

3 "Quasi-adjudicative body" means an administrative body
4 charged by law or ordinance with the responsibility to conduct
5 hearings, receive evidence or testimony and make
6 determinations based thereon, but does not include local
7 electoral boards when such bodies are considering petition
8 challenges.

9 (e) Final action. No final action may be taken at a closed
10 meeting. Final action shall be preceded by a public recital of
11 the nature of the matter being considered and other information
12 that will inform the public of the business being conducted.

13 (Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480,
14 eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16;
15 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff.
16 8-31-17; 100-646, eff. 7-27-18.)

17 Section 35-10. The State Officials and Employees Ethics Act
18 is amended by changing Section 5-45 as follows:

19 (5 ILCS 430/5-45)

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

21 (a) No former officer, member, or State employee, or spouse
22 or immediate family member living with such person, shall,
23 within a period of one year immediately after termination of
24 State employment, knowingly accept employment or receive

1 compensation or fees for services from a person or entity if
2 the officer, member, or State employee, during the year
3 immediately preceding termination of State employment,
4 participated personally and substantially in the award of State
5 contracts, or the issuance of State contract change orders,
6 with a cumulative value of \$25,000 or more to the person or
7 entity, or its parent or subsidiary.

8 (a-5) No officer, member, or spouse or immediate family
9 member living with such person or State employee who works for
10 the Illinois Gaming Board or the Illinois Racing Board shall,
11 during State employment or within a period of 2 years
12 immediately after leaving office or of termination of State
13 employment, hold an ownership interest in any gaming license
14 under the Illinois Gambling Act, the Video Gaming Act, the
15 Illinois Horse Racing Act of 1975, or the Sports Wagering Act.
16 Any member of the General Assembly who has an ownership
17 interest in any gaming license under the Illinois Gambling Act,
18 the Video Gaming Act, the Illinois Horse Racing Act of 1975, or
19 the Sports Wagering Act must divest themselves within one year
20 after the effective date of this amendatory Act of the 101st
21 General Assembly.

22 (b) No former officer of the executive branch or State
23 employee of the executive branch with regulatory or licensing
24 authority, or spouse or immediate family member living with
25 such person, shall, within a period of one year immediately
26 after termination of State employment, knowingly accept

1 employment or receive compensation or fees for services from a
2 person or entity if the officer or State employee, during the
3 year immediately preceding termination of State employment,
4 participated personally and substantially in making a
5 regulatory or licensing decision that directly applied to the
6 person or entity, or its parent or subsidiary.

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

19 The policies required under subsection (c) of this Section
20 shall be filed with the appropriate ethics commission
21 established under this Act or, for the Auditor General, with
22 the Office of the Auditor General.

23 (d) Each Inspector General shall have the authority to
24 determine that additional State positions under his or her
25 jurisdiction, not otherwise subject to the policies required by
26 subsection (c) of this Section, are nonetheless subject to the

1 notification requirement of subsection (f) below due to their
2 involvement in the award of State contracts or in regulatory or
3 licensing decisions.

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

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

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

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

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

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

1 (1) members or officers;

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

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

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

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

12 (6) chiefs of staff, deputy chiefs of staff, associate
13 chiefs of staff, assistant chiefs of staff, and deputy
14 governors;

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

16 (8) employees of the Illinois Gaming Board.

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

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

1 Section 35-15. The Alcoholism and Other Drug Abuse and
2 Dependency Act is amended by changing Section 5-20 as follows:

3 (20 ILCS 301/5-20)

4 Sec. 5-20. Gambling disorders.

5 (a) Subject to appropriation, the Department shall
6 establish a program for public education, research, and
7 training regarding gambling disorders and the treatment and
8 prevention of gambling disorders. Subject to specific
9 appropriation for these stated purposes, the program must
10 include all of the following:

11 (1) Establishment and maintenance of a toll-free "800"
12 telephone number to provide crisis counseling and referral
13 services to families experiencing difficulty as a result of
14 gambling disorders.

15 (2) Promotion of public awareness regarding the
16 recognition and prevention of gambling disorders.

17 (3) Facilitation, through in-service training and
18 other means, of the availability of effective assistance
19 programs for gambling disorders.

20 (4) Conducting studies to identify adults and
21 juveniles in this State who have, or who are at risk of
22 developing, gambling disorders.

23 (b) Subject to appropriation, the Department shall either
24 establish and maintain the program or contract with a private
25 or public entity for the establishment and maintenance of the

1 program. Subject to appropriation, either the Department or the
2 private or public entity shall implement the toll-free
3 telephone number, promote public awareness, and conduct
4 in-service training concerning gambling disorders.

5 (c) Subject to appropriation, the Department shall produce
6 and supply the signs specified in Section 10.7 of the Illinois
7 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
8 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
9 of the Charitable Games Act, and Section 13.1 of the Illinois
10 ~~Riverboat~~ Gambling Act.

11 (Source: P.A. 100-759, eff. 1-1-19.)

12 Section 35-20. The Illinois Lottery Law is amended by
13 changing Section 9.1 as follows:

14 (20 ILCS 1605/9.1)

15 Sec. 9.1. Private manager and management agreement.

16 (a) As used in this Section:

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

19 "Request for qualifications" means all materials and
20 documents prepared by the Department to solicit the following
21 from offerors:

22 (1) Statements of qualifications.

23 (2) Proposals to enter into a management agreement,
24 including the identity of any prospective vendor or vendors

1 that the offeror intends to initially engage to assist the
2 offeror in performing its obligations under the management
3 agreement.

4 "Final offer" means the last proposal submitted by an
5 offeror in response to the request for qualifications,
6 including the identity of any prospective vendor or vendors
7 that the offeror intends to initially engage to assist the
8 offeror in performing its obligations under the management
9 agreement.

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

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

18 (c) Pursuant to the terms of this subsection, the
19 Department shall endeavor to expeditiously terminate the
20 existing contracts in support of the Lottery in effect on the
21 effective date of this amendatory Act of the 96th General
22 Assembly in connection with the selection of the private
23 manager. As part of its obligation to terminate these contracts
24 and select the private manager, the Department shall establish
25 a mutually agreeable timetable to transfer the functions of
26 existing contractors to the private manager so that existing

1 Lottery operations are not materially diminished or impaired
2 during the transition. To that end, the Department shall do the
3 following:

4 (1) where such contracts contain a provision
5 authorizing termination upon notice, the Department shall
6 provide notice of termination to occur upon the mutually
7 agreed timetable for transfer of functions;

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

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

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

24 (c-5) The Department shall include provisions in the
25 management agreement whereby the private manager shall, for a
26 fee, and pursuant to a contract negotiated with the Department

1 (the "Employee Use Contract"), utilize the services of current
2 Department employees to assist in the administration and
3 operation of the Lottery. The Department shall be the employer
4 of all such bargaining unit employees assigned to perform such
5 work for the private manager, and such employees shall be State
6 employees, as defined by the Personnel Code. Department
7 employees shall operate under the same employment policies,
8 rules, regulations, and procedures, as other employees of the
9 Department. In addition, neither historical representation
10 rights under the Illinois Public Labor Relations Act, nor
11 existing collective bargaining agreements, shall be disturbed
12 by the management agreement with the private manager for the
13 management of the Lottery.

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

16 (1) A term not to exceed 10 years, including any
17 renewals.

18 (2) A provision specifying that the Department:

19 (A) shall exercise actual control over all
20 significant business decisions;

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

23 (B) has ready access at any time to information
24 regarding Lottery operations;

25 (C) has the right to demand and receive information
26 from the private manager concerning any aspect of the

1 Lottery operations at any time; and

2 (D) retains ownership of all trade names,
3 trademarks, and intellectual property associated with
4 the Lottery.

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

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

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

25 (6) (Blank).

26 (7) A provision requiring the deposit of all Lottery

1 proceeds to be deposited into the State Lottery Fund except
2 as otherwise provided in Section 20 of this Act.

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

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

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

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

21 (B) The rights and obligations under contracts
22 with retailers and vendors.

23 (C) The implementation of a comprehensive security
24 program by the private manager.

25 (D) The implementation of a comprehensive system
26 of internal audits.

1 (E) The implementation of a program by the private
2 manager to curb compulsive gambling by persons playing
3 the Lottery.

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

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

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

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

23 (13) A requirement that the Department monitor and
24 oversee the private manager's practices and take action
25 that the Department considers appropriate to ensure that
26 the private manager is in compliance with the terms of the

1 management agreement, while allowing the manager, unless
2 specifically prohibited by law or the management
3 agreement, to negotiate and sign its own contracts with
4 vendors.

5 (14) A provision requiring the private manager to
6 periodically file, at least on an annual basis, appropriate
7 financial statements in a form and manner acceptable to the
8 Department.

9 (15) Cash reserves requirements.

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

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

16 (18) Procedures for amendment of the agreement.

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

26 (20) The transition of rights and obligations,

1 including any associated equipment or other assets used in
2 the operation of the Lottery, from the manager to any
3 successor manager of the lottery, including the
4 Department, following the termination of or foreclosure
5 upon the management agreement.

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

12 (22) The disclosure of any information requested by the
13 Department to enable it to comply with the reporting
14 requirements and information requests provided for under
15 subsection (p) of this Section.

16 (e) Notwithstanding any other law to the contrary, the
17 Department shall select a private manager through a competitive
18 request for qualifications process consistent with Section
19 20-35 of the Illinois Procurement Code, which shall take into
20 account:

21 (1) the offeror's ability to market the Lottery to
22 those residents who are new, infrequent, or lapsed players
23 of the Lottery, especially those who are most likely to
24 make regular purchases on the Internet;

25 (2) the offeror's ability to address the State's
26 concern with the social effects of gambling on those who

1 can least afford to do so;

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

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

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

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

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

1 of the following:

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

3 (2) The subject matter of the hearing.

4 (3) A brief description of the management agreement to
5 be awarded.

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

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

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

1 objectives of this Section. The Governor shall also sign the
2 management agreement with the private manager.

3 (i) Any action to contest the private manager selected by
4 the Governor under this Section must be brought within 7
5 calendar days after the publication of the notice of the
6 designation of the private manager as provided in subsection
7 (h) of this Section.

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

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

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

22 (m) Neither this Section nor any management agreement
23 entered into under this Section prohibits the General Assembly
24 from authorizing forms of gambling that are not in direct
25 competition with the Lottery. The forms of gambling authorized
26 by this amendatory Act of the 101st General Assembly constitute

1 authorized forms of gambling that are not in direct competition
2 with the Lottery.

3 (n) The private manager shall be subject to a complete
4 investigation in the third, seventh, and tenth years of the
5 agreement (if the agreement is for a 10-year term) by the
6 Department in cooperation with the Auditor General to determine
7 whether the private manager has complied with this Section and
8 the management agreement. The private manager shall bear the
9 cost of an investigation or reinvestigation of the private
10 manager under this subsection.

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

1 goods, services, or both goods and services to the private
2 manager under the terms of the management agreement, including
3 subcontractors of such vendors.

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

21 Notwithstanding any other provision of this Section to the
22 contrary, the Chief Procurement Officer shall adopt
23 administrative rules, including emergency rules, to establish
24 a procurement process to select a successor private manager if
25 a private management agreement has been terminated. The
26 selection process shall at a minimum take into account the

1 criteria set forth in items (1) through (4) of subsection (e)
2 of this Section and may include provisions consistent with
3 subsections (f), (g), (h), and (i) of this Section. The Chief
4 Procurement Officer shall also implement and administer the
5 adopted selection process upon the termination of a private
6 management agreement. The Department, after the Chief
7 Procurement Officer certifies that the procurement process has
8 been followed in accordance with the rules adopted under this
9 subsection (o), shall select a final offeror as the private
10 manager and sign the management agreement with the private
11 manager.

12 Except as provided in Sections 21.5, 21.6, 21.7, 21.8,
13 21.9, ~~and~~ 21.10, and 21.11, ~~21.10~~ the Department shall
14 distribute all proceeds of lottery tickets and shares sold in
15 the following priority and manner:

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

17 (2) The payment of costs incurred in the operation and
18 administration of the Lottery, including the payment of
19 sums due to the private manager under the management
20 agreement with the Department.

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

1 Fund.

2 (4) On or before September 30 of each fiscal year,
3 deposit any estimated remaining proceeds from the prior
4 fiscal year, subject to payments under items (1), (2), and
5 (3), into the Capital Projects Fund. Beginning in fiscal
6 year 2019, the amount deposited shall be increased or
7 decreased each year by the amount the estimated payment
8 differs from the amount determined from each year-end
9 financial audit. Only remaining net deficits from prior
10 fiscal years may reduce the requirement to deposit these
11 funds, as determined by the annual financial audit.

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

14 (1) the Department shall submit written quarterly
15 reports to the Governor and the General Assembly on the
16 activities and actions of the private manager selected
17 under this Section;

18 (2) upon request of the Chief Procurement Officer, the
19 Department shall promptly produce information related to
20 the procurement activities of the Department and the
21 private manager requested by the Chief Procurement
22 Officer; the Chief Procurement Officer must retain
23 confidential, proprietary, or trade secret information
24 designated by the Department in complete confidence
25 pursuant to subsection (g) of Section 7 of the Freedom of
26 Information Act; and

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

6 (Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17;
7 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff.
8 8-24-18; revised 9-20-18.)

9 Section 35-25. The Department of Revenue Law of the Civil
10 Administrative Code of Illinois is amended by changing Section
11 2505-305 as follows:

12 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

13 Sec. 2505-305. Investigators.

14 (a) The Department has the power to appoint investigators
15 to conduct all investigations, searches, seizures, arrests,
16 and other duties imposed under the provisions of any law
17 administered by the Department. Except as provided in
18 subsection (c), these investigators have and may exercise all
19 the powers of peace officers solely for the purpose of
20 enforcing taxing measures administered by the Department.

21 (b) The Director must authorize to each investigator
22 employed under this Section and to any other employee of the
23 Department exercising the powers of a peace officer a distinct
24 badge that, on its face, (i) clearly states that the badge is

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

4 (c) The Department may enter into agreements with the
5 Illinois Gaming Board providing that investigators appointed
6 under this Section shall exercise the peace officer powers set
7 forth in paragraph (20.6) of subsection (c) of Section 5 of the
8 Illinois Riverboat Gambling Act.

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

10 Section 35-30. The State Finance Act is amended by changing
11 Section 6z-45 as follows:

12 (30 ILCS 105/6z-45)

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

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

16 In addition to any other deposits authorized by law,
17 beginning January 1, 2000, on the first day of each month, or
18 as soon thereafter as may be practical, the State Treasurer and
19 State Comptroller shall transfer the sum of \$5,000,000 from the
20 General Revenue Fund to the School Infrastructure Fund, except
21 that, notwithstanding any other provision of law, and in
22 addition to any other transfers that may be provided for by
23 law, before June 30, 2012, the Comptroller and the Treasurer
24 shall transfer \$45,000,000 from the General Revenue Fund into

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

7 (a-5) Money in the School Infrastructure Fund may be used
8 to pay the expenses of the State Board of Education, the
9 Governor's Office of Management and Budget, and the Capital
10 Development Board in administering programs under the School
11 Construction Law, the total expenses not to exceed \$1,315,000
12 in any fiscal year.

13 (b) Subject to the transfer provisions set forth below,
14 money in the School Infrastructure Fund shall, if and when the
15 State of Illinois incurs any bonded indebtedness for the
16 construction of school improvements under subsection (e) of
17 Section 5 of the General Obligation Bond Act, be set aside and
18 used for the purpose of paying and discharging annually the
19 principal and interest on that bonded indebtedness then due and
20 payable, and for no other purpose.

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

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

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

1 subsection.

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

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

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

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

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

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

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

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

21 (Source: P.A. 100-23, eff. 7-6-17.)

22 Section 35-35. The Illinois Income Tax Act is amended by
23 changing Sections 201, 303, 304, and 710 as follows:

24 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

1 Sec. 201. Tax imposed.

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

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

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

16 (2) In the case of an individual, trust or estate, for
17 taxable years beginning prior to July 1, 1989 and ending
18 after June 30, 1989, an amount equal to the sum of (i) 2
19 1/2% of the taxpayer's net income for the period prior to
20 July 1, 1989, as calculated under Section 202.3, and (ii)
21 3% of the taxpayer's net income for the period after June
22 30, 1989, as calculated under Section 202.3.

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

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

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

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

19 (5.2) In the case of an individual, trust, or estate,
20 for taxable years beginning on or after January 1, 2015,
21 and ending prior to July 1, 2017, an amount equal to 3.75%
22 of the taxpayer's net income for the taxable year.

23 (5.3) In the case of an individual, trust, or estate,
24 for taxable years beginning prior to July 1, 2017, and
25 ending after June 30, 2017, an amount equal to the sum of
26 (i) 3.75% of the taxpayer's net income for the period prior

1 to July 1, 2017, as calculated under Section 202.5, and
2 (ii) 4.95% of the taxpayer's net income for the period
3 after June 30, 2017, as calculated under Section 202.5.

4 (5.4) In the case of an individual, trust, or estate,
5 for taxable years beginning on or after July 1, 2017, an
6 amount equal to 4.95% 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 July 1, 2017, 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 July 1, 2017, and ending after June 30,
20 2017, an amount equal to the sum of (i) 5.25% of the
21 taxpayer's net income for the period prior to July 1, 2017,
22 as calculated under Section 202.5, and (ii) 7% of the
23 taxpayer's net income for the period after June 30, 2017,
24 as calculated under Section 202.5.

25 (14) In the case of a corporation, for taxable years
26 beginning on or after July 1, 2017, an amount equal to 7%

1 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 organization gaming licensees. For each of
6 taxable years 2019 through 2027, 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 organization 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 organization gaming license, organization
17 license, or racetrack 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 organization
14 gaming license, organization license, or racetrack
15 property is transferred in a transaction to lineal
16 descendants in which no gain or loss is recognized or as a
17 result of a transaction in accordance with Section 351 of
18 the Internal Revenue Code in which no gain or loss is
19 recognized; or

20 (3) live horse racing was not conducted in 2010 at a
21 racetrack located within 3 miles of the Mississippi River
22 under a license issued pursuant to the Illinois Horse
23 Racing Act of 1975.

24 The transfer of an organization gaming license,
25 organization license, or racetrack property by a person other
26 than the initial licensee to receive the organization gaming

1 license is not subject to a surcharge. The Department shall
2 adopt rules necessary to implement and administer this
3 subsection.

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

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

1 additional amount equal to 1.5% of such taxpayer's net income
2 for the taxable year.

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

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

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

7 (B) the privilege tax imposed by Section 409 of the
8 Illinois Insurance Code, the fire insurance company
9 tax imposed by Section 12 of the Fire Investigation
10 Act, and the fire department taxes imposed under
11 Section 11-10-1 of the Illinois Municipal Code,
12 equals 1.25% for taxable years ending prior to December 31,
13 2003, or 1.75% for taxable years ending on or after
14 December 31, 2003, of the net taxable premiums written for
15 the taxable year, as described by subsection (1) of Section
16 409 of the Illinois Insurance Code. This paragraph will in
17 no event increase the rates imposed under subsections (b)
18 and (d).

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

26 This subsection (d-1) is exempt from the provisions of

1 Section 250.

2 (e) Investment credit. A taxpayer shall be allowed a credit
3 against the Personal Property Tax Replacement Income Tax for
4 investment in qualified property.

5 (1) A taxpayer shall be allowed a credit equal to .5%
6 of the basis of qualified property placed in service during
7 the taxable year, provided such property is placed in
8 service on or after July 1, 1984. There shall be allowed an
9 additional credit equal to .5% of the basis of qualified
10 property placed in service during the taxable year,
11 provided such property is placed in service on or after
12 July 1, 1986, and the taxpayer's base employment within
13 Illinois has increased by 1% or more over the preceding
14 year as determined by the taxpayer's employment records
15 filed with the Illinois Department of Employment Security.
16 Taxpayers who are new to Illinois shall be deemed to have
17 met the 1% growth in base employment for the first year in
18 which they file employment records with the Illinois
19 Department of Employment Security. The provisions added to
20 this Section by Public Act 85-1200 (and restored by Public
21 Act 87-895) shall be construed as declaratory of existing
22 law and not as a new enactment. If, in any year, the
23 increase in base employment within Illinois over the
24 preceding year is less than 1%, the additional credit shall
25 be limited to that percentage times a fraction, the
26 numerator of which is .5% and the denominator of which is

1 1%, but shall not exceed .5%. The investment credit shall
2 not be allowed to the extent that it would reduce a
3 taxpayer's liability in any tax year below zero, nor may
4 any credit for qualified property be allowed for any year
5 other than the year in which the property was placed in
6 service in Illinois. For tax years ending on or after
7 December 31, 1987, and on or before December 31, 1988, the
8 credit shall be allowed for the tax year in which the
9 property is placed in service, or, if the amount of the
10 credit exceeds the tax liability for that year, whether it
11 exceeds the original liability or the liability as later
12 amended, such excess may be carried forward and applied to
13 the tax liability of the 5 taxable years following the
14 excess credit years if the taxpayer (i) makes investments
15 which cause the creation of a minimum of 2,000 full-time
16 equivalent jobs in Illinois, (ii) is located in an
17 enterprise zone established pursuant to the Illinois
18 Enterprise Zone Act and (iii) is certified by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity) as
21 complying with the requirements specified in clause (i) and
22 (ii) by July 1, 1986. The Department of Commerce and
23 Community Affairs (now Department of Commerce and Economic
24 Opportunity) shall notify the Department of Revenue of all
25 such certifications immediately. For tax years ending
26 after December 31, 1988, the credit shall be allowed for

1 the tax year in which the property is placed in service,
2 or, if the amount of the credit exceeds the tax liability
3 for that year, whether it exceeds the original liability or
4 the liability as later amended, such excess may be carried
5 forward and applied to the tax liability of the 5 taxable
6 years following the excess credit years. The credit shall
7 be applied to the earliest year for which there is a
8 liability. If there is credit from more than one tax year
9 that is available to offset a liability, earlier credit
10 shall be applied first.

11 (2) The term "qualified property" means property
12 which:

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

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

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

1 (D) is used in Illinois by a taxpayer who is
2 primarily engaged in manufacturing, or in mining coal
3 or fluorite, or in retailing, or was placed in service
4 on or after July 1, 2006 in a River Edge Redevelopment
5 Zone established pursuant to the River Edge
6 Redevelopment Zone Act; and

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

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

1 taxable years ending after December 31, 2008, does not
2 include the generation, transmission, or distribution of
3 electricity.

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

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

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

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

1 qualified property resulting from a redetermination of the
2 purchase price shall be deemed a disposition of qualified
3 property to the extent of such reduction.

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

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

25 For taxable years ending on or after December 31, 2000,
26 a partner that qualifies its partnership for a subtraction

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

13 (f) Investment credit; Enterprise Zone; River Edge
14 Redevelopment Zone.

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

1 determined in accordance with the determination of income
2 and distributive share of income under Sections 702 and 704
3 and Subchapter S of the Internal Revenue Code. The credit
4 shall be .5% of the basis for such property. The credit
5 shall be available only in the taxable year in which the
6 property is placed in service in the Enterprise Zone or
7 River Edge Redevelopment Zone and shall not be allowed to
8 the extent that it would reduce a taxpayer's liability for
9 the tax imposed by subsections (a) and (b) of this Section
10 to below zero. For tax years ending on or after December
11 31, 1985, the credit shall be allowed for the tax year in
12 which the property is placed in service, or, if the amount
13 of the credit exceeds the tax liability for that year,
14 whether it exceeds the original liability or the liability
15 as later amended, such excess may be carried forward and
16 applied to the tax liability of the 5 taxable years
17 following the excess credit year. The credit shall be
18 applied to the earliest year for which there is a
19 liability. If there is credit from more than one tax year
20 that is available to offset a liability, the credit
21 accruing first in time shall be applied first.

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

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

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (f);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code;

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

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

12 (3) The basis of qualified property shall be the basis
13 used to compute the depreciation deduction for federal
14 income tax purposes.

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

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

23 (6) If during any taxable year, any property ceases to
24 be qualified property in the hands of the taxpayer within
25 48 months after being placed in service, or the situs of
26 any qualified property is moved outside the Enterprise Zone

1 or River Edge Redevelopment Zone within 48 months after
2 being placed in service, the tax imposed under subsections
3 (a) and (b) of this Section for such taxable year shall be
4 increased. Such increase shall be determined by (i)
5 recomputing the investment credit which would have been
6 allowed for the year in which credit for such property was
7 originally allowed by eliminating such property from such
8 computation, and (ii) subtracting such recomputed credit
9 from the amount of credit previously allowed. For the
10 purposes of this paragraph (6), a reduction of the basis of
11 qualified property resulting from a redetermination of the
12 purchase price shall be deemed a disposition of qualified
13 property to the extent of such reduction.

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

1 within Illinois over the preceding year is less than 1%,
2 the additional credit shall be limited to that percentage
3 times a fraction, the numerator of which is 0.5% and the
4 denominator of which is 1%, but shall not exceed 0.5%.

5 (g) (Blank).

6 (h) Investment credit; High Impact Business.

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

1 The credit for additional investments beyond the minimum
2 investment by a designated high impact business authorized
3 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
4 Enterprise Zone Act shall be available only in the taxable
5 year in which the property is placed in service and shall
6 not be allowed to the extent that it would reduce a
7 taxpayer's liability for the tax imposed by subsections (a)
8 and (b) of this Section to below zero. For tax years ending
9 on or after December 31, 1987, the credit shall be allowed
10 for the tax year in which the property is placed in
11 service, or, if the amount of the credit exceeds the tax
12 liability for that year, whether it exceeds the original
13 liability or the liability as later amended, such excess
14 may be carried forward and applied to the tax liability of
15 the 5 taxable years following the excess credit year. The
16 credit shall be applied to the earliest year for which
17 there is a liability. If there is credit from more than one
18 tax year that is available to offset a liability, the
19 credit accruing first in time shall be applied first.

20 Changes made in this subdivision (h) (1) by Public Act
21 88-670 restore changes made by Public Act 85-1182 and
22 reflect existing law.

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

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

26 (B) is depreciable pursuant to Section 167 of the

1 Internal Revenue Code, except that "3-year property"
2 as defined in Section 168(c)(2)(A) of that Code is not
3 eligible for the credit provided by this subsection
4 (h);

5 (C) is acquired by purchase as defined in Section
6 179(d) of the Internal Revenue Code; and

7 (D) is not eligible for the Enterprise Zone
8 Investment Credit provided by subsection (f) of this
9 Section.

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

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

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

21 (6) If during any taxable year ending on or before
22 December 31, 1996, any property ceases to be qualified
23 property in the hands of the taxpayer within 48 months
24 after being placed in service, or the situs of any
25 qualified property is moved outside Illinois within 48
26 months after being placed in service, the tax imposed under

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

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

23 (i) Credit for Personal Property Tax Replacement Income
24 Tax. For tax years ending prior to December 31, 2003, a credit
25 shall be allowed against the tax imposed by subsections (a) and
26 (b) of this Section for the tax imposed by subsections (c) and

1 (d) of this Section. This credit shall be computed by
2 multiplying the tax imposed by subsections (c) and (d) of this
3 Section by a fraction, the numerator of which is base income
4 allocable to Illinois and the denominator of which is Illinois
5 base income, and further multiplying the product by the tax
6 rate imposed by subsections (a) and (b) of this Section.

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

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

1 imposed by subsections (c) and (d). If any portion of the
2 reduced amount of credit has been carried to a different
3 taxable year, an amended return shall be filed for such taxable
4 year to reduce the amount of credit claimed.

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

24 Any credit allowed under this subsection which is unused in
25 the year the credit is earned may be carried forward to each of
26 the 5 taxable years following the year for which the credit is

1 first computed until it is used. This credit shall be applied
2 first to the earliest year for which there is a liability. If
3 there is a credit under this subsection from more than one tax
4 year that is available to offset a liability the earliest
5 credit arising under this subsection shall be applied first. No
6 carryforward credit may be claimed in any tax year ending on or
7 after December 31, 2003.

8 (k) Research and development credit. For tax years ending
9 after July 1, 1990 and prior to December 31, 2003, and
10 beginning again for tax years ending on or after December 31,
11 2004, and ending prior to January 1, 2022, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a) and
13 (b) of this Section for increasing research activities in this
14 State. The credit allowed against the tax imposed by
15 subsections (a) and (b) shall be equal to 6 1/2% of the
16 qualifying expenditures for increasing research activities in
17 this State. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if the
19 liability company is treated as a partnership for purposes of
20 federal and State income taxation, there shall be allowed a
21 credit under this subsection to be determined in accordance
22 with the determination of income and distributive share of
23 income under Sections 702 and 704 and subchapter S of the
24 Internal Revenue Code.

25 For purposes of this subsection, "qualifying expenditures"
26 means the qualifying expenditures as defined for the federal

1 credit for increasing research activities which would be
2 allowable under Section 41 of the Internal Revenue Code and
3 which are conducted in this State, "qualifying expenditures for
4 increasing research activities in this State" means the excess
5 of qualifying expenditures for the taxable year in which
6 incurred over qualifying expenditures for the base period,
7 "qualifying expenditures for the base period" means the average
8 of the qualifying expenditures for each year in the base
9 period, and "base period" means the 3 taxable years immediately
10 preceding the taxable year for which the determination is being
11 made.

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

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

1 credit or credits then will be carried forward to the next
2 following year in which a tax liability is incurred, except
3 that no credit can be carried forward to a year which is more
4 than 5 years after the year in which the expense for which the
5 credit is given was incurred.

6 No inference shall be drawn from this amendatory Act of the
7 91st General Assembly in construing this Section for taxable
8 years beginning before January 1, 1999.

9 It is the intent of the General Assembly that the research
10 and development credit under this subsection (k) shall apply
11 continuously for all tax years ending on or after December 31,
12 2004 and ending prior to January 1, 2022, including, but not
13 limited to, the period beginning on January 1, 2016 and ending
14 on the effective date of this amendatory Act of the 100th
15 General Assembly. All actions taken in reliance on the
16 continuation of the credit under this subsection (k) by any
17 taxpayer are hereby validated.

18 (l) Environmental Remediation Tax Credit.

19 (i) For tax years ending after December 31, 1997 and on
20 or before December 31, 2001, a taxpayer shall be allowed a
21 credit against the tax imposed by subsections (a) and (b)
22 of this Section for certain amounts paid for unreimbursed
23 eligible remediation costs, as specified in this
24 subsection. For purposes of this Section, "unreimbursed
25 eligible remediation costs" means costs approved by the
26 Illinois Environmental Protection Agency ("Agency") under

1 Section 58.14 of the Environmental Protection Act that were
2 paid in performing environmental remediation at a site for
3 which a No Further Remediation Letter was issued by the
4 Agency and recorded under Section 58.10 of the
5 Environmental Protection Act. The credit must be claimed
6 for the taxable year in which Agency approval of the
7 eligible remediation costs is granted. The credit is not
8 available to any taxpayer if the taxpayer or any related
9 party caused or contributed to, in any material respect, a
10 release of regulated substances on, in, or under the site
11 that was identified and addressed by the remedial action
12 pursuant to the Site Remediation Program of the
13 Environmental Protection Act. After the Pollution Control
14 Board rules are adopted pursuant to the Illinois
15 Administrative Procedure Act for the administration and
16 enforcement of Section 58.9 of the Environmental
17 Protection Act, determinations as to credit availability
18 for purposes of this Section shall be made consistent with
19 those rules. For purposes of this Section, "taxpayer"
20 includes a person whose tax attributes the taxpayer has
21 succeeded to under Section 381 of the Internal Revenue Code
22 and "related party" includes the persons disallowed a
23 deduction for losses by paragraphs (b), (c), and (f) (1) of
24 Section 267 of the Internal Revenue Code by virtue of being
25 a related taxpayer, as well as any of its partners. The
26 credit allowed against the tax imposed by subsections (a)

1 and (b) shall be equal to 25% of the unreimbursed eligible
2 remediation costs in excess of \$100,000 per site, except
3 that the \$100,000 threshold shall not apply to any site
4 contained in an enterprise zone as determined by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity). The
7 total credit allowed shall not exceed \$40,000 per year with
8 a maximum total of \$150,000 per site. For partners and
9 shareholders of subchapter S corporations, there shall be
10 allowed a credit under this subsection to be determined in
11 accordance with the determination of income and
12 distributive share of income under Sections 702 and 704 and
13 subchapter S of the Internal Revenue Code.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. The
18 term "unused credit" does not include any amounts of
19 unreimbursed eligible remediation costs in excess of the
20 maximum credit per site authorized under paragraph (i).
21 This credit shall be applied first to the earliest year for
22 which there is a liability. If there is a credit under this
23 subsection from more than one tax year that is available to
24 offset a liability, the earliest credit arising under this
25 subsection shall be applied first. A credit allowed under
26 this subsection may be sold to a buyer as part of a sale of

1 all or part of the remediation site for which the credit
2 was granted. The purchaser of a remediation site and the
3 tax credit shall succeed to the unused credit and remaining
4 carry-forward period of the seller. To perfect the
5 transfer, the assignor shall record the transfer in the
6 chain of title for the site and provide written notice to
7 the Director of the Illinois Department of Revenue of the
8 assignor's intent to sell the remediation site and the
9 amount of the tax credit to be transferred as a portion of
10 the sale. In no event may a credit be transferred to any
11 taxpayer if the taxpayer or a related party would not be
12 eligible under the provisions of subsection (i).

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

16 (m) Education expense credit. Beginning with tax years
17 ending after December 31, 1999, a taxpayer who is the custodian
18 of one or more qualifying pupils shall be allowed a credit
19 against the tax imposed by subsections (a) and (b) of this
20 Section for qualified education expenses incurred on behalf of
21 the qualifying pupils. The credit shall be equal to 25% of
22 qualified education expenses, but in no event may the total
23 credit under this subsection claimed by a family that is the
24 custodian of qualifying pupils exceed (i) \$500 for tax years
25 ending prior to December 31, 2017, and (ii) \$750 for tax years
26 ending on or after December 31, 2017. In no event shall a

1 credit under this subsection reduce the taxpayer's liability
2 under this Act to less than zero. Notwithstanding any other
3 provision of law, for taxable years beginning on or after
4 January 1, 2017, no taxpayer may claim a credit under this
5 subsection (m) if the taxpayer's adjusted gross income for the
6 taxable year exceeds (i) \$500,000, in the case of spouses
7 filing a joint federal tax return or (ii) \$250,000, in the case
8 of all other taxpayers. This subsection is exempt from the
9 provisions of Section 250 of this Act.

10 For purposes of this subsection:

11 "Qualifying pupils" means individuals who (i) are
12 residents of the State of Illinois, (ii) are under the age of
13 21 at the close of the school year for which a credit is
14 sought, and (iii) during the school year for which a credit is
15 sought were full-time pupils enrolled in a kindergarten through
16 twelfth grade education program at any school, as defined in
17 this subsection.

18 "Qualified education expense" means the amount incurred on
19 behalf of a qualifying pupil in excess of \$250 for tuition,
20 book fees, and lab fees at the school in which the pupil is
21 enrolled during the regular school year.

22 "School" means any public or nonpublic elementary or
23 secondary school in Illinois that is in compliance with Title
24 VI of the Civil Rights Act of 1964 and attendance at which
25 satisfies the requirements of Section 26-1 of the School Code,
26 except that nothing shall be construed to require a child to

1 attend any particular public or nonpublic school to qualify for
2 the credit under this Section.

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

6 (n) River Edge Redevelopment Zone site remediation tax
7 credit.

8 (i) For tax years ending on or after December 31, 2006,
9 a taxpayer shall be allowed a credit against the tax
10 imposed by subsections (a) and (b) of this Section for
11 certain amounts paid for unreimbursed eligible remediation
12 costs, as specified in this subsection. For purposes of
13 this Section, "unreimbursed eligible remediation costs"
14 means costs approved by the Illinois Environmental
15 Protection Agency ("Agency") under Section 58.14a of the
16 Environmental Protection Act that were paid in performing
17 environmental remediation at a site within a River Edge
18 Redevelopment Zone for which a No Further Remediation
19 Letter was issued by the Agency and recorded under Section
20 58.10 of the Environmental Protection Act. The credit must
21 be claimed for the taxable year in which Agency approval of
22 the eligible remediation costs is granted. The credit is
23 not available to any taxpayer if the taxpayer or any
24 related party caused or contributed to, in any material
25 respect, a release of regulated substances on, in, or under
26 the site that was identified and addressed by the remedial

1 action pursuant to the Site Remediation Program of the
2 Environmental Protection Act. Determinations as to credit
3 availability for purposes of this Section shall be made
4 consistent with rules adopted by the Pollution Control
5 Board pursuant to the Illinois Administrative Procedure
6 Act for the administration and enforcement of Section 58.9
7 of the Environmental Protection Act. For purposes of this
8 Section, "taxpayer" includes a person whose tax attributes
9 the taxpayer has succeeded to under Section 381 of the
10 Internal Revenue Code and "related party" includes the
11 persons disallowed a deduction for losses by paragraphs
12 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
13 Code by virtue of being a related taxpayer, as well as any
14 of its partners. The credit allowed against the tax imposed
15 by subsections (a) and (b) shall be equal to 25% of the
16 unreimbursed eligible remediation costs in excess of
17 \$100,000 per site.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. This
22 credit shall be applied first to the earliest year for
23 which there is a liability. If there is a credit under this
24 subsection from more than one tax year that is available to
25 offset a liability, the earliest credit arising under this
26 subsection shall be applied first. A credit allowed under

1 this subsection may be sold to a buyer as part of a sale of
2 all or part of the remediation site for which the credit
3 was granted. The purchaser of a remediation site and the
4 tax credit shall succeed to the unused credit and remaining
5 carry-forward period of the seller. To perfect the
6 transfer, the assignor shall record the transfer in the
7 chain of title for the site and provide written notice to
8 the Director of the Illinois Department of Revenue of the
9 assignor's intent to sell the remediation site and the
10 amount of the tax credit to be transferred as a portion of
11 the sale. In no event may a credit be transferred to any
12 taxpayer if the taxpayer or a related party would not be
13 eligible under the provisions of subsection (i).

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

17 (o) For each of taxable years during the Compassionate Use
18 of Medical Cannabis Pilot Program, a surcharge is imposed on
19 all taxpayers on income arising from the sale or exchange of
20 capital assets, depreciable business property, real property
21 used in the trade or business, and Section 197 intangibles of
22 an organization registrant under the Compassionate Use of
23 Medical Cannabis Pilot Program Act. The amount of the surcharge
24 is equal to the amount of federal income tax liability for the
25 taxable year attributable to those sales and exchanges. The
26 surcharge imposed does not apply if:

1 (1) the medical cannabis cultivation center
2 registration, medical cannabis dispensary registration, or
3 the property of a registration is transferred as a result
4 of any of the following:

5 (A) bankruptcy, a receivership, or a debt
6 adjustment initiated by or against the initial
7 registration or the substantial owners of the initial
8 registration;

9 (B) cancellation, revocation, or termination of
10 any registration by the Illinois Department of Public
11 Health;

12 (C) a determination by the Illinois Department of
13 Public Health that transfer of the registration is in
14 the best interests of Illinois qualifying patients as
15 defined by the Compassionate Use of Medical Cannabis
16 Pilot Program Act;

17 (D) the death of an owner of the equity interest in
18 a registrant;

19 (E) the acquisition of a controlling interest in
20 the stock or substantially all of the assets of a
21 publicly traded company;

22 (F) a transfer by a parent company to a wholly
23 owned subsidiary; or

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the registration when the registration was issued;

1 or

2 (2) the cannabis cultivation center registration,
3 medical cannabis dispensary registration, or the
4 controlling interest in a registrant's property is
5 transferred in a transaction to lineal descendants in which
6 no gain or loss is recognized or as a result of a
7 transaction in accordance with Section 351 of the Internal
8 Revenue Code in which no gain or loss is recognized.

9 (Source: P.A. 100-22, eff. 7-6-17.)

10 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

11 Sec. 303. (a) In general. Any item of capital gain or loss,
12 and any item of income from rents or royalties from real or
13 tangible personal property, interest, dividends, and patent or
14 copyright royalties, and prizes awarded under the Illinois
15 Lottery Law, and, for taxable years ending on or after December
16 31, 2019, wagering and gambling winnings from Illinois sources
17 as set forth in subsection (e-1) of this Section, to the extent
18 such item constitutes nonbusiness income, together with any
19 item of deduction directly allocable thereto, shall be
20 allocated by any person other than a resident as provided in
21 this Section.

22 (b) Capital gains and losses.

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

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

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

6 (B) The taxpayer had its commercial domicile in
7 this State and was not taxable in the state in which
8 the property had its situs.

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

13 (c) Rents and royalties.

14 (1) Real property. Rents and royalties from real
15 property are allocable to this State if the property is
16 located in this State.

17 (2) Tangible personal property. Rents and royalties
18 from tangible personal property are allocable to this
19 State:

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

22 (B) In their entirety if, at the time such rents or
23 royalties were paid or accrued, the taxpayer had its
24 commercial domicile in this State and was not organized
25 under the laws of or taxable with respect to such rents
26 or royalties in the state in which the property was

1 utilized. The extent of utilization of tangible
2 personal property in a state is determined by
3 multiplying the rents or royalties derived from such
4 property by a fraction, the numerator of which is the
5 number of days of physical location of the property in
6 the state during the rental or royalty period in the
7 taxable year and the denominator of which is the number
8 of days of physical location of the property everywhere
9 during all rental or royalty periods in the taxable
10 year. If the physical location of the property during
11 the rental or royalty period is unknown or
12 unascertainable by the taxpayer, tangible personal
13 property is utilized in the state in which the property
14 was located at the time the rental or royalty payer
15 obtained possession.

16 (d) Patent and copyright royalties.

17 (1) Allocation. Patent and copyright royalties are
18 allocable to this State:

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

21 (B) If and to the extent that the patent or
22 copyright is utilized by the payer in a state in which
23 the taxpayer is not taxable with respect to such
24 royalties and, at the time such royalties were paid or
25 accrued, the taxpayer had its commercial domicile in
26 this State.

1 (2) Utilization.

2 (A) A patent is utilized in a state to the extent
3 that it is employed in production, fabrication,
4 manufacturing or other processing in the state or to
5 the extent that a patented product is produced in the
6 state. If the basis of receipts from patent royalties
7 does not permit allocation to states or if the
8 accounting procedures do not reflect states of
9 utilization, the patent is utilized in this State if
10 the taxpayer has its commercial domicile in this State.

11 (B) A copyright is utilized in a state to the
12 extent that printing or other publication originates
13 in the state. If the basis of receipts from copyright
14 royalties does not permit allocation to states or if
15 the accounting procedures do not reflect states of
16 utilization, the copyright is utilized in this State if
17 the taxpayer has its commercial domicile in this State.

18 (e) Illinois lottery prizes. Prizes awarded under the
19 Illinois Lottery Law are allocable to this State. Payments
20 received in taxable years ending on or after December 31, 2013,
21 from the assignment of a prize under Section 13.1 of the
22 Illinois Lottery Law are allocable to this State.

23 (e-1) Wagering and gambling winnings. Payments received in
24 taxable years ending on or after December 31, 2019 of winnings
25 from pari-mutuel wagering conducted at a wagering facility
26 licensed under the Illinois Horse Racing Act of 1975 and from

1 gambling games conducted on a riverboat or in a casino or
2 organization gaming facility licensed under the Illinois
3 Gambling Act are allocable to this State.

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

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

10 (1) In that state he is subject to a net income tax, a
11 franchise tax measured by net income, a franchise tax for
12 the privilege of doing business, or a corporate stock tax;
13 or

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

17 (g) Cross references.

18 (1) For allocation of interest and dividends by persons
19 other than residents, see Section 301(c)(2).

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

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

23 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

25 (a) In general. The business income of a person other than

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

20 (1) Property factor.

21 (A) The property factor is a fraction, the numerator of
22 which is the average value of the person's real and
23 tangible personal property owned or rented and used in the
24 trade or business in this State during the taxable year and
25 the denominator of which is the average value of all the
26 person's real and tangible personal property owned or

1 rented and used in the trade or business during the taxable
2 year.

3 (B) Property owned by the person is valued at its
4 original cost. Property rented by the person is valued at 8
5 times the net annual rental rate. Net annual rental rate is
6 the annual rental rate paid by the person less any annual
7 rental rate received by the person from sub-rentals.

8 (C) The average value of property shall be determined
9 by averaging the values at the beginning and ending of the
10 taxable year but the Director may require the averaging of
11 monthly values during the taxable year if reasonably
12 required to reflect properly the average value of the
13 person's property.

14 (2) Payroll factor.

15 (A) The payroll factor is a fraction, the numerator of
16 which is the total amount paid in this State during the
17 taxable year by the person for compensation, and the
18 denominator of which is the total compensation paid
19 everywhere during the taxable year.

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

21 (i) The individual's service is performed entirely
22 within this State;

23 (ii) The individual's service is performed both
24 within and without this State, but the service
25 performed without this State is incidental to the
26 individual's service performed within this State; or

1 (iii) Some of the service is performed within this
2 State and either the base of operations, or if there is
3 no base of operations, the place from which the service
4 is directed or controlled is within this State, or the
5 base of operations or the place from which the service
6 is directed or controlled is not in any state in which
7 some part of the service is performed, but the
8 individual's residence is in this State.

9 (iv) Compensation paid to nonresident professional
10 athletes.

11 (a) General. The Illinois source income of a
12 nonresident individual who is a member of a
13 professional athletic team includes the portion of the
14 individual's total compensation for services performed
15 as a member of a professional athletic team during the
16 taxable year which the number of duty days spent within
17 this State performing services for the team in any
18 manner during the taxable year bears to the total
19 number of duty days spent both within and without this
20 State during the taxable year.

21 (b) Travel days. Travel days that do not involve
22 either a game, practice, team meeting, or other similar
23 team event are not considered duty days spent in this
24 State. However, such travel days are considered in the
25 total duty days spent both within and without this
26 State.

1 (c) Definitions. For purposes of this subpart
2 (iv):

3 (1) The term "professional athletic team"
4 includes, but is not limited to, any professional
5 baseball, basketball, football, soccer, or hockey
6 team.

7 (2) The term "member of a professional
8 athletic team" includes those employees who are
9 active players, players on the disabled list, and
10 any other persons required to travel and who travel
11 with and perform services on behalf of a
12 professional athletic team on a regular basis.
13 This includes, but is not limited to, coaches,
14 managers, and trainers.

15 (3) Except as provided in items (C) and (D) of
16 this subpart (3), the term "duty days" means all
17 days during the taxable year from the beginning of
18 the professional athletic team's official
19 pre-season training period through the last game
20 in which the team competes or is scheduled to
21 compete. Duty days shall be counted for the year in
22 which they occur, including where a team's
23 official pre-season training period through the
24 last game in which the team competes or is
25 scheduled to compete, occurs during more than one
26 tax year.

1 (A) Duty days shall also include days on
2 which a member of a professional athletic team
3 performs service for a team on a date that does
4 not fall within the foregoing period (e.g.,
5 participation in instructional leagues, the
6 "All Star Game", or promotional "caravans").
7 Performing a service for a professional
8 athletic team includes conducting training and
9 rehabilitation activities, when such
10 activities are conducted at team facilities.

11 (B) Also included in duty days are game
12 days, practice days, days spent at team
13 meetings, promotional caravans, preseason
14 training camps, and days served with the team
15 through all post-season games in which the team
16 competes or is scheduled to compete.

17 (C) Duty days for any person who joins a
18 team during the period from the beginning of
19 the professional athletic team's official
20 pre-season training period through the last
21 game in which the team competes, or is
22 scheduled to compete, shall begin on the day
23 that person joins the team. Conversely, duty
24 days for any person who leaves a team during
25 this period shall end on the day that person
26 leaves the team. Where a person switches teams

1 during a taxable year, a separate duty-day
2 calculation shall be made for the period the
3 person was with each team.

4 (D) Days for which a member of a
5 professional athletic team is not compensated
6 and is not performing services for the team in
7 any manner, including days when such member of
8 a professional athletic team has been
9 suspended without pay and prohibited from
10 performing any services for the team, shall not
11 be treated as duty days.

12 (E) Days for which a member of a
13 professional athletic team is on the disabled
14 list and does not conduct rehabilitation
15 activities at facilities of the team, and is
16 not otherwise performing services for the team
17 in Illinois, shall not be considered duty days
18 spent in this State. All days on the disabled
19 list, however, are considered to be included in
20 total duty days spent both within and without
21 this State.

22 (4) The term "total compensation for services
23 performed as a member of a professional athletic
24 team" means the total compensation received during
25 the taxable year for services performed:

26 (A) from the beginning of the official

1 pre-season training period through the last
2 game in which the team competes or is scheduled
3 to compete during that taxable year; and

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

8 This compensation shall include, but is not
9 limited to, salaries, wages, bonuses as described
10 in this subpart, and any other type of compensation
11 paid during the taxable year to a member of a
12 professional athletic team for services performed
13 in that year. This compensation does not include
14 strike benefits, severance pay, termination pay,
15 contract or option year buy-out payments,
16 expansion or relocation payments, or any other
17 payments not related to services performed for the
18 team.

19 For purposes of this subparagraph, "bonuses"
20 included in "total compensation for services
21 performed as a member of a professional athletic
22 team" subject to the allocation described in
23 Section 302(c)(1) are: bonuses earned as a result
24 of play (i.e., performance bonuses) during the
25 season, including bonuses paid for championship,
26 playoff or "bowl" games played by a team, or for

1 selection to all-star league or other honorary
2 positions; and bonuses paid for signing a
3 contract, unless the payment of the signing bonus
4 is not conditional upon the signee playing any
5 games for the team or performing any subsequent
6 services for the team or even making the team, the
7 signing bonus is payable separately from the
8 salary and any other compensation, and the signing
9 bonus is nonrefundable.

10 (3) Sales factor.

11 (A) The sales factor is a fraction, the numerator of
12 which is the total sales of the person in this State during
13 the taxable year, and the denominator of which is the total
14 sales of the person everywhere during the taxable year.

15 (B) Sales of tangible personal property are in this
16 State if:

17 (i) The property is delivered or shipped to a
18 purchaser, other than the United States government,
19 within this State regardless of the f. o. b. point or
20 other conditions of the sale; or

21 (ii) The property is shipped from an office, store,
22 warehouse, factory or other place of storage in this
23 State and either the purchaser is the United States
24 government or the person is not taxable in the state of
25 the purchaser; provided, however, that premises owned
26 or leased by a person who has independently contracted

1 with the seller for the printing of newspapers,
2 periodicals or books shall not be deemed to be an
3 office, store, warehouse, factory or other place of
4 storage for purposes of this Section. Sales of tangible
5 personal property are not in this State if the seller
6 and purchaser would be members of the same unitary
7 business group but for the fact that either the seller
8 or purchaser is a person with 80% or more of total
9 business activity outside of the United States and the
10 property is purchased for resale.

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

13 (i) Gross receipts from the licensing, sale, or
14 other disposition of a patent, copyright, trademark,
15 or similar item of intangible personal property, other
16 than gross receipts governed by paragraph (B-7) of this
17 item (3), are in this State to the extent the item is
18 utilized in this State during the year the gross
19 receipts are included in gross income.

20 (ii) Place of utilization.

21 (I) A patent is utilized in a state to the
22 extent that it is employed in production,
23 fabrication, manufacturing, or other processing in
24 the state or to the extent that a patented product
25 is produced in the state. If a patent is utilized
26 in more than one state, the extent to which it is

1 utilized in any one state shall be a fraction equal
2 to the gross receipts of the licensee or purchaser
3 from sales or leases of items produced,
4 fabricated, manufactured, or processed within that
5 state using the patent and of patented items
6 produced within that state, divided by the total of
7 such gross receipts for all states in which the
8 patent is utilized.

9 (II) A copyright is utilized in a state to the
10 extent that printing or other publication
11 originates in the state. If a copyright is utilized
12 in more than one state, the extent to which it is
13 utilized in any one state shall be a fraction equal
14 to the gross receipts from sales or licenses of
15 materials printed or published in that state
16 divided by the total of such gross receipts for all
17 states in which the copyright is utilized.

18 (III) Trademarks and other items of intangible
19 personal property governed by this paragraph (B-1)
20 are utilized in the state in which the commercial
21 domicile of the licensee or purchaser is located.

22 (iii) If the state of utilization of an item of
23 property governed by this paragraph (B-1) cannot be
24 determined from the taxpayer's books and records or
25 from the books and records of any person related to the
26 taxpayer within the meaning of Section 267(b) of the

1 Internal Revenue Code, 26 U.S.C. 267, the gross
2 receipts attributable to that item shall be excluded
3 from both the numerator and the denominator of the
4 sales factor.

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

18 (B-5) For taxable years ending on or after December 31,
19 2008, except as provided in subsections (ii) through (vii),
20 receipts from the sale of telecommunications service or
21 mobile telecommunications service are in this State if the
22 customer's service address is in this State.

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

25 "Ancillary services" means services that are
26 associated with or incidental to the provision of

1 "telecommunications services", including but not
2 limited to "detailed telecommunications billing",
3 "directory assistance", "vertical service", and "voice
4 mail services".

5 "Air-to-Ground Radiotelephone service" means a
6 radio service, as that term is defined in 47 CFR 22.99,
7 in which common carriers are authorized to offer and
8 provide radio telecommunications service for hire to
9 subscribers in aircraft.

10 "Call-by-call Basis" means any method of charging
11 for telecommunications services where the price is
12 measured by individual calls.

13 "Communications Channel" means a physical or
14 virtual path of communications over which signals are
15 transmitted between or among customer channel
16 termination points.

17 "Conference bridging service" means an "ancillary
18 service" that links two or more participants of an
19 audio or video conference call and may include the
20 provision of a telephone number. "Conference bridging
21 service" does not include the "telecommunications
22 services" used to reach the conference bridge.

23 "Customer Channel Termination Point" means the
24 location where the customer either inputs or receives
25 the communications.

26 "Detailed telecommunications billing service"

1 means an "ancillary service" of separately stating
2 information pertaining to individual calls on a
3 customer's billing statement.

4 "Directory assistance" means an "ancillary
5 service" of providing telephone number information,
6 and/or address information.

7 "Home service provider" means the facilities based
8 carrier or reseller with which the customer contracts
9 for the provision of mobile telecommunications
10 services.

11 "Mobile telecommunications service" means
12 commercial mobile radio service, as defined in Section
13 20.3 of Title 47 of the Code of Federal Regulations as
14 in effect on June 1, 1999.

15 "Place of primary use" means the street address
16 representative of where the customer's use of the
17 telecommunications service primarily occurs, which
18 must be the residential street address or the primary
19 business street address of the customer. In the case of
20 mobile telecommunications services, "place of primary
21 use" must be within the licensed service area of the
22 home service provider.

23 "Post-paid telecommunication service" means the
24 telecommunications service obtained by making a
25 payment on a call-by-call basis either through the use
26 of a credit card or payment mechanism such as a bank

1 card, travel card, credit card, or debit card, or by
2 charge made to a telephone number which is not
3 associated with the origination or termination of the
4 telecommunications service. A post-paid calling
5 service includes telecommunications service, except a
6 prepaid wireless calling service, that would be a
7 prepaid calling service except it is not exclusively a
8 telecommunication service.

9 "Prepaid telecommunication service" means the
10 right to access exclusively telecommunications
11 services, which must be paid for in advance and which
12 enables the origination of calls using an access number
13 or authorization code, whether manually or
14 electronically dialed, and that is sold in
15 predetermined units or dollars of which the number
16 declines with use in a known amount.

17 "Prepaid Mobile telecommunication service" means a
18 telecommunications service that provides the right to
19 utilize mobile wireless service as well as other
20 non-telecommunication services, including but not
21 limited to ancillary services, which must be paid for
22 in advance that is sold in predetermined units or
23 dollars of which the number declines with use in a
24 known amount.

25 "Private communication service" means a
26 telecommunication service that entitles the customer

1 to exclusive or priority use of a communications
2 channel or group of channels between or among
3 termination points, regardless of the manner in which
4 such channel or channels are connected, and includes
5 switching capacity, extension lines, stations, and any
6 other associated services that are provided in
7 connection with the use of such channel or channels.

8 "Service address" means:

9 (a) The location of the telecommunications
10 equipment to which a customer's call is charged and
11 from which the call originates or terminates,
12 regardless of where the call is billed or paid;

13 (b) If the location in line (a) is not known,
14 service address means the origination point of the
15 signal of the telecommunications services first
16 identified by either the seller's
17 telecommunications system or in information
18 received by the seller from its service provider
19 where the system used to transport such signals is
20 not that of the seller; and

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

24 "Telecommunications service" means the electronic
25 transmission, conveyance, or routing of voice, data,
26 audio, video, or any other information or signals to a

1 point, or between or among points. The term
2 "telecommunications service" includes such
3 transmission, conveyance, or routing in which computer
4 processing applications are used to act on the form,
5 code or protocol of the content for purposes of
6 transmission, conveyance or routing without regard to
7 whether such service is referred to as voice over
8 Internet protocol services or is classified by the
9 Federal Communications Commission as enhanced or value
10 added. "Telecommunications service" does not include:

11 (a) Data processing and information services
12 that allow data to be generated, acquired, stored,
13 processed, or retrieved and delivered by an
14 electronic transmission to a purchaser when such
15 purchaser's primary purpose for the underlying
16 transaction is the processed data or information;

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

19 (c) Tangible personal property;

20 (d) Advertising, including but not limited to
21 directory advertising;

22 (e) Billing and collection services provided
23 to third parties;

24 (f) Internet access service;

25 (g) Radio and television audio and video
26 programming services, regardless of the medium,

1 including the furnishing of transmission,
2 conveyance and routing of such services by the
3 programming service provider. Radio and television
4 audio and video programming services shall include
5 but not be limited to cable service as defined in
6 47 USC 522(6) and audio and video programming
7 services delivered by commercial mobile radio
8 service providers, as defined in 47 CFR 20.3;

9 (h) "Ancillary services"; or

10 (i) Digital products "delivered
11 electronically", including but not limited to
12 software, music, video, reading materials or ring
13 tones.

14 "Vertical service" means an "ancillary service"
15 that is offered in connection with one or more
16 "telecommunications services", which offers advanced
17 calling features that allow customers to identify
18 callers and to manage multiple calls and call
19 connections, including "conference bridging services".

20 "Voice mail service" means an "ancillary service"
21 that enables the customer to store, send or receive
22 recorded messages. "Voice mail service" does not
23 include any "vertical services" that the customer may
24 be required to have in order to utilize the "voice mail
25 service".

26 (ii) Receipts from the sale of telecommunications

1 service sold on an individual call-by-call basis are in
2 this State if either of the following applies:

3 (a) The call both originates and terminates in
4 this State.

5 (b) The call either originates or terminates
6 in this State and the service address is located in
7 this State.

8 (iii) Receipts from the sale of postpaid
9 telecommunications service at retail are in this State
10 if the origination point of the telecommunication
11 signal, as first identified by the service provider's
12 telecommunication system or as identified by
13 information received by the seller from its service
14 provider if the system used to transport
15 telecommunication signals is not the seller's, is
16 located in this State.

17 (iv) Receipts from the sale of prepaid
18 telecommunications service or prepaid mobile
19 telecommunications service at retail are in this State
20 if the purchaser obtains the prepaid card or similar
21 means of conveyance at a location in this State.
22 Receipts from recharging a prepaid telecommunications
23 service or mobile telecommunications service is in
24 this State if the purchaser's billing information
25 indicates a location in this State.

26 (v) Receipts from the sale of private

1 communication services are in this State as follows:

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

4 (b) 100% of receipts from charges for the total
5 channel mileage between each channel termination
6 point in this State.

7 (c) 50% of the total receipts from charges for
8 service segments when those segments are between 2
9 customer channel termination points, 1 of which is
10 located in this State and the other is located
11 outside of this State, which segments are
12 separately charged.

13 (d) The receipts from charges for service
14 segments with a channel termination point located
15 in this State and in two or more other states, and
16 which segments are not separately billed, are in
17 this State based on a percentage determined by
18 dividing the number of customer channel
19 termination points in this State by the total
20 number of customer channel termination points.

21 (vi) Receipts from charges for ancillary services
22 for telecommunications service sold to customers at
23 retail are in this State if the customer's primary
24 place of use of telecommunications services associated
25 with those ancillary services is in this State. If the
26 seller of those ancillary services cannot determine

1 where the associated telecommunications are located,
2 then the ancillary services shall be based on the
3 location of the purchaser.

4 (vii) Receipts to access a carrier's network or
5 from the sale of telecommunication services or
6 ancillary services for resale are in this State as
7 follows:

8 (a) 100% of the receipts from access fees
9 attributable to intrastate telecommunications
10 service that both originates and terminates in
11 this State.

12 (b) 50% of the receipts from access fees
13 attributable to interstate telecommunications
14 service if the interstate call either originates
15 or terminates in this State.

16 (c) 100% of the receipts from interstate end
17 user access line charges, if the customer's
18 service address is in this State. As used in this
19 subdivision, "interstate end user access line
20 charges" includes, but is not limited to, the
21 surcharge approved by the federal communications
22 commission and levied pursuant to 47 CFR 69.

23 (d) Gross receipts from sales of
24 telecommunication services or from ancillary
25 services for telecommunications services sold to
26 other telecommunication service providers for

1 resale shall be sourced to this State using the
2 apportionment concepts used for non-resale
3 receipts of telecommunications services if the
4 information is readily available to make that
5 determination. If the information is not readily
6 available, then the taxpayer may use any other
7 reasonable and consistent method.

8 (B-7) For taxable years ending on or after December 31,
9 2008, receipts from the sale of broadcasting services are
10 in this State if the broadcasting services are received in
11 this State. For purposes of this paragraph (B-7), the
12 following terms have the following meanings:

13 "Advertising revenue" means consideration received
14 by the taxpayer in exchange for broadcasting services
15 or allowing the broadcasting of commercials or
16 announcements in connection with the broadcasting of
17 film or radio programming, from sponsorships of the
18 programming, or from product placements in the
19 programming.

20 "Audience factor" means the ratio that the
21 audience or subscribers located in this State of a
22 station, a network, or a cable system bears to the
23 total audience or total subscribers for that station,
24 network, or cable system. The audience factor for film
25 or radio programming shall be determined by reference
26 to the books and records of the taxpayer or by

1 reference to published rating statistics provided the
2 method used by the taxpayer is consistently used from
3 year to year for this purpose and fairly represents the
4 taxpayer's activity in this State.

5 "Broadcast" or "broadcasting" or "broadcasting
6 services" means the transmission or provision of film
7 or radio programming, whether through the public
8 airwaves, by cable, by direct or indirect satellite
9 transmission, or by any other means of communication,
10 either through a station, a network, or a cable system.

11 "Film" or "film programming" means the broadcast
12 on television of any and all performances, events, or
13 productions, including but not limited to news,
14 sporting events, plays, stories, or other literary,
15 commercial, educational, or artistic works, either
16 live or through the use of video tape, disc, or any
17 other type of format or medium. Each episode of a
18 series of films produced for television shall
19 constitute separate "film" notwithstanding that the
20 series relates to the same principal subject and is
21 produced during one or more tax periods.

22 "Radio" or "radio programming" means the broadcast
23 on radio of any and all performances, events, or
24 productions, including but not limited to news,
25 sporting events, plays, stories, or other literary,
26 commercial, educational, or artistic works, either

1 live or through the use of an audio tape, disc, or any
2 other format or medium. Each episode in a series of
3 radio programming produced for radio broadcast shall
4 constitute a separate "radio programming"
5 notwithstanding that the series relates to the same
6 principal subject and is produced during one or more
7 tax periods.

8 (i) In the case of advertising revenue from
9 broadcasting, the customer is the advertiser and
10 the service is received in this State if the
11 commercial domicile of the advertiser is in this
12 State.

13 (ii) In the case where film or radio
14 programming is broadcast by a station, a network,
15 or a cable system for a fee or other remuneration
16 received from the recipient of the broadcast, the
17 portion of the service that is received in this
18 State is measured by the portion of the recipients
19 of the broadcast located in this State.
20 Accordingly, the fee or other remuneration for
21 such service that is included in the Illinois
22 numerator of the sales factor is the total of those
23 fees or other remuneration received from
24 recipients in Illinois. For purposes of this
25 paragraph, a taxpayer may determine the location
26 of the recipients of its broadcast using the

1 address of the recipient shown in its contracts
2 with the recipient or using the billing address of
3 the recipient in the taxpayer's records.

4 (iii) In the case where film or radio
5 programming is broadcast by a station, a network,
6 or a cable system for a fee or other remuneration
7 from the person providing the programming, the
8 portion of the broadcast service that is received
9 by such station, network, or cable system in this
10 State is measured by the portion of recipients of
11 the broadcast located in this State. Accordingly,
12 the amount of revenue related to such an
13 arrangement that is included in the Illinois
14 numerator of the sales factor is the total fee or
15 other total remuneration from the person providing
16 the programming related to that broadcast
17 multiplied by the Illinois audience factor for
18 that broadcast.

19 (iv) In the case where film or radio
20 programming is provided by a taxpayer that is a
21 network or station to a customer for broadcast in
22 exchange for a fee or other remuneration from that
23 customer the broadcasting service is received at
24 the location of the office of the customer from
25 which the services were ordered in the regular
26 course of the customer's trade or business.

1 Accordingly, in such a case the revenue derived by
2 the taxpayer that is included in the taxpayer's
3 Illinois numerator of the sales factor is the
4 revenue from such customers who receive the
5 broadcasting service in Illinois.

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

19 (B-8) Gross receipts from winnings under the Illinois
20 Lottery Law from the assignment of a prize under Section
21 13.1 of the Illinois Lottery Law are received in this
22 State. This paragraph (B-8) applies only to taxable years
23 ending on or after December 31, 2013.

24 (B-9) For taxable years ending on or after December 31,
25 2019, gross receipts from winnings from pari-mutuel
26 wagering conducted at a wagering facility licensed under

1 the Illinois Horse Racing Act of 1975 or from winnings from
2 gambling games conducted on a riverboat or in a casino or
3 organization gaming facility licensed under the Illinois
4 Gambling Act are in this State.

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

8 (i) The income-producing activity is performed in
9 this State; or

10 (ii) The income-producing activity is performed
11 both within and without this State and a greater
12 proportion of the income-producing activity is
13 performed within this State than without this State,
14 based on performance costs.

15 (C-5) For taxable years ending on or after December 31,
16 2008, sales, other than sales governed by paragraphs (B),
17 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
18 the following criteria are met:

19 (i) Sales from the sale or lease of real property
20 are in this State if the property is located in this
21 State.

22 (ii) Sales from the lease or rental of tangible
23 personal property are in this State if the property is
24 located in this State during the rental period. Sales
25 from the lease or rental of tangible personal property
26 that is characteristically moving property, including,

1 but not limited to, motor vehicles, rolling stock,
2 aircraft, vessels, or mobile equipment are in this
3 State to the extent that the property is used in this
4 State.

5 (iii) In the case of interest, net gains (but not
6 less than zero) and other items of income from
7 intangible personal property, the sale is in this State
8 if:

9 (a) in the case of a taxpayer who is a dealer
10 in the item of intangible personal property within
11 the meaning of Section 475 of the Internal Revenue
12 Code, the income or gain is received from a
13 customer in this State. For purposes of this
14 subparagraph, a customer is in this State if the
15 customer is an individual, trust or estate who is a
16 resident of this State and, for all other
17 customers, if the customer's commercial domicile
18 is in this State. Unless the dealer has actual
19 knowledge of the residence or commercial domicile
20 of a customer during a taxable year, the customer
21 shall be deemed to be a customer in this State if
22 the billing address of the customer, as shown in
23 the records of the dealer, is in this State; or

24 (b) in all other cases, if the
25 income-producing activity of the taxpayer is
26 performed in this State or, if the

1 income-producing activity of the taxpayer is
2 performed both within and without this State, if a
3 greater proportion of the income-producing
4 activity of the taxpayer is performed within this
5 State than in any other state, based on performance
6 costs.

7 (iv) Sales of services are in this State if the
8 services are received in this State. For the purposes
9 of this section, gross receipts from the performance of
10 services provided to a corporation, partnership, or
11 trust may only be attributed to a state where that
12 corporation, partnership, or trust has a fixed place of
13 business. If the state where the services are received
14 is not readily determinable or is a state where the
15 corporation, partnership, or trust receiving the
16 service does not have a fixed place of business, the
17 services shall be deemed to be received at the location
18 of the office of the customer from which the services
19 were ordered in the regular course of the customer's
20 trade or business. If the ordering office cannot be
21 determined, the services shall be deemed to be received
22 at the office of the customer to which the services are
23 billed. If the taxpayer is not taxable in the state in
24 which the services are received, the sale must be
25 excluded from both the numerator and the denominator of
26 the sales factor. The Department shall adopt rules

1 prescribing where specific types of service are
2 received, including, but not limited to, publishing,
3 and utility service.

4 (D) For taxable years ending on or after December 31,
5 1995, the following items of income shall not be included
6 in the numerator or denominator of the sales factor:
7 dividends; amounts included under Section 78 of the
8 Internal Revenue Code; and Subpart F income as defined in
9 Section 952 of the Internal Revenue Code. No inference
10 shall be drawn from the enactment of this paragraph (D) in
11 construing this Section for taxable years ending before
12 December 31, 1995.

13 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
14 ending on or after December 31, 1999, provided that a
15 taxpayer may elect to apply the provisions of these
16 paragraphs to prior tax years. Such election shall be made
17 in the form and manner prescribed by the Department, shall
18 be irrevocable, and shall apply to all tax years; provided
19 that, if a taxpayer's Illinois income tax liability for any
20 tax year, as assessed under Section 903 prior to January 1,
21 1999, was computed in a manner contrary to the provisions
22 of paragraphs (B-1) or (B-2), no refund shall be payable to
23 the taxpayer for that tax year to the extent such refund is
24 the result of applying the provisions of paragraph (B-1) or
25 (B-2) retroactively. In the case of a unitary business
26 group, such election shall apply to all members of such

1 group for every tax year such group is in existence, but
2 shall not apply to any taxpayer for any period during which
3 that taxpayer is not a member of such group.

4 (b) Insurance companies.

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

20 (2) Reinsurance. If the principal source of premiums
21 written by an insurance company consists of premiums for
22 reinsurance accepted by it, the business income of such
23 company shall be apportioned to this State by multiplying
24 such income by a fraction, the numerator of which is the
25 sum of (i) direct premiums written for insurance upon
26 property or risk in this State, plus (ii) premiums written

1 for reinsurance accepted in respect of property or risk in
2 this State, and the denominator of which is the sum of
3 (iii) direct premiums written for insurance upon property
4 or risk everywhere, plus (iv) premiums written for
5 reinsurance accepted in respect of property or risk
6 everywhere. For purposes of this paragraph, premiums
7 written for reinsurance accepted in respect of property or
8 risk in this State, whether or not otherwise determinable,
9 may, at the election of the company, be determined on the
10 basis of the proportion which premiums written for
11 reinsurance accepted from companies commercially domiciled
12 in Illinois bears to premiums written for reinsurance
13 accepted from all sources, or, alternatively, in the
14 proportion which the sum of the direct premiums written for
15 insurance upon property or risk in this State by each
16 ceding company from which reinsurance is accepted bears to
17 the sum of the total direct premiums written by each such
18 ceding company for the taxable year. The election made by a
19 company under this paragraph for its first taxable year
20 ending on or after December 31, 2011, shall be binding for
21 that company for that taxable year and for all subsequent
22 taxable years, and may be altered only with the written
23 permission of the Department, which shall not be
24 unreasonably withheld.

25 (c) Financial organizations.

26 (1) In general. For taxable years ending before

1 December 31, 2008, business income of a financial
2 organization shall be apportioned to this State by
3 multiplying such income by a fraction, the numerator of
4 which is its business income from sources within this
5 State, and the denominator of which is its business income
6 from all sources. For the purposes of this subsection, the
7 business income of a financial organization from sources
8 within this State is the sum of the amounts referred to in
9 subparagraphs (A) through (E) following, but excluding the
10 adjusted income of an international banking facility as
11 determined in paragraph (2):

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

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

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

18 (D) Interest charged to customers at places of
19 business maintained within this State for carrying
20 debit balances of margin accounts, without deduction
21 of any costs incurred in carrying such accounts; and

22 (E) Any other gross income resulting from the
23 operation as a financial organization within this
24 State. In computing the amounts referred to in
25 paragraphs (A) through (E) of this subsection, any
26 amount received by a member of an affiliated group

1 (determined under Section 1504(a) of the Internal
2 Revenue Code but without reference to whether any such
3 corporation is an "includible corporation" under
4 Section 1504(b) of the Internal Revenue Code) from
5 another member of such group shall be included only to
6 the extent such amount exceeds expenses of the
7 recipient directly related thereto.

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

10 (A) Adjusted Income. The adjusted income of an
11 international banking facility is its income reduced
12 by the amount of the floor amount.

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

17 (i) The numerator shall be:

18 The average aggregate, determined on a
19 quarterly basis, of the financial organization's
20 loans to banks in foreign countries, to foreign
21 domiciled borrowers (except where secured
22 primarily by real estate) and to foreign
23 governments and other foreign official
24 institutions, as reported for its branches,
25 agencies and offices within the state on its
26 "Consolidated Report of Condition", Schedule A,

1 Lines 2.c., 5.b., and 7.a., which was filed with
2 the Federal Deposit Insurance Corporation and
3 other regulatory authorities, for the year 1980,
4 minus

5 The average aggregate, determined on a
6 quarterly basis, of such loans (other than loans of
7 an international banking facility), as reported by
8 the financial institution for its branches,
9 agencies and offices within the state, on the
10 corresponding Schedule and lines of the
11 Consolidated Report of Condition for the current
12 taxable year, provided, however, that in no case
13 shall the amount determined in this clause (the
14 subtrahend) exceed the amount determined in the
15 preceding clause (the minuend); and

16 (ii) the denominator shall be the average
17 aggregate, determined on a quarterly basis, of the
18 international banking facility's loans to banks in
19 foreign countries, to foreign domiciled borrowers
20 (except where secured primarily by real estate)
21 and to foreign governments and other foreign
22 official institutions, which were recorded in its
23 financial accounts for the current taxable year.

24 (C) Change to Consolidated Report of Condition and
25 in Qualification. In the event the Consolidated Report
26 of Condition which is filed with the Federal Deposit

1 Insurance Corporation and other regulatory authorities
2 is altered so that the information required for
3 determining the floor amount is not found on Schedule
4 A, lines 2.c., 5.b. and 7.a., the financial institution
5 shall notify the Department and the Department may, by
6 regulations or otherwise, prescribe or authorize the
7 use of an alternative source for such information. The
8 financial institution shall also notify the Department
9 should its international banking facility fail to
10 qualify as such, in whole or in part, or should there
11 be any amendment or change to the Consolidated Report
12 of Condition, as originally filed, to the extent such
13 amendment or change alters the information used in
14 determining the floor amount.

15 (3) For taxable years ending on or after December 31,
16 2008, the business income of a financial organization shall
17 be apportioned to this State by multiplying such income by
18 a fraction, the numerator of which is its gross receipts
19 from sources in this State or otherwise attributable to
20 this State's marketplace and the denominator of which is
21 its gross receipts everywhere during the taxable year.
22 "Gross receipts" for purposes of this subparagraph (3)
23 means gross income, including net taxable gain on
24 disposition of assets, including securities and money
25 market instruments, when derived from transactions and
26 activities in the regular course of the financial

1 organization's trade or business. The following examples
2 are illustrative:

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

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

17 (iii) Interest income, commissions, fees, gains on
18 disposition, and other receipts from consumer loans
19 that are not secured by real or tangible personal
20 property are from sources in this State if the debtor
21 is a resident of this State.

22 (iv) Interest income, commissions, fees, gains on
23 disposition, and other receipts from commercial loans
24 and installment obligations that are not secured by
25 real or tangible personal property are from sources in
26 this State if the proceeds of the loan are to be

1 applied in this State. If it cannot be determined where
2 the funds are to be applied, the income and receipts
3 are from sources in this State if the office of the
4 borrower from which the loan was negotiated in the
5 regular course of business is located in this State. If
6 the location of this office cannot be determined, the
7 income and receipts shall be excluded from the
8 numerator and denominator of the sales factor.

9 (v) Interest income, fees, gains on disposition,
10 service charges, merchant discount income, and other
11 receipts from credit card receivables are from sources
12 in this State if the card charges are regularly billed
13 to a customer in this State.

14 (vi) Receipts from the performance of services,
15 including, but not limited to, fiduciary, advisory,
16 and brokerage services, are in this State if the
17 services are received in this State within the meaning
18 of subparagraph (a) (3) (C-5) (iv) of this Section.

19 (vii) Receipts from the issuance of travelers
20 checks and money orders are from sources in this State
21 if the checks and money orders are issued from a
22 location within this State.

23 (viii) Receipts from investment assets and
24 activities and trading assets and activities are
25 included in the receipts factor as follows:

26 (1) Interest, dividends, net gains (but not

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

17 (A) The receipts factor shall include the
18 amount by which interest from federal funds
19 sold and securities purchased under resale
20 agreements exceeds interest expense on federal
21 funds purchased and securities sold under
22 repurchase agreements.

23 (B) The receipts factor shall include the
24 amount by which interest, dividends, gains and
25 other income from trading assets and
26 activities, including but not limited to

1 assets and activities in the matched book, in
2 the arbitrage book, and foreign currency
3 transactions, exceed amounts paid in lieu of
4 interest, amounts paid in lieu of dividends,
5 and losses from such assets and activities.

6 (2) The numerator of the receipts factor
7 includes interest, dividends, net gains (but not
8 less than zero), and other income from investment
9 assets and activities and from trading assets and
10 activities described in paragraph (1) of this
11 subsection that are attributable to this State.

12 (A) The amount of interest, dividends, net
13 gains (but not less than zero), and other
14 income from investment assets and activities
15 in the investment account to be attributed to
16 this State and included in the numerator is
17 determined by multiplying all such income from
18 such assets and activities by a fraction, the
19 numerator of which is the gross income from
20 such assets and activities which are properly
21 assigned to a fixed place of business of the
22 taxpayer within this State and the denominator
23 of which is the gross income from all such
24 assets and activities.

25 (B) The amount of interest from federal
26 funds sold and purchased and from securities

1 purchased under resale agreements and
2 securities sold under repurchase agreements
3 attributable to this State and included in the
4 numerator is determined by multiplying the
5 amount described in subparagraph (A) of
6 paragraph (1) of this subsection from such
7 funds and such securities by a fraction, the
8 numerator of which is the gross income from
9 such funds and such securities which are
10 properly assigned to a fixed place of business
11 of the taxpayer within this State and the
12 denominator of which is the gross income from
13 all such funds and such securities.

14 (C) The amount of interest, dividends,
15 gains, and other income from trading assets and
16 activities, including but not limited to
17 assets and activities in the matched book, in
18 the arbitrage book and foreign currency
19 transactions (but excluding amounts described
20 in subparagraphs (A) or (B) of this paragraph),
21 attributable to this State and included in the
22 numerator is determined by multiplying the
23 amount described in subparagraph (B) of
24 paragraph (1) of this subsection by a fraction,
25 the numerator of which is the gross income from
26 such trading assets and activities which are

1 properly assigned to a fixed place of business
2 of the taxpayer within this State and the
3 denominator of which is the gross income from
4 all such assets and activities.

5 (D) Properly assigned, for purposes of
6 this paragraph (2) of this subsection, means
7 the investment or trading asset or activity is
8 assigned to the fixed place of business with
9 which it has a preponderance of substantive
10 contacts. An investment or trading asset or
11 activity assigned by the taxpayer to a fixed
12 place of business without the State shall be
13 presumed to have been properly assigned if:

14 (i) the taxpayer has assigned, in the
15 regular course of its business, such asset
16 or activity on its records to a fixed place
17 of business consistent with federal or
18 state regulatory requirements;

19 (ii) such assignment on its records is
20 based upon substantive contacts of the
21 asset or activity to such fixed place of
22 business; and

23 (iii) the taxpayer uses such records
24 reflecting assignment of such assets or
25 activities for the filing of all state and
26 local tax returns for which an assignment

1 of such assets or activities to a fixed
2 place of business is required.

3 (E) The presumption of proper assignment
4 of an investment or trading asset or activity
5 provided in subparagraph (D) of paragraph (2)
6 of this subsection may be rebutted upon a
7 showing by the Department, supported by a
8 preponderance of the evidence, that the
9 preponderance of substantive contacts
10 regarding such asset or activity did not occur
11 at the fixed place of business to which it was
12 assigned on the taxpayer's records. If the
13 fixed place of business that has a
14 preponderance of substantive contacts cannot
15 be determined for an investment or trading
16 asset or activity to which the presumption in
17 subparagraph (D) of paragraph (2) of this
18 subsection does not apply or with respect to
19 which that presumption has been rebutted, that
20 asset or activity is properly assigned to the
21 state in which the taxpayer's commercial
22 domicile is located. For purposes of this
23 subparagraph (E), it shall be presumed,
24 subject to rebuttal, that taxpayer's
25 commercial domicile is in the state of the
26 United States or the District of Columbia to

1 which the greatest number of employees are
2 regularly connected with the management of the
3 investment or trading income or out of which
4 they are working, irrespective of where the
5 services of such employees are performed, as of
6 the last day of the taxable year.

7 (4) (Blank).

8 (5) (Blank).

9 (c-1) Federally regulated exchanges. For taxable years
10 ending on or after December 31, 2012, business income of a
11 federally regulated exchange shall, at the option of the
12 federally regulated exchange, be apportioned to this State by
13 multiplying such income by a fraction, the numerator of which
14 is its business income from sources within this State, and the
15 denominator of which is its business income from all sources.
16 For purposes of this subsection, the business income within
17 this State of a federally regulated exchange is the sum of the
18 following:

19 (1) Receipts attributable to transactions executed on
20 a physical trading floor if that physical trading floor is
21 located in this State.

22 (2) Receipts attributable to all other matching,
23 execution, or clearing transactions, including without
24 limitation receipts from the provision of matching,
25 execution, or clearing services to another entity,
26 multiplied by (i) for taxable years ending on or after

1 December 31, 2012 but before December 31, 2013, 63.77%; and
2 (ii) for taxable years ending on or after December 31,
3 2013, 27.54%.

4 (3) All other receipts not governed by subparagraphs
5 (1) or (2) of this subsection (c-1), to the extent the
6 receipts would be characterized as "sales in this State"
7 under item (3) of subsection (a) of this Section.

8 "Federally regulated exchange" means (i) a "registered
9 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),
10 or (C), (ii) an "exchange" or "clearing agency" within the
11 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such
12 entities regulated under any successor regulatory structure to
13 the foregoing, and (iv) all taxpayers who are members of the
14 same unitary business group as a federally regulated exchange,
15 determined without regard to the prohibition in Section
16 1501(a) (27) of this Act against including in a unitary business
17 group taxpayers who are ordinarily required to apportion
18 business income under different subsections of this Section;
19 provided that this subparagraph (iv) shall apply only if 50% or
20 more of the business receipts of the unitary business group
21 determined by application of this subparagraph (iv) for the
22 taxable year are attributable to the matching, execution, or
23 clearing of transactions conducted by an entity described in
24 subparagraph (i), (ii), or (iii) of this paragraph.

25 In no event shall the Illinois apportionment percentage
26 computed in accordance with this subsection (c-1) for any

1 taxpayer for any tax year be less than the Illinois
2 apportionment percentage computed under this subsection (c-1)
3 for that taxpayer for the first full tax year ending on or
4 after December 31, 2013 for which this subsection (c-1) applied
5 to the taxpayer.

6 (d) Transportation services. For taxable years ending
7 before December 31, 2008, business income derived from
8 furnishing transportation services shall be apportioned to
9 this State in accordance with paragraphs (1) and (2):

10 (1) Such business income (other than that derived from
11 transportation by pipeline) shall be apportioned to this
12 State by multiplying such income by a fraction, the
13 numerator of which is the revenue miles of the person in
14 this State, and the denominator of which is the revenue
15 miles of the person everywhere. For purposes of this
16 paragraph, a revenue mile is the transportation of 1
17 passenger or 1 net ton of freight the distance of 1 mile
18 for a consideration. Where a person is engaged in the
19 transportation of both passengers and freight, the
20 fraction above referred to shall be determined by means of
21 an average of the passenger revenue mile fraction and the
22 freight revenue mile fraction, weighted to reflect the
23 person's

24 (A) relative railway operating income from total
25 passenger and total freight service, as reported to the
26 Interstate Commerce Commission, in the case of

1 transportation by railroad, and

2 (B) relative gross receipts from passenger and
3 freight transportation, in case of transportation
4 other than by railroad.

5 (2) Such business income derived from transportation
6 by pipeline shall be apportioned to this State by
7 multiplying such income by a fraction, the numerator of
8 which is the revenue miles of the person in this State, and
9 the denominator of which is the revenue miles of the person
10 everywhere. For the purposes of this paragraph, a revenue
11 mile is the transportation by pipeline of 1 barrel of oil,
12 1,000 cubic feet of gas, or of any specified quantity of
13 any other substance, the distance of 1 mile for a
14 consideration.

15 (3) For taxable years ending on or after December 31,
16 2008, business income derived from providing
17 transportation services other than airline services shall
18 be apportioned to this State by using a fraction, (a) the
19 numerator of which shall be (i) all receipts from any
20 movement or shipment of people, goods, mail, oil, gas, or
21 any other substance (other than by airline) that both
22 originates and terminates in this State, plus (ii) that
23 portion of the person's gross receipts from movements or
24 shipments of people, goods, mail, oil, gas, or any other
25 substance (other than by airline) that originates in one
26 state or jurisdiction and terminates in another state or

1 jurisdiction, that is determined by the ratio that the
2 miles traveled in this State bears to total miles
3 everywhere and (b) the denominator of which shall be all
4 revenue derived from the movement or shipment of people,
5 goods, mail, oil, gas, or any other substance (other than
6 by airline). Where a taxpayer is engaged in the
7 transportation of both passengers and freight, the
8 fraction above referred to shall first be determined
9 separately for passenger miles and freight miles. Then an
10 average of the passenger miles fraction and the freight
11 miles fraction shall be weighted to reflect the taxpayer's:

12 (A) relative railway operating income from total
13 passenger and total freight service, as reported to the
14 Surface Transportation Board, in the case of
15 transportation by railroad; and

16 (B) relative gross receipts from passenger and
17 freight transportation, in case of transportation
18 other than by railroad.

19 (4) For taxable years ending on or after December 31,
20 2008, business income derived from furnishing airline
21 transportation services shall be apportioned to this State
22 by multiplying such income by a fraction, the numerator of
23 which is the revenue miles of the person in this State, and
24 the denominator of which is the revenue miles of the person
25 everywhere. For purposes of this paragraph, a revenue mile
26 is the transportation of one passenger or one net ton of

1 freight the distance of one mile for a consideration. If a
2 person is engaged in the transportation of both passengers
3 and freight, the fraction above referred to shall be
4 determined by means of an average of the passenger revenue
5 mile fraction and the freight revenue mile fraction,
6 weighted to reflect the person's relative gross receipts
7 from passenger and freight airline transportation.

8 (e) Combined apportionment. Where 2 or more persons are
9 engaged in a unitary business as described in subsection
10 (a) (27) of Section 1501, a part of which is conducted in this
11 State by one or more members of the group, the business income
12 attributable to this State by any such member or members shall
13 be apportioned by means of the combined apportionment method.

14 (f) Alternative allocation. If the allocation and
15 apportionment provisions of subsections (a) through (e) and of
16 subsection (h) do not, for taxable years ending before December
17 31, 2008, fairly represent the extent of a person's business
18 activity in this State, or, for taxable years ending on or
19 after December 31, 2008, fairly represent the market for the
20 person's goods, services, or other sources of business income,
21 the person may petition for, or the Director may, without a
22 petition, permit or require, in respect of all or any part of
23 the person's business activity, if reasonable:

- 24 (1) Separate accounting;
25 (2) The exclusion of any one or more factors;
26 (3) The inclusion of one or more additional factors

1 which will fairly represent the person's business
2 activities or market in this State; or

3 (4) The employment of any other method to effectuate an
4 equitable allocation and apportionment of the person's
5 business income.

6 (g) Cross reference. For allocation of business income by
7 residents, see Section 301(a).

8 (h) For tax years ending on or after December 31, 1998, the
9 apportionment factor of persons who apportion their business
10 income to this State under subsection (a) shall be equal to:

11 (1) for tax years ending on or after December 31, 1998
12 and before December 31, 1999, $16 \frac{2}{3}\%$ of the property
13 factor plus $16 \frac{2}{3}\%$ of the payroll factor plus $66 \frac{2}{3}\%$ of
14 the sales factor;

15 (2) for tax years ending on or after December 31, 1999
16 and before December 31, 2000, $8 \frac{1}{3}\%$ of the property factor
17 plus $8 \frac{1}{3}\%$ of the payroll factor plus $83 \frac{1}{3}\%$ of the sales
18 factor;

19 (3) for tax years ending on or after December 31, 2000,
20 the sales factor.

21 If, in any tax year ending on or after December 31, 1998 and
22 before December 31, 2000, the denominator of the payroll,
23 property, or sales factor is zero, the apportionment factor
24 computed in paragraph (1) or (2) of this subsection for that
25 year shall be divided by an amount equal to 100% minus the
26 percentage weight given to each factor whose denominator is

1 equal to zero.

2 (Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

3 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

4 Sec. 710. Withholding from lottery winnings.

5 (a) In general.

6 (1) Any person making a payment to a resident or
7 nonresident of winnings under the Illinois Lottery Law and
8 not required to withhold Illinois income tax from such
9 payment under Subsection (b) of Section 701 of this Act
10 because those winnings are not subject to Federal income
11 tax withholding, must withhold Illinois income tax from
12 such payment at a rate equal to the percentage tax rate for
13 individuals provided in subsection (b) of Section 201,
14 provided that withholding is not required if such payment
15 of winnings is less than \$1,000.

16 (2) In the case of an assignment of a lottery prize
17 under Section 13.1 of the Illinois Lottery Law, any person
18 making a payment of the purchase price after December 31,
19 2013, shall withhold from the amount of each payment at a
20 rate equal to the percentage tax rate for individuals
21 provided in subsection (b) of Section 201.

22 (3) Any person making a payment after December 31, 2019
23 to a resident or nonresident of winnings from pari-mutuel
24 wagering conducted at a wagering facility licensed under
25 the Illinois Horse Racing Act of 1975 or from gambling

1 games conducted on a riverboat or in a casino or
2 organization gaming facility licensed under the Illinois
3 Gambling Act must withhold Illinois income tax from such
4 payment at a rate equal to the percentage tax rate for
5 individuals provided in subsection (b) of Section 201,
6 provided that the person making the payment is required to
7 withhold under Section 3402(q) of the Internal Revenue
8 Code.

9 (b) Credit for taxes withheld. Any amount withheld under
10 Subsection (a) shall be a credit against the Illinois income
11 tax liability of the person to whom the payment of winnings was
12 made for the taxable year in which that person incurred an
13 Illinois income tax liability with respect to those winnings.

14 (Source: P.A. 98-496, eff. 1-1-14.)

15 Section 35-40. The Joliet Regional Port District Act is
16 amended by changing Section 5.1 as follows:

17 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

18 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
19 any other provision of this Act, the District may not regulate
20 the operation, conduct, or navigation of any riverboat gambling
21 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and
22 the District may not license, tax, or otherwise levy any
23 assessment of any kind on any riverboat gambling casino
24 licensed under the Illinois ~~Riverboat~~ Gambling Act. The General

1 Assembly declares that the powers to regulate the operation,
2 conduct, and navigation of riverboat gambling casinos and to
3 license, tax, and levy assessments upon riverboat gambling
4 casinos are exclusive powers of the State of Illinois and the
5 Illinois Gaming Board as provided in the Illinois Riverboat
6 Gambling Act.

7 (Source: P.A. 87-1175.)

8 Section 35-45. The Consumer Installment Loan Act is amended
9 by changing Section 12.5 as follows:

10 (205 ILCS 670/12.5)

11 Sec. 12.5. Limited purpose branch.

12 (a) Upon the written approval of the Director, a licensee
13 may maintain a limited purpose branch for the sole purpose of
14 making loans as permitted by this Act. A limited purpose branch
15 may include an automatic loan machine. No other activity shall
16 be conducted at the site, including but not limited to,
17 accepting payments, servicing the accounts, or collections.

18 (b) The licensee must submit an application for a limited
19 purpose branch to the Director on forms prescribed by the
20 Director with an application fee of \$300. The approval for the
21 limited purpose branch must be renewed concurrently with the
22 renewal of the licensee's license along with a renewal fee of
23 \$300 for the limited purpose branch.

24 (c) The books, accounts, records, and files of the limited

1 purpose branch's transactions shall be maintained at the
2 licensee's licensed location. The licensee shall notify the
3 Director of the licensed location at which the books, accounts,
4 records, and files shall be maintained.

5 (d) The licensee shall prominently display at the limited
6 purpose branch the address and telephone number of the
7 licensee's licensed location.

8 (e) No other business shall be conducted at the site of the
9 limited purpose branch unless authorized by the Director.

10 (f) The Director shall make and enforce reasonable rules
11 for the conduct of a limited purpose branch.

12 (g) A limited purpose branch may not be located within
13 1,000 feet of a facility operated by an inter-track wagering
14 licensee or an organization licensee subject to the Illinois
15 Horse Racing Act of 1975, on a riverboat or in a casino subject
16 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
17 the location at which the riverboat docks or within 1,000 feet
18 of a casino.

19 (Source: P.A. 90-437, eff. 1-1-98.)

20 Section 35-50. The Illinois Horse Racing Act of 1975 is
21 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
22 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1,
23 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33,
24 3.34, 3.35, 19.5, 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)

25 Sec. 3.11. "Organization Licensee" means any person

1 receiving an organization license from the Board to conduct a
2 race meeting or meetings. With respect only to organization
3 gaming, "organization licensee" includes the authorization for
4 an organization gaming license under subsection (a) of Section
5 56 of this Act.

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

7 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

8 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
9 system of wagering" means a form of wagering on the outcome of
10 horse races in which wagers are made in various denominations
11 on a horse or horses and all wagers for each race are pooled
12 and held by a licensee for distribution in a manner approved by
13 the Board. "Pari-mutuel system of wagering" shall not include
14 wagering on historic races. Wagers may be placed via any method
15 or at any location authorized under this Act.

16 (Source: P.A. 96-762, eff. 8-25-09.)

17 (230 ILCS 5/3.32 new)

18 Sec. 3.32. Gross receipts. "Gross receipts" means the total
19 amount of money exchanged for the purchase of chips, tokens, or
20 electronic cards by riverboat or casino patrons or organization
21 gaming patrons.

22 (230 ILCS 5/3.33 new)

23 Sec. 3.33. Adjusted gross receipts. "Adjusted gross

1 receipts" means the gross receipts less winnings paid to
2 wagerers.

3 (230 ILCS 5/3.34 new)

4 Sec. 3.34. Organization gaming facility. "Organization
5 gaming facility" means that portion of an organization
6 licensee's racetrack facilities at which gaming authorized
7 under Section 7.7 of the Illinois Gambling Act is conducted.

8 (230 ILCS 5/3.35 new)

9 Sec. 3.35. Organization gaming license. "Organization
10 gaming license" means a license issued by the Illinois Gaming
11 Board under Section 7.7 of the Illinois Gambling Act
12 authorizing gaming pursuant to that Section at an organization
13 gaming facility.

14 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

15 Sec. 6. Restrictions on Board members.

16 (a) No person shall be appointed a member of the Board or
17 continue to be a member of the Board if the person or any
18 member of their immediate family is a member of the Board of
19 Directors, employee, or financially interested in any of the
20 following: (i) any licensee or other person who has applied for
21 racing dates to the Board, or the operations thereof including,
22 but not limited to, concessions, data processing, track
23 maintenance, track security, and pari-mutuel operations,

1 located, scheduled or doing business within the State of
2 Illinois, (ii) any race horse competing at a meeting under the
3 Board's jurisdiction, or (iii) any licensee under the Illinois
4 Gambling Act. ~~No person shall be appointed a member of the~~
5 ~~Board or continue to be a member of the Board who is (or any~~
6 ~~member of whose family is) a member of the Board of Directors~~
7 ~~of, or who is a person financially interested in, any licensee~~
8 ~~or other person who has applied for racing dates to the Board,~~
9 ~~or the operations thereof including, but not limited to,~~
10 ~~concessions, data processing, track maintenance, track~~
11 ~~security and pari-mutuel operations, located, scheduled or~~
12 ~~doing business within the State of Illinois, or in any race~~
13 ~~horse competing at a meeting under the Board's jurisdiction. No~~
14 ~~Board member shall hold any other public office for which he~~
15 ~~shall receive compensation other than necessary travel or other~~
16 ~~incidental expenses.~~

17 (b) No person shall be a member of the Board who is not of
18 good moral character or who has been convicted of, or is under
19 indictment for, a felony under the laws of Illinois or any
20 other state, or the United States.

21 (c) No member of the Board or employee shall engage in any
22 political activity.

23 For the purposes of this subsection (c):

24 "Political" means any activity in support of or in
25 connection with any campaign for State or local elective office
26 or any political organization, but does not include activities

1 (i) relating to the support or opposition of any executive,
2 legislative, or administrative action (as those terms are
3 defined in Section 2 of the Lobbyist Registration Act), (ii)
4 relating to collective bargaining, or (iii) that are otherwise
5 in furtherance of the person's official State duties or
6 governmental and public service functions.

7 "Political organization" means a party, committee,
8 association, fund, or other organization (whether or not
9 incorporated) that is required to file a statement of
10 organization with the State Board of Elections or county clerk
11 under Section 9-3 of the Election Code, but only with regard to
12 those activities that require filing with the State Board of
13 Elections or county clerk.

14 (d) Board members and employees may not engage in
15 communications or any activity that may cause or have the
16 appearance of causing a conflict of interest. A conflict of
17 interest exists if a situation influences or creates the
18 appearance that it may influence judgment or performance of
19 regulatory duties and responsibilities. This prohibition shall
20 extend to any act identified by Board action that, in the
21 judgment of the Board, could represent the potential for or the
22 appearance of a conflict of interest.

23 (e) Board members and employees may not accept any gift,
24 gratuity, service, compensation, travel, lodging, or thing of
25 value, with the exception of unsolicited items of an incidental
26 nature, from any person, corporation, limited liability

1 company, or entity doing business with the Board.

2 (f) A Board member or employee shall not use or attempt to
3 use his or her official position to secure, or attempt to
4 secure, any privilege, advantage, favor, or influence for
5 himself or herself or others. No Board member or employee,
6 within a period of one year immediately preceding nomination by
7 the Governor or employment, shall have been employed or
8 received compensation or fees for services from a person or
9 entity, or its parent or affiliate, that has engaged in
10 business with the Board, a licensee or a licensee under the
11 Illinois Gambling Act. In addition, all Board members and
12 employees are subject to the restrictions set forth in Section
13 5-45 of the State Officials and Employees Ethics Act.

14 (Source: P.A. 89-16, eff. 5-30-95.)

15 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

16 Sec. 9. The Board shall have all powers necessary and
17 proper to fully and effectively execute the provisions of this
18 Act, including, but not limited to, the following:

19 (a) The Board is vested with jurisdiction and supervision
20 over all race meetings in this State, over all licensees doing
21 business in this State, over all occupation licensees, and over
22 all persons on the facilities of any licensee. Such
23 jurisdiction shall include the power to issue licenses to the
24 Illinois Department of Agriculture authorizing the pari-mutuel
25 system of wagering on harness and Quarter Horse races held (1)

1 at the Illinois State Fair in Sangamon County, and (2) at the
2 DuQuoin State Fair in Perry County. The jurisdiction of the
3 Board shall also include the power to issue licenses to county
4 fairs which are eligible to receive funds pursuant to the
5 Agricultural Fair Act, as now or hereafter amended, or their
6 agents, authorizing the pari-mutuel system of wagering on horse
7 races conducted at the county fairs receiving such licenses.
8 Such licenses shall be governed by subsection (n) of this
9 Section.

10 Upon application, the Board shall issue a license to the
11 Illinois Department of Agriculture to conduct harness and
12 Quarter Horse races at the Illinois State Fair and at the
13 DuQuoin State Fairgrounds during the scheduled dates of each
14 fair. The Board shall not require and the Department of
15 Agriculture shall be exempt from the requirements of Sections
16 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
17 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
18 and 25. The Board and the Department of Agriculture may extend
19 any or all of these exemptions to any contractor or agent
20 engaged by the Department of Agriculture to conduct its race
21 meetings when the Board determines that this would best serve
22 the public interest and the interest of horse racing.

23 Notwithstanding any provision of law to the contrary, it
24 shall be lawful for any licensee to operate pari-mutuel
25 wagering or contract with the Department of Agriculture to
26 operate pari-mutuel wagering at the DuQuoin State Fairgrounds

1 or for the Department to enter into contracts with a licensee,
2 employ its owners, employees or agents and employ such other
3 occupation licensees as the Department deems necessary in
4 connection with race meetings and wagerings.

5 (b) The Board is vested with the full power to promulgate
6 reasonable rules and regulations for the purpose of
7 administering the provisions of this Act and to prescribe
8 reasonable rules, regulations and conditions under which all
9 horse race meetings or wagering in the State shall be
10 conducted. Such reasonable rules and regulations are to provide
11 for the prevention of practices detrimental to the public
12 interest and to promote the best interests of horse racing and
13 to impose penalties for violations thereof.

14 (c) The Board, and any person or persons to whom it
15 delegates this power, is vested with the power to enter the
16 facilities and other places of business of any licensee to
17 determine whether there has been compliance with the provisions
18 of this Act and its rules and regulations.

19 (d) The Board, and any person or persons to whom it
20 delegates this power, is vested with the authority to
21 investigate alleged violations of the provisions of this Act,
22 its reasonable rules and regulations, orders and final
23 decisions; the Board shall take appropriate disciplinary
24 action against any licensee or occupation licensee for
25 violation thereof or institute appropriate legal action for the
26 enforcement thereof.

1 (e) The Board, and any person or persons to whom it
2 delegates this power, may eject or exclude from any race
3 meeting or the facilities of any licensee, or any part thereof,
4 any occupation licensee or any other individual whose conduct
5 or reputation is such that his presence on those facilities
6 may, in the opinion of the Board, call into question the
7 honesty and integrity of horse racing or wagering or interfere
8 with the orderly conduct of horse racing or wagering; provided,
9 however, that no person shall be excluded or ejected from the
10 facilities of any licensee solely on the grounds of race,
11 color, creed, national origin, ancestry, or sex. The power to
12 eject or exclude an occupation licensee or other individual may
13 be exercised for just cause by the licensee or the Board,
14 subject to subsequent hearing by the Board as to the propriety
15 of said exclusion.

16 (f) The Board is vested with the power to acquire,
17 establish, maintain and operate (or provide by contract to
18 maintain and operate) testing laboratories and related
19 facilities, for the purpose of conducting saliva, blood, urine
20 and other tests on the horses run or to be run in any horse race
21 meeting, including races run at county fairs, and to purchase
22 all equipment and supplies deemed necessary or desirable in
23 connection with any such testing laboratories and related
24 facilities and all such tests.

25 (g) The Board may require that the records, including
26 financial or other statements of any licensee or any person

1 affiliated with the licensee who is involved directly or
2 indirectly in the activities of any licensee as regulated under
3 this Act to the extent that those financial or other statements
4 relate to such activities be kept in such manner as prescribed
5 by the Board, and that Board employees shall have access to
6 those records during reasonable business hours. Within 120 days
7 of the end of its fiscal year, each licensee shall transmit to
8 the Board an audit of the financial transactions and condition
9 of the licensee's total operations. All audits shall be
10 conducted by certified public accountants. Each certified
11 public accountant must be registered in the State of Illinois
12 under the Illinois Public Accounting Act. The compensation for
13 each certified public accountant shall be paid directly by the
14 licensee to the certified public accountant. A licensee shall
15 also submit any other financial or related information the
16 Board deems necessary to effectively administer this Act and
17 all rules, regulations, and final decisions promulgated under
18 this Act.

19 (h) The Board shall name and appoint in the manner provided
20 by the rules and regulations of the Board: an Executive
21 Director; a State director of mutuels; State veterinarians and
22 representatives to take saliva, blood, urine and other tests on
23 horses; licensing personnel; revenue inspectors; and State
24 seasonal employees (excluding admission ticket sellers and
25 mutuel clerks). All of those named and appointed as provided in
26 this subsection shall serve during the pleasure of the Board;

1 their compensation shall be determined by the Board and be paid
2 in the same manner as other employees of the Board under this
3 Act.

4 (i) The Board shall require that there shall be 3 stewards
5 at each horse race meeting, at least 2 of whom shall be named
6 and appointed by the Board. Stewards appointed or approved by
7 the Board, while performing duties required by this Act or by
8 the Board, shall be entitled to the same rights and immunities
9 as granted to Board members and Board employees in Section 10
10 of this Act.

11 (j) The Board may discharge any Board employee who fails or
12 refuses for any reason to comply with the rules and regulations
13 of the Board, or who, in the opinion of the Board, is guilty of
14 fraud, dishonesty or who is proven to be incompetent. The Board
15 shall have no right or power to determine who shall be
16 officers, directors or employees of any licensee, or their
17 salaries except the Board may, by rule, require that all or any
18 officials or employees in charge of or whose duties relate to
19 the actual running of races be approved by the Board.

20 (k) The Board is vested with the power to appoint delegates
21 to execute any of the powers granted to it under this Section
22 for the purpose of administering this Act and any rules or
23 regulations promulgated in accordance with this Act.

24 (l) The Board is vested with the power to impose civil
25 penalties of up to \$5,000 against an individual and up to
26 \$10,000 against a licensee for each violation of any provision

1 of this Act, any rules adopted by the Board, any order of the
2 Board or any other action which, in the Board's discretion, is
3 a detriment or impediment to horse racing or wagering.
4 Beginning on the date when any organization licensee begins
5 conducting gaming pursuant to an organization gaming license
6 issued under the Illinois Gambling Act, the power granted to
7 the Board pursuant to this subsection (l) shall authorize the
8 Board to impose penalties of up to \$10,000 against an
9 individual and up to \$25,000 against a licensee. All such civil
10 penalties shall be deposited into the Horse Racing Fund.

11 (m) The Board is vested with the power to prescribe a form
12 to be used by licensees as an application for employment for
13 employees of each licensee.

14 (n) The Board shall have the power to issue a license to
15 any county fair, or its agent, authorizing the conduct of the
16 pari-mutuel system of wagering. The Board is vested with the
17 full power to promulgate reasonable rules, regulations and
18 conditions under which all horse race meetings licensed
19 pursuant to this subsection shall be held and conducted,
20 including rules, regulations and conditions for the conduct of
21 the pari-mutuel system of wagering. The rules, regulations and
22 conditions shall provide for the prevention of practices
23 detrimental to the public interest and for the best interests
24 of horse racing, and shall prescribe penalties for violations
25 thereof. Any authority granted the Board under this Act shall
26 extend to its jurisdiction and supervision over county fairs,

1 or their agents, licensed pursuant to this subsection. However,
2 the Board may waive any provision of this Act or its rules or
3 regulations which would otherwise apply to such county fairs or
4 their agents.

5 (o) Whenever the Board is authorized or required by law to
6 consider some aspect of criminal history record information for
7 the purpose of carrying out its statutory powers and
8 responsibilities, then, upon request and payment of fees in
9 conformance with the requirements of Section 2605-400 of the
10 Department of State Police Law (20 ILCS 2605/2605-400), the
11 Department of State Police is authorized to furnish, pursuant
12 to positive identification, such information contained in
13 State files as is necessary to fulfill the request.

14 (p) To insure the convenience, comfort, and wagering
15 accessibility of race track patrons, to provide for the
16 maximization of State revenue, and to generate increases in
17 purse allotments to the horsemen, the Board shall require any
18 licensee to staff the pari-mutuel department with adequate
19 personnel.

20 (Source: P.A. 97-1060, eff. 8-24-12.)

21 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

22 Sec. 15. (a) The Board shall, in its discretion, issue
23 occupation licenses to horse owners, trainers, harness
24 drivers, jockeys, agents, apprentices, grooms, stable foremen,
25 exercise persons, veterinarians, valets, blacksmiths,

1 concessionaires and others designated by the Board whose work,
2 in whole or in part, is conducted upon facilities within the
3 State. Such occupation licenses will be obtained prior to the
4 persons engaging in their vocation upon such facilities. The
5 Board shall not license pari-mutuel clerks, parking
6 attendants, security guards and employees of concessionaires.
7 No occupation license shall be required of any person who works
8 at facilities within this State as a pari-mutuel clerk, parking
9 attendant, security guard or as an employee of a
10 concessionaire. Concessionaires of the Illinois State Fair and
11 DuQuoin State Fair and employees of the Illinois Department of
12 Agriculture shall not be required to obtain an occupation
13 license by the Board.

14 (b) Each application for an occupation license shall be on
15 forms prescribed by the Board. Such license, when issued, shall
16 be for the period ending December 31 of each year, except that
17 the Board in its discretion may grant 3-year licenses. The
18 application shall be accompanied by a fee of not more than \$25
19 per year or, in the case of 3-year occupation license
20 applications, a fee of not more than \$60. Each applicant shall
21 set forth in the application his full name and address, and if
22 he had been issued prior occupation licenses or has been
23 licensed in any other state under any other name, such name,
24 his age, whether or not a permit or license issued to him in
25 any other state has been suspended or revoked and if so whether
26 such suspension or revocation is in effect at the time of the

1 application, and such other information as the Board may
2 require. Fees for registration of stable names shall not exceed
3 \$50.00. Beginning on the date when any organization licensee
4 begins conducting gaming pursuant to an organization gaming
5 license issued under the Illinois Gambling Act, the fee for
6 registration of stable names shall not exceed \$150, and the
7 application fee for an occupation license shall not exceed \$75,
8 per year or, in the case of a 3-year occupation license
9 application, the fee shall not exceed \$180.

10 (c) The Board may in its discretion refuse an occupation
11 license to any person:

12 (1) who has been convicted of a crime;

13 (2) who is unqualified to perform the duties required
14 of such applicant;

15 (3) who fails to disclose or states falsely any
16 information called for in the application;

17 (4) who has been found guilty of a violation of this
18 Act or of the rules and regulations of the Board; or

19 (5) whose license or permit has been suspended, revoked
20 or denied for just cause in any other state.

21 (d) The Board may suspend or revoke any occupation license:

22 (1) for violation of any of the provisions of this Act;

23 or

24 (2) for violation of any of the rules or regulations of
25 the Board; or

26 (3) for any cause which, if known to the Board, would

1 have justified the Board in refusing to issue such
2 occupation license; or

3 (4) for any other just cause.

4 (e) Each applicant shall submit his or her fingerprints
5 to the Department of State Police in the form and manner
6 prescribed by the Department of State Police. These
7 fingerprints shall be checked against the fingerprint records
8 now and hereafter filed in the Department of State Police and
9 Federal Bureau of Investigation criminal history records
10 databases. The Department of State Police shall charge a fee
11 for conducting the criminal history records check, which shall
12 be deposited in the State Police Services Fund and shall not
13 exceed the actual cost of the records check. The Department of
14 State Police shall furnish, pursuant to positive
15 identification, records of conviction to the Board. Each
16 applicant for licensure shall submit with his occupation
17 license application, on forms provided by the Board, 2 sets of
18 his fingerprints. All such applicants shall appear in person at
19 the location designated by the Board for the purpose of
20 submitting such sets of fingerprints; however, with the prior
21 approval of a State steward, an applicant may have such sets of
22 fingerprints taken by an official law enforcement agency and
23 submitted to the Board.

24 (f) The Board may, in its discretion, issue an occupation
25 license without submission of fingerprints if an applicant has
26 been duly licensed in another recognized racing jurisdiction

1 after submitting fingerprints that were subjected to a Federal
2 Bureau of Investigation criminal history background check in
3 that jurisdiction.

4 (g) Beginning on the date when any organization licensee
5 begins conducting gaming pursuant to an organization gaming
6 license issued under the Illinois Gambling Act, the Board may
7 charge each applicant a reasonable nonrefundable fee to defray
8 the costs associated with the background investigation
9 conducted by the Board. This fee shall be exclusive of any
10 other fee or fees charged in connection with an application for
11 and, if applicable, the issuance of, an organization gaming
12 license. If the costs of the investigation exceed the amount of
13 the fee charged, the Board shall immediately notify the
14 applicant of the additional amount owed, payment of which must
15 be submitted to the Board within 7 days after such
16 notification. All information, records, interviews, reports,
17 statements, memoranda, or other data supplied to or used by the
18 Board in the course of its review or investigation of an
19 applicant for a license or renewal under this Act shall be
20 privileged, strictly confidential, and shall be used only for
21 the purpose of evaluating an applicant for a license or a
22 renewal. Such information, records, interviews, reports,
23 statements, memoranda, or other data shall not be admissible as
24 evidence, nor discoverable, in any action of any kind in any
25 court or before any tribunal, board, agency, or person, except
26 for any action deemed necessary by the Board.

1 (Source: P.A. 93-418, eff. 1-1-04.)

2 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

3 Sec. 18. (a) Together with its application, each applicant
4 for racing dates shall deliver to the Board a certified check
5 or bank draft payable to the order of the Board for \$1,000. In
6 the event the applicant applies for racing dates in 2 or 3
7 successive calendar years as provided in subsection (b) of
8 Section 21, the fee shall be \$2,000. Filing fees shall not be
9 refunded in the event the application is denied. Beginning on
10 the date when any organization licensee begins conducting
11 gaming pursuant to an organization gaming license issued under
12 the Illinois Gambling Act, the application fee for racing dates
13 imposed by this subsection (a) shall be \$10,000 and the
14 application fee for racing dates in 2 or 3 successive calendar
15 years as provided in subsection (b) of Section 21 shall be
16 \$20,000. All filing fees shall be deposited into the Horse
17 Racing Fund.

18 (b) In addition to the filing fee imposed by subsection (a)
19 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,
20 each organization licensee shall pay a license fee of \$100 for
21 each racing program on which its daily pari-mutuel handle is
22 \$400,000 or more but less than \$700,000, and a license fee of
23 \$200 for each racing program on which its daily pari-mutuel
24 handle is \$700,000 or more. The additional fees required to be
25 paid under this Section by this amendatory Act of 1982 shall be

1 remitted by the organization licensee to the Illinois Racing
2 Board with each day's graduated privilege tax or pari-mutuel
3 tax and breakage as provided under Section 27. Beginning on the
4 date when any organization licensee begins conducting gaming
5 pursuant to an organization gaming license issued under the
6 Illinois Gambling Act, the license fee imposed by this
7 subsection (b) shall be \$200 for each racing program on which
8 the organization licensee's daily pari-mutuel handle is
9 \$100,000 or more, but less than \$400,000, and the license fee
10 imposed by this subsection (b) shall be \$400 for each racing
11 program on which the organization licensee's daily pari-mutuel
12 handle is \$400,000 or more.

13 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "~~Illinois~~
14 ~~Municipal Code,~~" ~~approved May 29, 1961, as now or hereafter~~
15 ~~amended,~~ shall not apply to any license under this Act.

16 (Source: P.A. 97-1060, eff. 8-24-12.)

17 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

18 Sec. 19. (a) No organization license may be granted to
19 conduct a horse race meeting:

20 (1) except as provided in subsection (c) of Section 21
21 of this Act, to any person at any place within 35 miles of
22 any other place licensed by the Board to hold a race
23 meeting on the same date during the same hours, the mileage
24 measurement used in this subsection (a) shall be certified
25 to the Board by the Bureau of Systems and Services in the

1 Illinois Department of Transportation as the most commonly
2 used public way of vehicular travel;

3 (2) to any person in default in the payment of any
4 obligation or debt due the State under this Act, provided
5 no applicant shall be deemed in default in the payment of
6 any obligation or debt due to the State under this Act as
7 long as there is pending a hearing of any kind relevant to
8 such matter;

9 (3) to any person who has been convicted of the
10 violation of any law of the United States or any State law
11 which provided as all or part of its penalty imprisonment
12 in any penal institution; to any person against whom there
13 is pending a Federal or State criminal charge; to any
14 person who is or has been connected with or engaged in the
15 operation of any illegal business; to any person who does
16 not enjoy a general reputation in his community of being an
17 honest, upright, law-abiding person; provided that none of
18 the matters set forth in this subparagraph (3) shall make
19 any person ineligible to be granted an organization license
20 if the Board determines, based on circumstances of any such
21 case, that the granting of a license would not be
22 detrimental to the interests of horse racing and of the
23 public;

24 (4) to any person who does not at the time of
25 application for the organization license own or have a
26 contract or lease for the possession of a finished race

1 track suitable for the type of racing intended to be held
2 by the applicant and for the accommodation of the public.

3 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~
4 ~~unless authorized by ordinance or referendum of the~~
5 ~~municipality in which a race track or any of its appurtenances~~
6 ~~or facilities are located, or utilized.~~

7 (c) If any person is ineligible to receive an organization
8 license because of any of the matters set forth in subsection
9 (a) (2) or subsection (a) (3) of this Section, any other or
10 separate person that either (i) controls, directly or
11 indirectly, such ineligible person or (ii) is controlled,
12 directly or indirectly, by such ineligible person or by a
13 person which controls, directly or indirectly, such ineligible
14 person shall also be ineligible.

15 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

16 (230 ILCS 5/19.5 new)

17 Sec. 19.5. Standardbred racetrack in Cook County.
18 Notwithstanding anything in this Act to the contrary, in
19 addition to organization licenses issued by the Board on the
20 effective date of this amendatory Act of the 101st General
21 Assembly, the Board shall issue an organization license limited
22 to standardbred racing to a racetrack located in one of the
23 following townships of Cook County: Bloom, Bremen, Calumet,
24 Orland, Rich, Thornton, or Worth. This additional organization
25 license shall not be issued within a 35-mile radius of another

1 organization license issued by the Board on the effective date
2 of this amendatory Act of the 101st General Assembly, unless
3 the person having operating control of such racetrack has given
4 written consent to the organization licensee applicant, which
5 consent must be filed with the Board at or prior to the time
6 application is made. The organization license shall be granted
7 upon application, and the licensee shall have all of the
8 current and future rights of existing Illinois racetracks,
9 including, but not limited to, the ability to obtain an
10 inter-track wagering license, the ability to obtain
11 inter-track wagering location licenses, the ability to obtain
12 an organization gaming license pursuant to the Illinois
13 Gambling Act with 1,200 gaming positions, and the ability to
14 offer Internet wagering on horse racing.

15 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

16 Sec. 20. (a) Any person desiring to conduct a horse race
17 meeting may apply to the Board for an organization license. The
18 application shall be made on a form prescribed and furnished by
19 the Board. The application shall specify:

20 (1) the dates on which it intends to conduct the horse
21 race meeting, which dates shall be provided under Section
22 21;

23 (2) the hours of each racing day between which it
24 intends to hold or conduct horse racing at such meeting;

25 (3) the location where it proposes to conduct the

1 meeting; and

2 (4) any other information the Board may reasonably
3 require.

4 (b) A separate application for an organization license
5 shall be filed for each horse race meeting which such person
6 proposes to hold. Any such application, if made by an
7 individual, or by any individual as trustee, shall be signed
8 and verified under oath by such individual. If the application
9 is made by individuals, then it shall be signed and verified
10 under oath by at least 2 of the individuals; if the application
11 is made by ~~or a partnership, it shall be signed and verified~~
12 ~~under oath by at least 2 of such individuals or members of such~~
13 ~~partnership as the case may be. If made by an association, a~~
14 ~~corporation, a corporate trustee, a limited liability company,~~
15 ~~or any other entity, it shall be signed by~~ an authorized
16 officer, a partner, a member, or a manager, as the case may be,
17 of the entity ~~the president and attested by the secretary or~~
18 ~~assistant secretary under the seal of such association, trust~~
19 ~~or corporation if it has a seal, and shall also be verified~~
20 ~~under oath by one of the signing officers.~~

21 (c) The application shall specify:

22 (1) the name of the persons, association, trust, or
23 corporation making such application; ~~and~~

24 (2) the principal ~~post office~~ address of the applicant;

25 (3) if the applicant is a trustee, the names and
26 addresses of the beneficiaries; if the applicant is a

1 corporation, the names and ~~post-office~~ addresses of all
2 officers, stockholders and directors; or if such
3 stockholders hold stock as a nominee or fiduciary, the
4 names and ~~post-office~~ addresses of the parties ~~these~~
5 ~~persons, partnerships, corporations, or trusts~~ who are the
6 beneficial owners thereof or who are beneficially
7 interested therein; ~~and~~ if the applicant is a partnership,
8 the names and ~~post-office~~ addresses of all partners,
9 general or limited; if the applicant is a limited liability
10 company, the names and addresses of the manager and
11 members; and if the applicant is any other entity, the
12 names and addresses of all officers or other authorized
13 persons of the entity ~~corporation, the name of the state of~~
14 ~~its incorporation shall be specified.~~

15 (d) The applicant shall execute and file with the Board a
16 good faith affirmative action plan to recruit, train, and
17 upgrade minorities in all classifications within the
18 association.

19 (e) With such application there shall be delivered to the
20 Board a certified check or bank draft payable to the order of
21 the Board for an amount equal to \$1,000. All applications for
22 the issuance of an organization license shall be filed with the
23 Board before August 1 of the year prior to the year for which
24 application is made and shall be acted upon by the Board at a
25 meeting to be held on such date as shall be fixed by the Board
26 during the last 15 days of September of such prior year. At

1 such meeting, the Board shall announce the award of the racing
2 meets, live racing schedule, and designation of host track to
3 the applicants and its approval or disapproval of each
4 application. No announcement shall be considered binding until
5 a formal order is executed by the Board, which shall be
6 executed no later than October 15 of that prior year. Absent
7 the agreement of the affected organization licensees, the Board
8 shall not grant overlapping race meetings to 2 or more tracks
9 that are within 100 miles of each other to conduct the
10 thoroughbred racing.

11 (e-1) The Board shall award standardbred racing dates to
12 organization licensees with an organization gaming license
13 pursuant to the following schedule:

14 (1) For the first calendar year of operation of
15 gambling games by an organization gaming licensee under
16 this amendatory Act of the 101st General Assembly, when a
17 single entity requests standardbred racing dates, the
18 Board shall award no fewer than 100 days of racing. The
19 100-day requirement may be reduced to no fewer than 80 days
20 if no dates are requested for the first 3 months of a
21 calendar year. If more than one entity requests
22 standardbred racing dates, the Board shall award no fewer
23 than 140 days of racing between the applicants.

24 (2) For the second calendar year of operation of
25 gambling games by an organization gaming licensee under
26 this amendatory Act of the 101st General Assembly, when a

1 single entity requests standardbred racing dates, the
2 Board shall award no fewer than 100 days of racing. The
3 100-day requirement may be reduced to no fewer than 80 days
4 if no dates are requested for the first 3 months of a
5 calendar year. If more than one entity requests
6 standardbred racing dates, the Board shall award no fewer
7 than 160 days of racing between the applicants.

8 (3) For the third calendar year of operation of
9 gambling games by an organization gaming licensee under
10 this amendatory Act of the 101st General Assembly, and each
11 calendar year thereafter, when a single entity requests
12 standardbred racing dates, the Board shall award no fewer
13 than 120 days of racing. The 120-day requirement may be
14 reduced to no fewer than 100 days if no dates are requested
15 for the first 3 months of a calendar year. If more than one
16 entity requests standardbred racing dates, the Board shall
17 award no fewer than 200 days of racing between the
18 applicants.

19 An organization licensee shall apply for racing dates
20 pursuant to this subsection (e-1). In awarding racing dates
21 under this subsection (e-1), the Board shall have the
22 discretion to allocate those standardbred racing dates among
23 these organization licensees.

24 (e-2) The Board shall award thoroughbred racing days to
25 Cook County organization licensees pursuant to the following
26 schedule:

1 (1) During the first year in which only one
2 organization licensee is awarded an organization gaming
3 license, the Board shall award no fewer than 110 days of
4 racing.

5 During the second year in which only one organization
6 licensee is awarded an organization gaming license, the
7 Board shall award no fewer than 115 racing days.

8 During the third year and every year thereafter, in
9 which only one organization licensee is awarded an
10 organization gaming license, the Board shall award no fewer
11 than 120 racing days.

12 (2) During the first year in which 2 organization
13 licensees are awarded an organization gaming license, the
14 Board shall award no fewer than 139 total racing days.

15 During the second year in which 2 organization
16 licensees are awarded an organization gaming license, the
17 Board shall award no fewer than 160 total racing days.

18 During the third year and every year thereafter in
19 which 2 organization licensees are awarded an organization
20 gaming license, the Board shall award no fewer than 174
21 total racing days.

22 A Cook County organization licensee shall apply for racing
23 dates pursuant to this subsection (e-2). In awarding racing
24 dates under this subsection (e-2), the Board shall have the
25 discretion to allocate those thoroughbred racing dates among
26 these Cook County organization licensees.

1 (e-3) In awarding racing dates for calendar year 2020 and
2 thereafter in connection with a racetrack in Madison County,
3 the Board shall award racing dates and such organization
4 licensee shall run at least 700 thoroughbred races at the
5 racetrack 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 organization gaming licensee
9 located in Madison County requests racing dates resulting in
10 less than 700 live thoroughbred races at its racetrack
11 facility, the organization gaming licensee may not conduct
12 gaming pursuant to an organization gaming license issued under
13 the Illinois Gambling Act for the calendar year of such
14 requested live races.

15 (e-4) Notwithstanding the provisions of Section 7.7 of the
16 Illinois Gambling Act or any provision of this Act other than
17 subsections (e-3) and (e-4.5), for each calendar year for which
18 an organization gaming licensee requests thoroughbred racing
19 dates which results in a number of live races under its
20 organization license that is less than the total number of live
21 races which it conducted in 2017 at its racetrack facility, the
22 organization gaming licensee may not conduct gaming pursuant to
23 its organization gaming license for the calendar year of such
24 requested live races.

25 (e-4.1) Notwithstanding the provisions of Section 7.7 of
26 the Illinois Gambling Act or any provision of this Act other

1 than subsections (e-3) and (e-4.5), for each calendar year for
2 which an organization licensee requests racing dates for
3 standardbred racing which results in a number of live races
4 that is less than the total number of live races required in
5 subsection (e-1), the organization gaming licensee may not
6 conduct gaming pursuant to its organization gaming license for
7 the calendar year of such requested live races.

8 (e-4.5) The Board shall award the minimum live racing
9 guarantees contained in subsections (e-1), (e-2), and (e-3) to
10 ensure that each organization licensee shall individually run a
11 sufficient number of races per year to qualify for an
12 organization gaming license under this Act. The General
13 Assembly finds that the minimum live racing guarantees
14 contained in subsections (e-1), (e-2), and (e-3) are in the
15 best interest of the sport of horse racing, and that such
16 guarantees may only be reduced in the calendar year in which
17 they will be conducted in the limited circumstances described
18 in this subsection. The Board may decrease the number of racing
19 days without affecting an organization licensee's ability to
20 conduct gaming pursuant to an organization gaming license
21 issued under the Illinois Gambling Act only if the Board
22 determines, after notice and hearing, that:

23 (i) a decrease is necessary to maintain a sufficient
24 number of betting interests per race to ensure the
25 integrity of racing;

26 (ii) there are unsafe track conditions due to weather

1 or acts of God;

2 (iii) there is an agreement between an organization
3 licensee and the breed association that is applicable to
4 the involved live racing guarantee, such association
5 representing either the largest number of thoroughbred
6 owners and trainers or the largest number of standardbred
7 owners, trainers and drivers who race horses at the
8 involved organization licensee's racing meeting, so long
9 as the agreement does not compromise the integrity of the
10 sport of horse racing; or

11 (iv) the horse population or purse levels are
12 insufficient to provide the number of racing opportunities
13 otherwise required in this Act.

14 In decreasing the number of racing dates in accordance with
15 this subsection, the Board shall hold a hearing and shall
16 provide the public and all interested parties notice and an
17 opportunity to be heard. The Board shall accept testimony from
18 all interested parties, including any association representing
19 owners, trainers, jockeys, or drivers who will be affected by
20 the decrease in racing dates. The Board shall provide a written
21 explanation of the reasons for the decrease and the Board's
22 findings. The written explanation shall include a listing and
23 content of all communication between any party and any Illinois
24 Racing Board member or staff that does not take place at a
25 public meeting of the Board.

26 (e-5) In reviewing an application for the purpose of

1 granting an organization license consistent with the best
2 interests of the public and the sport of horse racing, the
3 Board shall consider:

4 (1) the character, reputation, experience, and
5 financial integrity of the applicant and of any other
6 separate person that either:

7 (i) controls the applicant, directly or
8 indirectly, or

9 (ii) is controlled, directly or indirectly, by
10 that applicant or by a person who controls, directly or
11 indirectly, that applicant;

12 (2) the applicant's facilities or proposed facilities
13 for conducting horse racing;

14 (3) the total revenue without regard to Section 32.1 to
15 be derived by the State and horsemen from the applicant's
16 conducting a race meeting;

17 (4) the applicant's good faith affirmative action plan
18 to recruit, train, and upgrade minorities in all employment
19 classifications;

20 (5) the applicant's financial ability to purchase and
21 maintain adequate liability and casualty insurance;

22 (6) the applicant's proposed and prior year's
23 promotional and marketing activities and expenditures of
24 the applicant associated with those activities;

25 (7) an agreement, if any, among organization licensees
26 as provided in subsection (b) of Section 21 of this Act;

1 and

2 (8) the extent to which the applicant exceeds or meets
3 other standards for the issuance of an organization license
4 that the Board shall adopt by rule.

5 In granting organization licenses and allocating dates for
6 horse race meetings, the Board shall have discretion to
7 determine an overall schedule, including required simulcasts
8 of Illinois races by host tracks that will, in its judgment, be
9 conducive to the best interests of the public and the sport of
10 horse racing.

11 (e-10) The Illinois Administrative Procedure Act shall
12 apply to administrative procedures of the Board under this Act
13 for the granting of an organization license, except that (1)
14 notwithstanding the provisions of subsection (b) of Section
15 10-40 of the Illinois Administrative Procedure Act regarding
16 cross-examination, the Board may prescribe rules limiting the
17 right of an applicant or participant in any proceeding to award
18 an organization license to conduct cross-examination of
19 witnesses at that proceeding where that cross-examination
20 would unduly obstruct the timely award of an organization
21 license under subsection (e) of Section 20 of this Act; (2) the
22 provisions of Section 10-45 of the Illinois Administrative
23 Procedure Act regarding proposals for decision are excluded
24 under this Act; (3) notwithstanding the provisions of
25 subsection (a) of Section 10-60 of the Illinois Administrative
26 Procedure Act regarding ex parte communications, the Board may

1 prescribe rules allowing ex parte communications with
2 applicants or participants in a proceeding to award an
3 organization license where conducting those communications
4 would be in the best interest of racing, provided all those
5 communications are made part of the record of that proceeding
6 pursuant to subsection (c) of Section 10-60 of the Illinois
7 Administrative Procedure Act; (4) the provisions of Section 14a
8 of this Act and the rules of the Board promulgated under that
9 Section shall apply instead of the provisions of Article 10 of
10 the Illinois Administrative Procedure Act regarding
11 administrative law judges; and (5) the provisions of subsection
12 (d) of Section 10-65 of the Illinois Administrative Procedure
13 Act that prevent summary suspension of a license pending
14 revocation or other action shall not apply.

15 (f) The Board may allot racing dates to an organization
16 licensee for more than one calendar year but for no more than 3
17 successive calendar years in advance, provided that the Board
18 shall review such allotment for more than one calendar year
19 prior to each year for which such allotment has been made. The
20 granting of an organization license to a person constitutes a
21 privilege to conduct a horse race meeting under the provisions
22 of this Act, and no person granted an organization license
23 shall be deemed to have a vested interest, property right, or
24 future expectation to receive an organization license in any
25 subsequent year as a result of the granting of an organization
26 license. Organization licenses shall be subject to revocation

1 if the organization licensee has violated any provision of this
2 Act or the rules and regulations promulgated under this Act or
3 has been convicted of a crime or has failed to disclose or has
4 stated falsely any information called for in the application
5 for an organization license. Any organization license
6 revocation proceeding shall be in accordance with Section 16
7 regarding suspension and revocation of occupation licenses.

8 (f-5) If, (i) an applicant does not file an acceptance of
9 the racing dates awarded by the Board as required under part
10 (1) of subsection (h) of this Section 20, or (ii) an
11 organization licensee has its license suspended or revoked
12 under this Act, the Board, upon conducting an emergency hearing
13 as provided for in this Act, may reaward on an emergency basis
14 pursuant to rules established by the Board, racing dates not
15 accepted or the racing dates associated with any suspension or
16 revocation period to one or more organization licensees, new
17 applicants, or any combination thereof, upon terms and
18 conditions that the Board determines are in the best interest
19 of racing, provided, the organization licensees or new
20 applicants receiving the awarded racing dates file an
21 acceptance of those reawarded racing dates as required under
22 paragraph (1) of subsection (h) of this Section 20 and comply
23 with the other provisions of this Act. The Illinois
24 Administrative Procedure Act shall not apply to the
25 administrative procedures of the Board in conducting the
26 emergency hearing and the reallocation of racing dates on an

1 emergency basis.

2 (g) (Blank).

3 (h) The Board shall send the applicant a copy of its
4 formally executed order by certified mail addressed to the
5 applicant at the address stated in his application, which
6 notice shall be mailed within 5 days of the date the formal
7 order is executed.

8 Each applicant notified shall, within 10 days after receipt
9 of the final executed order of the Board awarding racing dates:

10 (1) file with the Board an acceptance of such award in
11 the form prescribed by the Board;

12 (2) pay to the Board an additional amount equal to \$110
13 for each racing date awarded; and

14 (3) file with the Board the bonds required in Sections
15 21 and 25 at least 20 days prior to the first day of each
16 race meeting.

17 Upon compliance with the provisions of paragraphs (1), (2), and
18 (3) of this subsection (h), the applicant shall be issued an
19 organization license.

20 If any applicant fails to comply with this Section or fails
21 to pay the organization license fees herein provided, no
22 organization license shall be issued to such applicant.

23 (Source: P.A. 97-333, eff. 8-12-11.)

24 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

25 Sec. 21. (a) Applications for organization licenses must be

1 filed with the Board at a time and place prescribed by the
2 rules and regulations of the Board. The Board shall examine the
3 applications within 21 days after the date allowed for filing
4 with respect to their conformity with this Act and such rules
5 and regulations as may be prescribed by the Board. If any
6 application does not comply with this Act or the rules and
7 regulations prescribed by the Board, such application may be
8 rejected and an organization license refused to the applicant,
9 or the Board may, within 21 days of the receipt of such
10 application, advise the applicant of the deficiencies of the
11 application under the Act or the rules and regulations of the
12 Board, and require the submittal of an amended application
13 within a reasonable time determined by the Board; and upon
14 submittal of the amended application by the applicant, the
15 Board may consider the application consistent with the process
16 described in subsection (e-5) of Section 20 of this Act. If it
17 is found to be in compliance with this Act and the rules and
18 regulations of the Board, the Board may then issue an
19 organization license to such applicant.

20 (b) The Board may exercise discretion in granting racing
21 dates to qualified applicants different from those requested by
22 the applicants in their applications. However, if all eligible
23 applicants for organization licenses whose tracks are located
24 within 100 miles of each other execute and submit to the Board
25 a written agreement among such applicants as to the award of
26 racing dates, including where applicable racing programs, for

1 up to 3 consecutive years, then subject to annual review of
2 each applicant's compliance with Board rules and regulations,
3 provisions of this Act and conditions contained in annual dates
4 orders issued by the Board, the Board may grant such dates and
5 programs to such applicants as so agreed by them if the Board
6 determines that the grant of these racing dates is in the best
7 interests of racing. The Board shall treat any such agreement
8 as the agreement signatories' joint and several application for
9 racing dates during the term of the agreement.

10 (c) Where 2 or more applicants propose to conduct horse
11 race meetings within 35 miles of each other, as certified to
12 the Board under Section 19 (a) (1) of this Act, on conflicting
13 dates, the Board may determine and grant the number of racing
14 days to be awarded to the several applicants in accordance with
15 the provisions of subsection (e-5) of Section 20 of this Act.

16 (d) (Blank).

17 (e) Prior to the issuance of an organization license, the
18 applicant shall file with the Board a bond payable to the State
19 of Illinois in the sum of \$200,000, executed by the applicant
20 and a surety company or companies authorized to do business in
21 this State, and conditioned upon the payment by the
22 organization licensee of all taxes due under Section 27, other
23 monies due and payable under this Act, all purses due and
24 payable, and that the organization licensee will upon
25 presentation of the winning ticket or tickets distribute all
26 sums due to the patrons of pari-mutuel pools. Beginning on the

1 date when any organization licensee begins conducting gaming
2 pursuant to an organization gaming license issued under the
3 Illinois Gambling Act, the amount of the bond required under
4 this subsection (e) shall be \$500,000.

5 (f) Each organization license shall specify the person to
6 whom it is issued, the dates upon which horse racing is
7 permitted, and the location, place, track, or enclosure where
8 the horse race meeting is to be held.

9 (g) Any person who owns one or more race tracks within the
10 State may seek, in its own name, a separate organization
11 license for each race track.

12 (h) All racing conducted under such organization license is
13 subject to this Act and to the rules and regulations from time
14 to time prescribed by the Board, and every such organization
15 license issued by the Board shall contain a recital to that
16 effect.

17 (i) Each such organization licensee may provide that at
18 least one race per day may be devoted to the racing of quarter
19 horses, appaloosas, arabians, or paints.

20 (j) In acting on applications for organization licenses,
21 the Board shall give weight to an organization license which
22 has implemented a good faith affirmative action effort to
23 recruit, train and upgrade minorities in all classifications
24 within the organization license.

25 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

1 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

2 Sec. 24. (a) No license shall be issued to or held by an
3 organization licensee unless all of its officers, directors,
4 and holders of ownership interests of at least 5% are first
5 approved by the Board. The Board shall not give approval of an
6 organization license application to any person who has been
7 convicted of or is under an indictment for a crime of moral
8 turpitude or has violated any provision of the racing law of
9 this State or any rules of the Board.

10 (b) An organization licensee must notify the Board within
11 10 days of any change in the holders of a direct or indirect
12 interest in the ownership of the organization licensee. The
13 Board may, after hearing, revoke the organization license of
14 any person who registers on its books or knowingly permits a
15 direct or indirect interest in the ownership of that person
16 without notifying the Board of the name of the holder in
17 interest within this period.

18 (c) In addition to the provisions of subsection (a) of this
19 Section, no person shall be granted an organization license if
20 any public official of the State or member of his or her family
21 holds any ownership or financial interest, directly or
22 indirectly, in the person.

23 (d) No person which has been granted an organization
24 license to hold a race meeting shall give to any public
25 official or member of his family, directly or indirectly, for
26 or without consideration, any interest in the person. The Board

1 shall, after hearing, revoke the organization license granted
2 to a person which has violated this subsection.

3 (e) (Blank).

4 (f) No organization licensee or concessionaire or officer,
5 director or holder or controller of 5% or more legal or
6 beneficial interest in any organization licensee or concession
7 shall make any sort of gift or contribution that is prohibited
8 under Article 10 of the State Officials and Employees Ethics
9 Act of any kind or pay or give any money or other thing of value
10 to any person who is a public official, or a candidate or
11 nominee for public office if that payment or gift is prohibited
12 under Article 10 of the State Officials and Employees Ethics
13 Act.

14 (Source: P.A. 89-16, eff. 5-30-95.)

15 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

16 Sec. 25. Admission charge; bond; fine.

17 (a) There shall be paid to the Board at such time or times
18 as it shall prescribe, the sum of fifteen cents (15¢) for each
19 person entering the grounds or enclosure of each organization
20 licensee and inter-track wagering licensee upon a ticket of
21 admission except as provided in subsection (g) of Section 27 of
22 this Act. If tickets are issued for more than one day then the
23 sum of fifteen cents (15¢) shall be paid for each person using
24 such ticket on each day that the same shall be used. Provided,
25 however, that no charge shall be made on tickets of admission

1 issued to and in the name of directors, officers, agents or
2 employees of the organization licensee, or inter-track
3 wagering licensee, or to owners, trainers, jockeys, drivers and
4 their employees or to any person or persons entering the
5 grounds or enclosure for the transaction of business in
6 connection with such race meeting. The organization licensee or
7 inter-track wagering licensee may, if it desires, collect such
8 amount from each ticket holder in addition to the amount or
9 amounts charged for such ticket of admission. Beginning on the
10 date when any organization licensee begins conducting gaming
11 pursuant to an organization gaming license issued under the
12 Illinois Gambling Act, the admission charge imposed by this
13 subsection (a) shall be 40 cents for each person entering the
14 grounds or enclosure of each organization licensee and
15 inter-track wagering licensee upon a ticket of admission, and
16 if such tickets are issued for more than one day, 40 cents
17 shall be paid for each person using such ticket on each day
18 that the same shall be used.

19 (b) Accurate records and books shall at all times be kept
20 and maintained by the organization licensees and inter-track
21 wagering licensees showing the admission tickets issued and
22 used on each racing day and the attendance thereat of each
23 horse racing meeting. The Board or its duly authorized
24 representative or representatives shall at all reasonable
25 times have access to the admission records of any organization
26 licensee and inter-track wagering licensee for the purpose of

1 examining and checking the same and ascertaining whether or not
2 the proper amount has been or is being paid the State of
3 Illinois as herein provided. The Board shall also require,
4 before issuing any license, that the licensee shall execute and
5 deliver to it a bond, payable to the State of Illinois, in such
6 sum as it shall determine, not, however, in excess of fifty
7 thousand dollars (\$50,000), with a surety or sureties to be
8 approved by it, conditioned for the payment of all sums due and
9 payable or collected by it under this Section upon admission
10 fees received for any particular racing meetings. The Board may
11 also from time to time require sworn statements of the number
12 or numbers of such admissions and may prescribe blanks upon
13 which such reports shall be made. Any organization licensee or
14 inter-track wagering licensee failing or refusing to pay the
15 amount found to be due as herein provided, shall be deemed
16 guilty of a business offense and upon conviction shall be
17 punished by a fine of not more than five thousand dollars
18 (\$5,000) in addition to the amount due from such organization
19 licensee or inter-track wagering licensee as herein provided.
20 All fines paid into court by an organization licensee or
21 inter-track wagering licensee found guilty of violating this
22 Section shall be transmitted and paid over by the clerk of the
23 court to the Board. Beginning on the date when any organization
24 licensee begins conducting gaming pursuant to an organization
25 gaming license issued under the Illinois Gambling Act, any fine
26 imposed pursuant to this subsection (b) shall not exceed

1 \$10,000.

2 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

3 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

4 Sec. 26. Wagering.

5 (a) Any licensee may conduct and supervise the pari-mutuel
6 system of wagering, as defined in Section 3.12 of this Act, on
7 horse races conducted by an Illinois organization licensee or
8 conducted at a racetrack located in another state or country
9 ~~and televised in Illinois~~ in accordance with subsection (g) of
10 Section 26 of this Act. Subject to the prior consent of the
11 Board, licensees may supplement any pari-mutuel pool in order
12 to guarantee a minimum distribution. Such pari-mutuel method of
13 wagering shall not, under any circumstances if conducted under
14 the provisions of this Act, be held or construed to be
15 unlawful, other statutes of this State to the contrary
16 notwithstanding. Subject to rules for advance wagering
17 promulgated by the Board, any licensee may accept wagers in
18 advance of the day of the race wagered upon occurs.

19 (b) Except for those gaming activities for which a license
20 is obtained and authorized under the Illinois Lottery Law, the
21 Charitable Games Act, the Raffles and Poker Runs Act, or the
22 Illinois Gambling Act, no ~~no~~ other method of betting, pool
23 making, wagering or gambling shall be used or permitted by the
24 licensee. Each licensee may retain, subject to the payment of
25 all applicable taxes and purses, an amount not to exceed 17% of

1 all money wagered under subsection (a) of this Section, except
2 as may otherwise be permitted under this Act.

3 (b-5) An individual may place a wager under the pari-mutuel
4 system from any licensed location authorized under this Act
5 provided that wager is electronically recorded in the manner
6 described in Section 3.12 of this Act. Any wager made
7 electronically by an individual while physically on the
8 premises of a licensee shall be deemed to have been made at the
9 premises of that licensee.

10 (c) (Blank). ~~Until January 1, 2000, the sum held by any~~
11 ~~licensee for payment of outstanding pari mutuel tickets, if~~
12 ~~unclaimed prior to December 31 of the next year, shall be~~
13 ~~retained by the licensee for payment of such tickets until that~~
14 ~~date. Within 10 days thereafter, the balance of such sum~~
15 ~~remaining unclaimed, less any uncashed supplements contributed~~
16 ~~by such licensee for the purpose of guaranteeing minimum~~
17 ~~distributions of any pari mutuel pool, shall be paid to the~~
18 ~~Illinois Veterans' Rehabilitation Fund of the State treasury,~~
19 ~~except as provided in subsection (g) of Section 27 of this Act.~~

20 (c-5) The ~~Beginning January 1, 2000, the sum held by any~~
21 ~~licensee for payment of outstanding pari-mutuel tickets, if~~
22 ~~unclaimed prior to December 31 of the next year, shall be~~
23 ~~retained by the licensee for payment of such tickets until that~~
24 ~~date. Within 10 days thereafter, the balance of such sum~~
25 ~~remaining unclaimed, less any uncashed supplements contributed~~
26 ~~by such licensee for the purpose of guaranteeing minimum~~

1 distributions of any pari-mutuel pool, shall be evenly
2 distributed to the purse account of the organization licensee
3 and the organization licensee, except that the balance of the
4 sum of all outstanding pari-mutuel tickets generated from
5 simulcast wagering and inter-track wagering by an organization
6 licensee located in a county with a population in excess of
7 230,000 and borders the Mississippi River or any licensee that
8 derives its license from that organization licensee shall be
9 evenly distributed to the purse account of the organization
10 licensee and the organization licensee.

11 (d) A pari-mutuel ticket shall be honored until December 31
12 of the next calendar year, and the licensee shall pay the same
13 and may charge the amount thereof against unpaid money
14 similarly accumulated on account of pari-mutuel tickets not
15 presented for payment.

16 (e) No licensee shall knowingly permit any minor, other
17 than an employee of such licensee or an owner, trainer, jockey,
18 driver, or employee thereof, to be admitted during a racing
19 program unless accompanied by a parent or guardian, or any
20 minor to be a patron of the pari-mutuel system of wagering
21 conducted or supervised by it. The admission of any
22 unaccompanied minor, other than an employee of the licensee or
23 an owner, trainer, jockey, driver, or employee thereof at a
24 race track is a Class C misdemeanor.

25 (f) Notwithstanding the other provisions of this Act, an
26 organization licensee may contract with an entity in another

1 state or country to permit any legal wagering entity in another
2 state or country to accept wagers solely within such other
3 state or country on races conducted by the organization
4 licensee in this State. Beginning January 1, 2000, these wagers
5 shall not be subject to State taxation. Until January 1, 2000,
6 when the out-of-State entity conducts a pari-mutuel pool
7 separate from the organization licensee, a privilege tax equal
8 to 7 1/2% of all monies received by the organization licensee
9 from entities in other states or countries pursuant to such
10 contracts is imposed on the organization licensee, and such
11 privilege tax shall be remitted to the Department of Revenue
12 within 48 hours of receipt of the moneys from the simulcast.
13 When the out-of-State entity conducts a combined pari-mutuel
14 pool with the organization licensee, the tax shall be 10% of
15 all monies received by the organization licensee with 25% of
16 the receipts from this 10% tax to be distributed to the county
17 in which the race was conducted.

18 An organization licensee may permit one or more of its
19 races to be utilized for pari-mutuel wagering at one or more
20 locations in other states and may transmit audio and visual
21 signals of races the organization licensee conducts to one or
22 more locations outside the State or country and may also permit
23 pari-mutuel pools in other states or countries to be combined
24 with its gross or net wagering pools or with wagering pools
25 established by other states.

26 (g) A host track may accept interstate simulcast wagers on

1 horse races conducted in other states or countries and shall
2 control the number of signals and types of breeds of racing in
3 its simulcast program, subject to the disapproval of the Board.
4 The Board may prohibit a simulcast program only if it finds
5 that the simulcast program is clearly adverse to the integrity
6 of racing. The host track simulcast program shall include the
7 signal of live racing of all organization licensees. All
8 non-host licensees and advance deposit wagering licensees
9 shall carry the signal of and accept wagers on live racing of
10 all organization licensees. Advance deposit wagering licensees
11 shall not be permitted to accept out-of-state wagers on any
12 Illinois signal provided pursuant to this Section without the
13 approval and consent of the organization licensee providing the
14 signal. For one year after August 15, 2014 (the effective date
15 of Public Act 98-968), non-host licensees may carry the host
16 track simulcast program and shall accept wagers on all races
17 included as part of the simulcast program of horse races
18 conducted at race tracks located within North America upon
19 which wagering is permitted. For a period of one year after
20 August 15, 2014 (the effective date of Public Act 98-968), on
21 horse races conducted at race tracks located outside of North
22 America, non-host licensees may accept wagers on all races
23 included as part of the simulcast program upon which wagering
24 is permitted. Beginning August 15, 2015 (one year after the
25 effective date of Public Act 98-968), non-host licensees may
26 carry the host track simulcast program and shall accept wagers

1 on all races included as part of the simulcast program upon
2 which wagering is permitted. All organization licensees shall
3 provide their live signal to all advance deposit wagering
4 licensees for a simulcast commission fee not to exceed 6% of
5 the advance deposit wagering licensee's Illinois handle on the
6 organization licensee's signal without prior approval by the
7 Board. The Board may adopt rules under which it may permit
8 simulcast commission fees in excess of 6%. The Board shall
9 adopt rules limiting the interstate commission fees charged to
10 an advance deposit wagering licensee. The Board shall adopt
11 rules regarding advance deposit wagering on interstate
12 simulcast races that shall reflect, among other things, the
13 General Assembly's desire to maximize revenues to the State,
14 horsemen purses, and organization ~~organizational~~ licensees.
15 However, organization licensees providing live signals
16 pursuant to the requirements of this subsection (g) may
17 petition the Board to withhold their live signals from an
18 advance deposit wagering licensee if the organization licensee
19 discovers and the Board finds reputable or credible information
20 that the advance deposit wagering licensee is under
21 investigation by another state or federal governmental agency,
22 the advance deposit wagering licensee's license has been
23 suspended in another state, or the advance deposit wagering
24 licensee's license is in revocation proceedings in another
25 state. The organization licensee's provision of their live
26 signal to an advance deposit wagering licensee under this

1 subsection (g) pertains to wagers placed from within Illinois.
2 Advance deposit wagering licensees may place advance deposit
3 wagering terminals at wagering facilities as a convenience to
4 customers. The advance deposit wagering licensee shall not
5 charge or collect any fee from purses for the placement of the
6 advance deposit wagering terminals. The costs and expenses of
7 the host track and non-host licensees associated with
8 interstate simulcast wagering, other than the interstate
9 commission fee, shall be borne by the host track and all
10 non-host licensees incurring these costs. The interstate
11 commission fee shall not exceed 5% of Illinois handle on the
12 interstate simulcast race or races without prior approval of
13 the Board. The Board shall promulgate rules under which it may
14 permit interstate commission fees in excess of 5%. The
15 interstate commission fee and other fees charged by the sending
16 racetrack, including, but not limited to, satellite decoder
17 fees, shall be uniformly applied to the host track and all
18 non-host licensees.

19 Notwithstanding any other provision of this Act, ~~through~~
20 ~~December 31, 2020,~~ an organization licensee, with the consent
21 of the horsemen association representing the largest number of
22 owners, trainers, jockeys, or standardbred drivers who race
23 horses at that organization licensee's racing meeting, may
24 maintain a system whereby advance deposit wagering may take
25 place or an organization licensee, with the consent of the
26 horsemen association representing the largest number of

1 owners, trainers, jockeys, or standardbred drivers who race
2 horses at that organization licensee's racing meeting, may
3 contract with another person to carry out a system of advance
4 deposit wagering. Such consent may not be unreasonably
5 withheld. Only with respect to an appeal to the Board that
6 consent for an organization licensee that maintains its own
7 advance deposit wagering system is being unreasonably
8 withheld, the Board shall issue a final order within 30 days
9 after initiation of the appeal, and the organization licensee's
10 advance deposit wagering system may remain operational during
11 that 30-day period. The actions of any organization licensee
12 who conducts advance deposit wagering or any person who has a
13 contract with an organization licensee to conduct advance
14 deposit wagering who conducts advance deposit wagering on or
15 after January 1, 2013 and prior to June 7, 2013 (the effective
16 date of Public Act 98-18) taken in reliance on the changes made
17 to this subsection (g) by Public Act 98-18 are hereby
18 validated, provided payment of all applicable pari-mutuel
19 taxes are remitted to the Board. All advance deposit wagers
20 placed from within Illinois must be placed through a
21 Board-approved advance deposit wagering licensee; no other
22 entity may accept an advance deposit wager from a person within
23 Illinois. All advance deposit wagering is subject to any rules
24 adopted by the Board. The Board may adopt rules necessary to
25 regulate advance deposit wagering through the use of emergency
26 rulemaking in accordance with Section 5-45 of the Illinois

1 Administrative Procedure Act. The General Assembly finds that
2 the adoption of rules to regulate advance deposit wagering is
3 deemed an emergency and necessary for the public interest,
4 safety, and welfare. An advance deposit wagering licensee may
5 retain all moneys as agreed to by contract with an organization
6 licensee. Any moneys retained by the organization licensee from
7 advance deposit wagering, not including moneys retained by the
8 advance deposit wagering licensee, shall be paid 50% to the
9 organization licensee's purse account and 50% to the
10 organization licensee. With the exception of any organization
11 licensee that is owned by a publicly traded company that is
12 incorporated in a state other than Illinois and advance deposit
13 wagering licensees under contract with such organization
14 licensees, organization licensees that maintain advance
15 deposit wagering systems and advance deposit wagering
16 licensees that contract with organization licensees shall
17 provide sufficiently detailed monthly accountings to the
18 horsemen association representing the largest number of
19 owners, trainers, jockeys, or standardbred drivers who race
20 horses at that organization licensee's racing meeting so that
21 the horsemen association, as an interested party, can confirm
22 the accuracy of the amounts paid to the purse account at the
23 horsemen association's affiliated organization licensee from
24 advance deposit wagering. If more than one breed races at the
25 same race track facility, then the 50% of the moneys to be paid
26 to an organization licensee's purse account shall be allocated

1 among all organization licensees' purse accounts operating at
2 that race track facility proportionately based on the actual
3 number of host days that the Board grants to that breed at that
4 race track facility in the current calendar year. To the extent
5 any fees from advance deposit wagering conducted in Illinois
6 for wagers in Illinois or other states have been placed in
7 escrow or otherwise withheld from wagers pending a
8 determination of the legality of advance deposit wagering, no
9 action shall be brought to declare such wagers or the
10 disbursement of any fees previously escrowed illegal.

11 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
12 inter-track wagering licensee other than the host track may
13 supplement the host track simulcast program with
14 additional simulcast races or race programs, provided that
15 between January 1 and the third Friday in February of any
16 year, inclusive, if no live thoroughbred racing is
17 occurring in Illinois during this period, only
18 thoroughbred races may be used for supplemental interstate
19 simulcast purposes. The Board shall withhold approval for a
20 supplemental interstate simulcast only if it finds that the
21 simulcast is clearly adverse to the integrity of racing. A
22 supplemental interstate simulcast may be transmitted from
23 an inter-track wagering licensee to its affiliated
24 non-host licensees. The interstate commission fee for a
25 supplemental interstate simulcast shall be paid by the
26 non-host licensee and its affiliated non-host licensees

1 receiving the simulcast.

2 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
3 inter-track wagering licensee other than the host track may
4 receive supplemental interstate simulcasts only with the
5 consent of the host track, except when the Board finds that
6 the simulcast is clearly adverse to the integrity of
7 racing. Consent granted under this paragraph (2) to any
8 inter-track wagering licensee shall be deemed consent to
9 all non-host licensees. The interstate commission fee for
10 the supplemental interstate simulcast shall be paid by all
11 participating non-host licensees.

12 (3) Each licensee conducting interstate simulcast
13 wagering may retain, subject to the payment of all
14 applicable taxes and the purses, an amount not to exceed
15 17% of all money wagered. If any licensee conducts the
16 pari-mutuel system wagering on races conducted at
17 racetracks in another state or country, each such race or
18 race program shall be considered a separate racing day for
19 the purpose of determining the daily handle and computing
20 the privilege tax of that daily handle as provided in
21 subsection (a) of Section 27. Until January 1, 2000, from
22 the sums permitted to be retained pursuant to this
23 subsection, each inter-track wagering location licensee
24 shall pay 1% of the pari-mutuel handle wagered on simulcast
25 wagering to the Horse Racing Tax Allocation Fund, subject
26 to the provisions of subparagraph (B) of paragraph (11) of

1 subsection (h) of Section 26 of this Act.

2 (4) A licensee who receives an interstate simulcast may
3 combine its gross or net pools with pools at the sending
4 racetracks pursuant to rules established by the Board. All
5 licensees combining their gross pools at a sending
6 racetrack shall adopt the takeout ~~take out~~ percentages of
7 the sending racetrack. A licensee may also establish a
8 separate pool and takeout structure for wagering purposes
9 on races conducted at race tracks outside of the State of
10 Illinois. The licensee may permit pari-mutuel wagers
11 placed in other states or countries to be combined with its
12 gross or net wagering pools or other wagering pools.

13 (5) After the payment of the interstate commission fee
14 (except for the interstate commission fee on a supplemental
15 interstate simulcast, which shall be paid by the host track
16 and by each non-host licensee through the host track
17 ~~host track~~) and all applicable State and local taxes,
18 except as provided in subsection (g) of Section 27 of this
19 Act, the remainder of moneys retained from simulcast
20 wagering pursuant to this subsection (g), and Section 26.2
21 shall be divided as follows:

22 (A) For interstate simulcast wagers made at a host
23 track, 50% to the host track and 50% to purses at the
24 host track.

25 (B) For wagers placed on interstate simulcast
26 races, supplemental simulcasts as defined in

1 subparagraphs (1) and (2), and separately pooled races
2 conducted outside of the State of Illinois made at a
3 non-host licensee, 25% to the host track, 25% to the
4 non-host licensee, and 50% to the purses at the host
5 track.

6 (6) Notwithstanding any provision in this Act to the
7 contrary, non-host licensees who derive their licenses
8 from a track located in a county with a population in
9 excess of 230,000 and that borders the Mississippi River
10 may receive supplemental interstate simulcast races at all
11 times subject to Board approval, which shall be withheld
12 only upon a finding that a supplemental interstate
13 simulcast is clearly adverse to the integrity of racing.

14 (7) Effective January 1, 2017, notwithstanding any
15 provision of this Act to the contrary, after payment of all
16 applicable State and local taxes and interstate commission
17 fees, non-host licensees who derive their licenses from a
18 track located in a county with a population in excess of
19 230,000 and that borders the Mississippi River shall retain
20 50% of the retention from interstate simulcast wagers and
21 shall pay 50% to purses at the track from which the
22 non-host licensee derives its license.

23 (7.1) Notwithstanding any other provision of this Act
24 to the contrary, if no standardbred racing is conducted at
25 a racetrack located in Madison County during any calendar
26 year beginning on or after January 1, 2002, all moneys

1 derived by that racetrack from simulcast wagering and
2 inter-track wagering that (1) are to be used for purses and
3 (2) are generated between the hours of 6:30 p.m. and 6:30
4 a.m. during that calendar year shall be paid as follows:

5 (A) If the licensee that conducts horse racing at
6 that racetrack requests from the Board at least as many
7 racing dates as were conducted in calendar year 2000,
8 80% shall be paid to its thoroughbred purse account;
9 and

10 (B) Twenty percent shall be deposited into the
11 Illinois Colt Stakes Purse Distribution Fund and shall
12 be paid to purses for standardbred races for Illinois
13 conceived and foaled horses conducted at any county
14 fairgrounds. The moneys deposited into the Fund
15 pursuant to this subparagraph (B) shall be deposited
16 within 2 weeks after the day they were generated, shall
17 be in addition to and not in lieu of any other moneys
18 paid to standardbred purses under this Act, and shall
19 not be commingled with other moneys paid into that
20 Fund. The moneys deposited pursuant to this
21 subparagraph (B) shall be allocated as provided by the
22 Department of Agriculture, with the advice and
23 assistance of the Illinois Standardbred Breeders Fund
24 Advisory Board.

25 (7.2) Notwithstanding any other provision of this Act
26 to the contrary, if no thoroughbred racing is conducted at

1 a racetrack located in Madison County during any calendar
2 year beginning on or after January 1, 2002, all moneys
3 derived by that racetrack from simulcast wagering and
4 inter-track wagering that (1) are to be used for purses and
5 (2) are generated between the hours of 6:30 a.m. and 6:30
6 p.m. during that calendar year shall be deposited as
7 follows:

8 (A) If the licensee that conducts horse racing at
9 that racetrack requests from the Board at least as many
10 racing dates as were conducted in calendar year 2000,
11 80% shall be deposited into its standardbred purse
12 account; and

13 (B) Twenty percent shall be deposited into the
14 Illinois Colt Stakes Purse Distribution Fund. Moneys
15 deposited into the Illinois Colt Stakes Purse
16 Distribution Fund pursuant to this subparagraph (B)
17 shall be paid to Illinois conceived and foaled
18 thoroughbred breeders' programs and to thoroughbred
19 purses for races conducted at any county fairgrounds
20 for Illinois conceived and foaled horses at the
21 discretion of the Department of Agriculture, with the
22 advice and assistance of the Illinois Thoroughbred
23 Breeders Fund Advisory Board. The moneys deposited
24 into the Illinois Colt Stakes Purse Distribution Fund
25 pursuant to this subparagraph (B) shall be deposited
26 within 2 weeks after the day they were generated, shall

1 be in addition to and not in lieu of any other moneys
2 paid to thoroughbred purses under this Act, and shall
3 not be commingled with other moneys deposited into that
4 Fund.

5 (7.3) (Blank).

6 (7.4) (Blank).

7 (8) Notwithstanding any provision in this Act to the
8 contrary, an organization licensee from a track located in
9 a county with a population in excess of 230,000 and that
10 borders the Mississippi River and its affiliated non-host
11 licensees shall not be entitled to share in any retention
12 generated on racing, inter-track wagering, or simulcast
13 wagering at any other Illinois wagering facility.

14 (8.1) Notwithstanding any provisions in this Act to the
15 contrary, if 2 organization licensees are conducting
16 standardbred race meetings concurrently between the hours
17 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
18 State and local taxes and interstate commission fees, the
19 remainder of the amount retained from simulcast wagering
20 otherwise attributable to the host track and to host track
21 purses shall be split daily between the 2 organization
22 licensees and the purses at the tracks of the 2
23 organization licensees, respectively, based on each
24 organization licensee's share of the total live handle for
25 that day, provided that this provision shall not apply to
26 any non-host licensee that derives its license from a track

1 located in a county with a population in excess of 230,000
2 and that borders the Mississippi River.

3 (9) (Blank).

4 (10) (Blank).

5 (11) (Blank).

6 (12) The Board shall have authority to compel all host
7 tracks to receive the simulcast of any or all races
8 conducted at the Springfield or DuQuoin State fairgrounds
9 and include all such races as part of their simulcast
10 programs.

11 (13) Notwithstanding any other provision of this Act,
12 in the event that the total Illinois pari-mutuel handle on
13 Illinois horse races at all wagering facilities in any
14 calendar year is less than 75% of the total Illinois
15 pari-mutuel handle on Illinois horse races at all such
16 wagering facilities for calendar year 1994, then each
17 wagering facility that has an annual total Illinois
18 pari-mutuel handle on Illinois horse races that is less
19 than 75% of the total Illinois pari-mutuel handle on
20 Illinois horse races at such wagering facility for calendar
21 year 1994, shall be permitted to receive, from any amount
22 otherwise payable to the purse account at the race track
23 with which the wagering facility is affiliated in the
24 succeeding calendar year, an amount equal to 2% of the
25 differential in total Illinois pari-mutuel handle on
26 Illinois horse races at the wagering facility between that

1 calendar year in question and 1994 provided, however, that
2 a wagering facility shall not be entitled to any such
3 payment until the Board certifies in writing to the
4 wagering facility the amount to which the wagering facility
5 is entitled and a schedule for payment of the amount to the
6 wagering facility, based on: (i) the racing dates awarded
7 to the race track affiliated with the wagering facility
8 during the succeeding year; (ii) the sums available or
9 anticipated to be available in the purse account of the
10 race track affiliated with the wagering facility for purses
11 during the succeeding year; and (iii) the need to ensure
12 reasonable purse levels during the payment period. The
13 Board's certification shall be provided no later than
14 January 31 of the succeeding year. In the event a wagering
15 facility entitled to a payment under this paragraph (13) is
16 affiliated with a race track that maintains purse accounts
17 for both standardbred and thoroughbred racing, the amount
18 to be paid to the wagering facility shall be divided
19 between each purse account pro rata, based on the amount of
20 Illinois handle on Illinois standardbred and thoroughbred
21 racing respectively at the wagering facility during the
22 previous calendar year. Annually, the General Assembly
23 shall appropriate sufficient funds from the General
24 Revenue Fund to the Department of Agriculture for payment
25 into the thoroughbred and standardbred horse racing purse
26 accounts at Illinois pari-mutuel tracks. The amount paid to

1 each purse account shall be the amount certified by the
2 Illinois Racing Board in January to be transferred from
3 each account to each eligible racing facility in accordance
4 with the provisions of this Section. Beginning in the
5 calendar year in which an organization licensee that is
6 eligible to receive payment under this paragraph (13)
7 begins to receive funds from gaming pursuant to an
8 organization gaming license issued under the Illinois
9 Gambling Act, the amount of the payment due to all wagering
10 facilities licensed under that organization licensee under
11 this paragraph (13) shall be the amount certified by the
12 Board in January of that year. An organization licensee and
13 its related wagering facilities shall no longer be able to
14 receive payments under this paragraph (13) beginning in the
15 year subsequent to the first year in which the organization
16 licensee begins to receive funds from gaming pursuant to an
17 organization gaming license issued under the Illinois
18 Gambling Act.

19 (h) The Board may approve and license the conduct of
20 inter-track wagering and simulcast wagering by inter-track
21 wagering licensees and inter-track wagering location licensees
22 subject to the following terms and conditions:

23 (1) Any person licensed to conduct a race meeting (i)
24 at a track where 60 or more days of racing were conducted
25 during the immediately preceding calendar year or where
26 over the 5 immediately preceding calendar years an average

1 of 30 or more days of racing were conducted annually may be
2 issued an inter-track wagering license; (ii) at a track
3 located in a county that is bounded by the Mississippi
4 River, which has a population of less than 150,000
5 according to the 1990 decennial census, and an average of
6 at least 60 days of racing per year between 1985 and 1993
7 may be issued an inter-track wagering license; ~~or~~ (iii) at
8 a track awarded standardbred racing dates; or (iv) at a
9 track located in Madison County that conducted at least 100
10 days of live racing during the immediately preceding
11 calendar year may be issued an inter-track wagering
12 license, unless a lesser schedule of live racing is the
13 result of (A) weather, unsafe track conditions, or other
14 acts of God; (B) an agreement between the organization
15 licensee and the associations representing the largest
16 number of owners, trainers, jockeys, or standardbred
17 drivers who race horses at that organization licensee's
18 racing meeting; or (C) a finding by the Board of
19 extraordinary circumstances and that it was in the best
20 interest of the public and the sport to conduct fewer than
21 100 days of live racing. Any such person having operating
22 control of the racing facility may receive inter-track
23 wagering location licenses. An eligible race track located
24 in a county that has a population of more than 230,000 and
25 that is bounded by the Mississippi River may establish up
26 to 9 inter-track wagering locations, an eligible race track

1 located in Stickney Township in Cook County may establish
2 up to 16 inter-track wagering locations, and an eligible
3 race track located in Palatine Township in Cook County may
4 establish up to 18 inter-track wagering locations. An
5 eligible racetrack conducting standardbred racing may have
6 up to 16 inter-track wagering locations. An application for
7 said license shall be filed with the Board prior to such
8 dates as may be fixed by the Board. With an application for
9 an inter-track wagering location license there shall be
10 delivered to the Board a certified check or bank draft
11 payable to the order of the Board for an amount equal to
12 \$500. The application shall be on forms prescribed and
13 furnished by the Board. The application shall comply with
14 all other rules, regulations and conditions imposed by the
15 Board in connection therewith.

16 (2) The Board shall examine the applications with
17 respect to their conformity with this Act and the rules and
18 regulations imposed by the Board. If found to be in
19 compliance with the Act and rules and regulations of the
20 Board, the Board may then issue a license to conduct
21 inter-track wagering and simulcast wagering to such
22 applicant. All such applications shall be acted upon by the
23 Board at a meeting to be held on such date as may be fixed
24 by the Board.

25 (3) In granting licenses to conduct inter-track
26 wagering and simulcast wagering, the Board shall give due

1 consideration to the best interests of the public, of horse
2 racing, and of maximizing revenue to the State.

3 (4) Prior to the issuance of a license to conduct
4 inter-track wagering and simulcast wagering, the applicant
5 shall file with the Board a bond payable to the State of
6 Illinois in the sum of \$50,000, executed by the applicant
7 and a surety company or companies authorized to do business
8 in this State, and conditioned upon (i) the payment by the
9 licensee of all taxes due under Section 27 or 27.1 and any
10 other monies due and payable under this Act, and (ii)
11 distribution by the licensee, upon presentation of the
12 winning ticket or tickets, of all sums payable to the
13 patrons of pari-mutuel pools.

14 (5) Each license to conduct inter-track wagering and
15 simulcast wagering shall specify the person to whom it is
16 issued, the dates on which such wagering is permitted, and
17 the track or location where the wagering is to be
18 conducted.

19 (6) All wagering under such license is subject to this
20 Act and to the rules and regulations from time to time
21 prescribed by the Board, and every such license issued by
22 the Board shall contain a recital to that effect.

23 (7) An inter-track wagering licensee or inter-track
24 wagering location licensee may accept wagers at the track
25 or location where it is licensed, or as otherwise provided
26 under this Act.

1 (8) Inter-track wagering or simulcast wagering shall
2 not be conducted at any track less than 4 ~~5~~ miles from a
3 track at which a racing meeting is in progress.

4 (8.1) Inter-track wagering location licensees who
5 derive their licenses from a particular organization
6 licensee shall conduct inter-track wagering and simulcast
7 wagering only at locations that are within 160 miles of
8 that race track where the particular organization licensee
9 is licensed to conduct racing. However, inter-track
10 wagering and simulcast wagering shall not be conducted by
11 those licensees at any location within 5 miles of any race
12 track at which a horse race meeting has been licensed in
13 the current year, unless the person having operating
14 control of such race track has given its written consent to
15 such inter-track wagering location licensees, which
16 consent must be filed with the Board at or prior to the
17 time application is made. In the case of any inter-track
18 wagering location licensee initially licensed after
19 December 31, 2013, inter-track wagering and simulcast
20 wagering shall not be conducted by those inter-track
21 wagering location licensees that are located outside the
22 City of Chicago at any location within 8 miles of any race
23 track at which a horse race meeting has been licensed in
24 the current year, unless the person having operating
25 control of such race track has given its written consent to
26 such inter-track wagering location licensees, which

1 consent must be filed with the Board at or prior to the
2 time application is made.

3 (8.2) Inter-track wagering or simulcast wagering shall
4 not be conducted by an inter-track wagering location
5 licensee at any location within 500 feet of an existing
6 church, an ~~or~~ existing elementary or secondary public
7 school, or an existing elementary or secondary private
8 school registered with or recognized by the State Board of
9 Education ~~school~~, nor within 500 feet of the residences of
10 more than 50 registered voters without receiving written
11 permission from a majority of the registered voters at such
12 residences. Such written permission statements shall be
13 filed with the Board. The distance of 500 feet shall be
14 measured to the nearest part of any building used for
15 worship services, education programs, residential
16 purposes, or conducting inter-track wagering by an
17 inter-track wagering location licensee, and not to
18 property boundaries. However, inter-track wagering or
19 simulcast wagering may be conducted at a site within 500
20 feet of a church, school or residences of 50 or more
21 registered voters if such church, school or residences have
22 been erected or established, or such voters have been
23 registered, after the Board issues the original
24 inter-track wagering location license at the site in
25 question. Inter-track wagering location licensees may
26 conduct inter-track wagering and simulcast wagering only

1 in areas that are zoned for commercial or manufacturing
2 purposes or in areas for which a special use has been
3 approved by the local zoning authority. However, no license
4 to conduct inter-track wagering and simulcast wagering
5 shall be granted by the Board with respect to any
6 inter-track wagering location within the jurisdiction of
7 any local zoning authority which has, by ordinance or by
8 resolution, prohibited the establishment of an inter-track
9 wagering location within its jurisdiction. However,
10 inter-track wagering and simulcast wagering may be
11 conducted at a site if such ordinance or resolution is
12 enacted after the Board licenses the original inter-track
13 wagering location licensee for the site in question.

14 (9) (Blank).

15 (10) An inter-track wagering licensee or an
16 inter-track wagering location licensee may retain, subject
17 to the payment of the privilege taxes and the purses, an
18 amount not to exceed 17% of all money wagered. Each program
19 of racing conducted by each inter-track wagering licensee
20 or inter-track wagering location licensee shall be
21 considered a separate racing day for the purpose of
22 determining the daily handle and computing the privilege
23 tax or pari-mutuel tax on such daily handle as provided in
24 Section 27.

25 (10.1) Except as provided in subsection (g) of Section
26 27 of this Act, inter-track wagering location licensees

1 shall pay 1% of the pari-mutuel handle at each location to
2 the municipality in which such location is situated and 1%
3 of the pari-mutuel handle at each location to the county in
4 which such location is situated. In the event that an
5 inter-track wagering location licensee is situated in an
6 unincorporated area of a county, such licensee shall pay 2%
7 of the pari-mutuel handle from such location to such
8 county.

9 (10.2) Notwithstanding any other provision of this
10 Act, with respect to inter-track wagering at a race track
11 located in a county that has a population of more than
12 230,000 and that is bounded by the Mississippi River ("the
13 first race track"), or at a facility operated by an
14 inter-track wagering licensee or inter-track wagering
15 location licensee that derives its license from the
16 organization licensee that operates the first race track,
17 on races conducted at the first race track or on races
18 conducted at another Illinois race track and
19 simultaneously televised to the first race track or to a
20 facility operated by an inter-track wagering licensee or
21 inter-track wagering location licensee that derives its
22 license from the organization licensee that operates the
23 first race track, those moneys shall be allocated as
24 follows:

25 (A) That portion of all moneys wagered on
26 standardbred racing that is required under this Act to

1 be paid to purses shall be paid to purses for
2 standardbred races.

3 (B) That portion of all moneys wagered on
4 thoroughbred racing that is required under this Act to
5 be paid to purses shall be paid to purses for
6 thoroughbred races.

7 (11) (A) After payment of the privilege or pari-mutuel
8 tax, any other applicable taxes, and the costs and expenses
9 in connection with the gathering, transmission, and
10 dissemination of all data necessary to the conduct of
11 inter-track wagering, the remainder of the monies retained
12 under either Section 26 or Section 26.2 of this Act by the
13 inter-track wagering licensee on inter-track wagering
14 shall be allocated with 50% to be split between the 2
15 participating licensees and 50% to purses, except that an
16 inter-track wagering licensee that derives its license
17 from a track located in a county with a population in
18 excess of 230,000 and that borders the Mississippi River
19 shall not divide any remaining retention with the Illinois
20 organization licensee that provides the race or races, and
21 an inter-track wagering licensee that accepts wagers on
22 races conducted by an organization licensee that conducts a
23 race meet in a county with a population in excess of
24 230,000 and that borders the Mississippi River shall not
25 divide any remaining retention with that organization
26 licensee.

1 (B) From the sums permitted to be retained pursuant to
2 this Act each inter-track wagering location licensee shall
3 pay (i) the privilege or pari-mutuel tax to the State; (ii)
4 4.75% of the pari-mutuel handle on inter-track wagering at
5 such location on races as purses, except that an
6 inter-track wagering location licensee that derives its
7 license from a track located in a county with a population
8 in excess of 230,000 and that borders the Mississippi River
9 shall retain all purse moneys for its own purse account
10 consistent with distribution set forth in this subsection
11 (h), and inter-track wagering location licensees that
12 accept wagers on races conducted by an organization
13 licensee located in a county with a population in excess of
14 230,000 and that borders the Mississippi River shall
15 distribute all purse moneys to purses at the operating host
16 track; (iii) until January 1, 2000, except as provided in
17 subsection (g) of Section 27 of this Act, 1% of the
18 pari-mutuel handle wagered on inter-track wagering and
19 simulcast wagering at each inter-track wagering location
20 licensee facility to the Horse Racing Tax Allocation Fund,
21 provided that, to the extent the total amount collected and
22 distributed to the Horse Racing Tax Allocation Fund under
23 this subsection (h) during any calendar year exceeds the
24 amount collected and distributed to the Horse Racing Tax
25 Allocation Fund during calendar year 1994, that excess
26 amount shall be redistributed (I) to all inter-track

1 wagering location licensees, based on each licensee's pro
2 rata ~~pro-rata~~ share of the total handle from inter-track
3 wagering and simulcast wagering for all inter-track
4 wagering location licensees during the calendar year in
5 which this provision is applicable; then (II) the amounts
6 redistributed to each inter-track wagering location
7 licensee as described in subpart (I) shall be further
8 redistributed as provided in subparagraph (B) of paragraph
9 (5) of subsection (g) of this Section 26 provided first,
10 that the shares of those amounts, which are to be
11 redistributed to the host track or to purses at the host
12 track under subparagraph (B) of paragraph (5) of subsection
13 (g) of this Section 26 shall be redistributed based on each
14 host track's pro rata share of the total inter-track
15 wagering and simulcast wagering handle at all host tracks
16 during the calendar year in question, and second, that any
17 amounts redistributed as described in part (I) to an
18 inter-track wagering location licensee that accepts wagers
19 on races conducted by an organization licensee that
20 conducts a race meet in a county with a population in
21 excess of 230,000 and that borders the Mississippi River
22 shall be further redistributed, effective January 1, 2017,
23 as provided in paragraph (7) of subsection (g) of this
24 Section 26, with the portion of that further redistribution
25 allocated to purses at that organization licensee to be
26 divided between standardbred purses and thoroughbred

1 purses based on the amounts otherwise allocated to purses
2 at that organization licensee during the calendar year in
3 question; and (iv) 8% of the pari-mutuel handle on
4 inter-track wagering wagered at such location to satisfy
5 all costs and expenses of conducting its wagering. The
6 remainder of the monies retained by the inter-track
7 wagering location licensee shall be allocated 40% to the
8 location licensee and 60% to the organization licensee
9 which provides the Illinois races to the location, except
10 that an inter-track wagering location licensee that
11 derives its license from a track located in a county with a
12 population in excess of 230,000 and that borders the
13 Mississippi River shall not divide any remaining retention
14 with the organization licensee that provides the race or
15 races and an inter-track wagering location licensee that
16 accepts wagers on races conducted by an organization
17 licensee that conducts a race meet in a county with a
18 population in excess of 230,000 and that borders the
19 Mississippi River shall not divide any remaining retention
20 with the organization licensee. Notwithstanding the
21 provisions of clauses (ii) and (iv) of this paragraph, in
22 the case of the additional inter-track wagering location
23 licenses authorized under paragraph (1) of this subsection
24 (h) by Public Act 87-110, those licensees shall pay the
25 following amounts as purses: during the first 12 months the
26 licensee is in operation, 5.25% of the pari-mutuel handle

1 wagered at the location on races; during the second 12
2 months, 5.25%; during the third 12 months, 5.75%; during
3 the fourth 12 months, 6.25%; and during the fifth 12 months
4 and thereafter, 6.75%. The following amounts shall be
5 retained by the licensee to satisfy all costs and expenses
6 of conducting its wagering: during the first 12 months the
7 licensee is in operation, 8.25% of the pari-mutuel handle
8 wagered at the location; during the second 12 months,
9 8.25%; during the third 12 months, 7.75%; during the fourth
10 12 months, 7.25%; and during the fifth 12 months and
11 thereafter, 6.75%. For additional inter-track wagering
12 location licensees authorized under Public Act 89-16,
13 purses for the first 12 months the licensee is in operation
14 shall be 5.75% of the pari-mutuel wagered at the location,
15 purses for the second 12 months the licensee is in
16 operation shall be 6.25%, and purses thereafter shall be
17 6.75%. For additional inter-track location licensees
18 authorized under Public Act 89-16, the licensee shall be
19 allowed to retain to satisfy all costs and expenses: 7.75%
20 of the pari-mutuel handle wagered at the location during
21 its first 12 months of operation, 7.25% during its second
22 12 months of operation, and 6.75% thereafter.

23 (C) There is hereby created the Horse Racing Tax
24 Allocation Fund which shall remain in existence until
25 December 31, 1999. Moneys remaining in the Fund after
26 December 31, 1999 shall be paid into the General Revenue

1 Fund. Until January 1, 2000, all monies paid into the Horse
2 Racing Tax Allocation Fund pursuant to this paragraph (11)
3 by inter-track wagering location licensees located in park
4 districts of 500,000 population or less, or in a
5 municipality that is not included within any park district
6 but is included within a conservation district and is the
7 county seat of a county that (i) is contiguous to the state
8 of Indiana and (ii) has a 1990 population of 88,257
9 according to the United States Bureau of the Census, and
10 operating on May 1, 1994 shall be allocated by
11 appropriation as follows:

12 Two-sevenths to the Department of Agriculture.
13 Fifty percent of this two-sevenths shall be used to
14 promote the Illinois horse racing and breeding
15 industry, and shall be distributed by the Department of
16 Agriculture upon the advice of a 9-member committee
17 appointed by the Governor consisting of the following
18 members: the Director of Agriculture, who shall serve
19 as chairman; 2 representatives of organization
20 licensees conducting thoroughbred race meetings in
21 this State, recommended by those licensees; 2
22 representatives of organization licensees conducting
23 standardbred race meetings in this State, recommended
24 by those licensees; a representative of the Illinois
25 Thoroughbred Breeders and Owners Foundation,
26 recommended by that Foundation; a representative of

1 the Illinois Standardbred Owners and Breeders
2 Association, recommended by that Association; a
3 representative of the Horsemen's Benevolent and
4 Protective Association or any successor organization
5 thereto established in Illinois comprised of the
6 largest number of owners and trainers, recommended by
7 that Association or that successor organization; and a
8 representative of the Illinois Harness Horsemen's
9 Association, recommended by that Association.
10 Committee members shall serve for terms of 2 years,
11 commencing January 1 of each even-numbered year. If a
12 representative of any of the above-named entities has
13 not been recommended by January 1 of any even-numbered
14 year, the Governor shall appoint a committee member to
15 fill that position. Committee members shall receive no
16 compensation for their services as members but shall be
17 reimbursed for all actual and necessary expenses and
18 disbursements incurred in the performance of their
19 official duties. The remaining 50% of this
20 two-sevenths shall be distributed to county fairs for
21 premiums and rehabilitation as set forth in the
22 Agricultural Fair Act;

23 Four-sevenths to park districts or municipalities
24 that do not have a park district of 500,000 population
25 or less for museum purposes (if an inter-track wagering
26 location licensee is located in such a park district)

1 or to conservation districts for museum purposes (if an
2 inter-track wagering location licensee is located in a
3 municipality that is not included within any park
4 district but is included within a conservation
5 district and is the county seat of a county that (i) is
6 contiguous to the state of Indiana and (ii) has a 1990
7 population of 88,257 according to the United States
8 Bureau of the Census, except that if the conservation
9 district does not maintain a museum, the monies shall
10 be allocated equally between the county and the
11 municipality in which the inter-track wagering
12 location licensee is located for general purposes) or
13 to a municipal recreation board for park purposes (if
14 an inter-track wagering location licensee is located
15 in a municipality that is not included within any park
16 district and park maintenance is the function of the
17 municipal recreation board and the municipality has a
18 1990 population of 9,302 according to the United States
19 Bureau of the Census); provided that the monies are
20 distributed to each park district or conservation
21 district or municipality that does not have a park
22 district in an amount equal to four-sevenths of the
23 amount collected by each inter-track wagering location
24 licensee within the park district or conservation
25 district or municipality for the Fund. Monies that were
26 paid into the Horse Racing Tax Allocation Fund before

1 August 9, 1991 (the effective date of Public Act
2 87-110) by an inter-track wagering location licensee
3 located in a municipality that is not included within
4 any park district but is included within a conservation
5 district as provided in this paragraph shall, as soon
6 as practicable after August 9, 1991 (the effective date
7 of Public Act 87-110), be allocated and paid to that
8 conservation district as provided in this paragraph.
9 Any park district or municipality not maintaining a
10 museum may deposit the monies in the corporate fund of
11 the park district or municipality where the
12 inter-track wagering location is located, to be used
13 for general purposes; and

14 One-seventh to the Agricultural Premium Fund to be
15 used for distribution to agricultural home economics
16 extension councils in accordance with "An Act in
17 relation to additional support and finances for the
18 Agricultural and Home Economic Extension Councils in
19 the several counties of this State and making an
20 appropriation therefor", approved July 24, 1967.

21 Until January 1, 2000, all other monies paid into the
22 Horse Racing Tax Allocation Fund pursuant to this paragraph
23 (11) shall be allocated by appropriation as follows:

24 Two-sevenths to the Department of Agriculture.
25 Fifty percent of this two-sevenths shall be used to
26 promote the Illinois horse racing and breeding

1 industry, and shall be distributed by the Department of
2 Agriculture upon the advice of a 9-member committee
3 appointed by the Governor consisting of the following
4 members: the Director of Agriculture, who shall serve
5 as chairman; 2 representatives of organization
6 licensees conducting thoroughbred race meetings in
7 this State, recommended by those licensees; 2
8 representatives of organization licensees conducting
9 standardbred race meetings in this State, recommended
10 by those licensees; a representative of the Illinois
11 Thoroughbred Breeders and Owners Foundation,
12 recommended by that Foundation; a representative of
13 the Illinois Standardbred Owners and Breeders
14 Association, recommended by that Association; a
15 representative of the Horsemen's Benevolent and
16 Protective Association or any successor organization
17 thereto established in Illinois comprised of the
18 largest number of owners and trainers, recommended by
19 that Association or that successor organization; and a
20 representative of the Illinois Harness Horsemen's
21 Association, recommended by that Association.
22 Committee members shall serve for terms of 2 years,
23 commencing January 1 of each even-numbered year. If a
24 representative of any of the above-named entities has
25 not been recommended by January 1 of any even-numbered
26 year, the Governor shall appoint a committee member to

1 fill that position. Committee members shall receive no
2 compensation for their services as members but shall be
3 reimbursed for all actual and necessary expenses and
4 disbursements incurred in the performance of their
5 official duties. The remaining 50% of this
6 two-sevenths shall be distributed to county fairs for
7 premiums and rehabilitation as set forth in the
8 Agricultural Fair Act;

9 Four-sevenths to museums and aquariums located in
10 park districts of over 500,000 population; provided
11 that the monies are distributed in accordance with the
12 previous year's distribution of the maintenance tax
13 for such museums and aquariums as provided in Section 2
14 of the Park District Aquarium and Museum Act; and

15 One-seventh to the Agricultural Premium Fund to be
16 used for distribution to agricultural home economics
17 extension councils in accordance with "An Act in
18 relation to additional support and finances for the
19 Agricultural and Home Economic Extension Councils in
20 the several counties of this State and making an
21 appropriation therefor", approved July 24, 1967. This
22 subparagraph (C) shall be inoperative and of no force
23 and effect on and after January 1, 2000.

24 (D) Except as provided in paragraph (11) of this
25 subsection (h), with respect to purse allocation from
26 inter-track wagering, the monies so retained shall be

1 divided as follows:

2 (i) If the inter-track wagering licensee,
3 except an inter-track wagering licensee that
4 derives its license from an organization licensee
5 located in a county with a population in excess of
6 230,000 and bounded by the Mississippi River, is
7 not conducting its own race meeting during the same
8 dates, then the entire purse allocation shall be to
9 purses at the track where the races wagered on are
10 being conducted.

11 (ii) If the inter-track wagering licensee,
12 except an inter-track wagering licensee that
13 derives its license from an organization licensee
14 located in a county with a population in excess of
15 230,000 and bounded by the Mississippi River, is
16 also conducting its own race meeting during the
17 same dates, then the purse allocation shall be as
18 follows: 50% to purses at the track where the races
19 wagered on are being conducted; 50% to purses at
20 the track where the inter-track wagering licensee
21 is accepting such wagers.

22 (iii) If the inter-track wagering is being
23 conducted by an inter-track wagering location
24 licensee, except an inter-track wagering location
25 licensee that derives its license from an
26 organization licensee located in a county with a

1 population in excess of 230,000 and bounded by the
2 Mississippi River, the entire purse allocation for
3 Illinois races shall be to purses at the track
4 where the race meeting being wagered on is being
5 held.

6 (12) The Board shall have all powers necessary and
7 proper to fully supervise and control the conduct of
8 inter-track wagering and simulcast wagering by inter-track
9 wagering licensees and inter-track wagering location
10 licensees, including, but not limited to the following:

11 (A) The Board is vested with power to promulgate
12 reasonable rules and regulations for the purpose of
13 administering the conduct of this wagering and to
14 prescribe reasonable rules, regulations and conditions
15 under which such wagering shall be held and conducted.
16 Such rules and regulations are to provide for the
17 prevention of practices detrimental to the public
18 interest and for the best interests of said wagering
19 and to impose penalties for violations thereof.

20 (B) The Board, and any person or persons to whom it
21 delegates this power, is vested with the power to enter
22 the facilities of any licensee to determine whether
23 there has been compliance with the provisions of this
24 Act and the rules and regulations relating to the
25 conduct of such wagering.

26 (C) The Board, and any person or persons to whom it

1 delegates this power, may eject or exclude from any
2 licensee's facilities, any person whose conduct or
3 reputation is such that his presence on such premises
4 may, in the opinion of the Board, call into the
5 question the honesty and integrity of, or interfere
6 with the orderly conduct of such wagering; provided,
7 however, that no person shall be excluded or ejected
8 from such premises solely on the grounds of race,
9 color, creed, national origin, ancestry, or sex.

10 (D) (Blank).

11 (E) The Board is vested with the power to appoint
12 delegates to execute any of the powers granted to it
13 under this Section for the purpose of administering
14 this wagering and any rules and regulations
15 promulgated in accordance with this Act.

16 (F) The Board shall name and appoint a State
17 director of this wagering who shall be a representative
18 of the Board and whose duty it shall be to supervise
19 the conduct of inter-track wagering as may be provided
20 for by the rules and regulations of the Board; such
21 rules and regulation shall specify the method of
22 appointment and the Director's powers, authority and
23 duties.

24 (G) The Board is vested with the power to impose
25 civil penalties of up to \$5,000 against individuals and
26 up to \$10,000 against licensees for each violation of

1 any provision of this Act relating to the conduct of
2 this wagering, any rules adopted by the Board, any
3 order of the Board or any other action which in the
4 Board's discretion, is a detriment or impediment to
5 such wagering.

6 (13) The Department of Agriculture may enter into
7 agreements with licensees authorizing such licensees to
8 conduct inter-track wagering on races to be held at the
9 licensed race meetings conducted by the Department of
10 Agriculture. Such agreement shall specify the races of the
11 Department of Agriculture's licensed race meeting upon
12 which the licensees will conduct wagering. In the event
13 that a licensee conducts inter-track pari-mutuel wagering
14 on races from the Illinois State Fair or DuQuoin State Fair
15 which are in addition to the licensee's previously approved
16 racing program, those races shall be considered a separate
17 racing day for the purpose of determining the daily handle
18 and computing the privilege or pari-mutuel tax on that
19 daily handle as provided in Sections 27 and 27.1. Such
20 agreements shall be approved by the Board before such
21 wagering may be conducted. In determining whether to grant
22 approval, the Board shall give due consideration to the
23 best interests of the public and of horse racing. The
24 provisions of paragraphs (1), (8), (8.1), and (8.2) of
25 subsection (h) of this Section which are not specified in
26 this paragraph (13) shall not apply to licensed race

1 meetings conducted by the Department of Agriculture at the
2 Illinois State Fair in Sangamon County or the DuQuoin State
3 Fair in Perry County, or to any wagering conducted on those
4 race meetings.

5 (14) An inter-track wagering location license
6 authorized by the Board in 2016 that is owned and operated
7 by a race track in Rock Island County shall be transferred
8 to a commonly owned race track in Cook County on August 12,
9 2016 (the effective date of Public Act 99-757). The
10 licensee shall retain its status in relation to purse
11 distribution under paragraph (11) of this subsection (h)
12 following the transfer to the new entity. The pari-mutuel
13 tax credit under Section 32.1 shall not be applied toward
14 any pari-mutuel tax obligation of the inter-track wagering
15 location licensee of the license that is transferred under
16 this paragraph (14).

17 (i) Notwithstanding the other provisions of this Act, the
18 conduct of wagering at wagering facilities is authorized on all
19 days, except as limited by subsection (b) of Section 19 of this
20 Act.

21 (Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;
22 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff.
23 12-14-18; revised 1-13-19.)

24 (230 ILCS 5/26.8)

25 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~

1 ~~December 31, 2020~~, each wagering licensee may impose a
2 surcharge of up to 0.5% on winning wagers and winnings from
3 wagers. The surcharge shall be deducted from winnings prior to
4 payout. All amounts collected from the imposition of this
5 surcharge shall be evenly distributed to the organization
6 licensee and the purse account of the organization licensee
7 with which the licensee is affiliated. The amounts distributed
8 under this Section shall be in addition to the amounts paid
9 pursuant to paragraph (10) of subsection (h) of Section 26,
10 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

11 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

12 (230 ILCS 5/26.9)

13 Sec. 26.9. Beginning on February 1, 2014 ~~and through~~
14 ~~December 31, 2020~~, in addition to the surcharge imposed in
15 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each
16 licensee shall impose a surcharge of 0.2% on winning wagers and
17 winnings from wagers. The surcharge shall be deducted from
18 winnings prior to payout. All amounts collected from the
19 surcharges imposed under this Section shall be remitted to the
20 Board. From amounts collected under this Section, the Board
21 shall deposit an amount not to exceed \$100,000 annually into
22 the Quarter Horse Purse Fund and all remaining amounts into the
23 Horse Racing Fund.

24 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

1 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

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

19 In addition, every organization licensee, except as
20 provided in Section 27.1 of this Act, which conducts multiple
21 wagering shall pay, until January 1, 2000, as a privilege tax
22 on multiple wagers an amount equal to 1.25% of all moneys
23 wagered each day on such multiple wagers, plus an additional
24 amount equal to 3.5% of the amount wagered each day on any
25 other multiple wager which involves a single betting interest
26 on 3 or more horses. The licensee shall remit the amount of

1 such taxes to the Department of Revenue within 48 hours after
2 the close of the racing day on which it is assessed or within
3 such other time as the Board prescribes.

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

6 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
7 at the rate of 1.5% of the daily pari-mutuel handle is imposed
8 at all pari-mutuel wagering facilities and on advance deposit
9 wagering from a location other than a wagering facility, except
10 as otherwise provided for in this subsection (a-5). In addition
11 to the pari-mutuel tax imposed on advance deposit wagering
12 pursuant to this subsection (a-5), beginning on August 24, 2012
13 (the effective date of Public Act 97-1060) ~~and through December~~
14 ~~31, 2020~~, an additional pari-mutuel tax at the rate of 0.25%
15 shall be imposed on advance deposit wagering. Until August 25,
16 2012, the additional 0.25% pari-mutuel tax imposed on advance
17 deposit wagering by Public Act 96-972 shall be deposited into
18 the Quarter Horse Purse Fund, which shall be created as a
19 non-appropriated trust fund administered by the Board for
20 grants to thoroughbred organization licensees for payment of
21 purses for quarter horse races conducted by the organization
22 licensee. Beginning on August 26, 2012, the additional 0.25%
23 pari-mutuel tax imposed on advance deposit wagering shall be
24 deposited into the Standardbred Purse Fund, which shall be
25 created as a non-appropriated trust fund administered by the
26 Board, for grants to the standardbred organization licensees

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

17 (a-10) Beginning on the date when an organization licensee
18 begins conducting gaming pursuant to an organization gaming
19 license, the following pari-mutuel tax is imposed upon an
20 organization licensee on Illinois races at the licensee's
21 racetrack:

22 1.5% of the pari-mutuel handle at or below the average
23 daily pari-mutuel handle for 2011.

24 2% of the pari-mutuel handle above the average daily
25 pari-mutuel handle for 2011 up to 125% of the average daily
26 pari-mutuel handle for 2011.

1 2.5% of the pari-mutuel handle 125% or more above the
2 average daily pari-mutuel handle for 2011 up to 150% of the
3 average daily pari-mutuel handle for 2011.

4 3% of the pari-mutuel handle 150% or more above the
5 average daily pari-mutuel handle for 2011 up to 175% of the
6 average daily pari-mutuel handle for 2011.

7 3.5% of the pari-mutuel handle 175% or more above the
8 average daily pari-mutuel handle for 2011.

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

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

19 (c) Licensees shall at all times keep accurate books and
20 records of all monies wagered on each day of a race meeting and
21 of the taxes paid to the Department of Revenue under the
22 provisions of this Section. The Board or its duly authorized
23 representative or representatives shall at all reasonable
24 times have access to such records for the purpose of examining
25 and checking the same and ascertaining whether the proper
26 amount of taxes is being paid as provided. The Board shall

1 require verified reports and a statement of the total of all
2 monies wagered daily at each wagering facility upon which the
3 taxes are assessed and may prescribe forms upon which such
4 reports and statement shall be made.

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

25 (e) No other license fee, privilege tax, excise tax, or
26 racing fee, except as provided in this Act, shall be assessed

1 or collected from any such licensee by the State.

2 (f) No other license fee, privilege tax, excise tax or
3 racing fee shall be assessed or collected from any such
4 licensee by units of local government except as provided in
5 paragraph 10.1 of subsection (h) and subsection (f) of Section
6 26 of this Act. However, any municipality that has a Board
7 licensed horse race meeting at a race track wholly within its
8 corporate boundaries or a township that has a Board licensed
9 horse race meeting at a race track wholly within the
10 unincorporated area of the township may charge a local
11 amusement tax not to exceed 10¢ per admission to such horse
12 race meeting by the enactment of an ordinance. However, any
13 municipality or county that has a Board licensed inter-track
14 wagering location facility wholly within its corporate
15 boundaries may each impose an admission fee not to exceed \$1.00
16 per admission to such inter-track wagering location facility,
17 so that a total of not more than \$2.00 per admission may be
18 imposed. Except as provided in subparagraph (g) of Section 27
19 of this Act, the inter-track wagering location licensee shall
20 collect any and all such fees and ~~within 48 hours~~ remit the
21 fees to the Board as the Board prescribes, which shall,
22 pursuant to rule, cause the fees to be distributed to the
23 county or municipality.

24 (g) Notwithstanding any provision in this Act to the
25 contrary, if in any calendar year the total taxes and fees from
26 wagering on live racing and from inter-track wagering required

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

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

18 (ii) each thoroughbred and standardbred organization
19 licensee issued an organization licensee in that
20 succeeding allocation year shall be allocated an amount
21 equal to the product of its percentage of total Illinois
22 live thoroughbred or standardbred wagering in calendar
23 year 1994 (the total to be determined based on the sum of
24 1994 on-track wagering for all organization licensees
25 issued organization licenses in both the allocation year
26 and the preceding year) multiplied by the total amount

1 allocated for standardbred or thoroughbred purses,
2 provided that the first \$1,500,000 of the amount allocated
3 to standardbred purses under item (i) shall be allocated to
4 the Department of Agriculture to be expended with the
5 assistance and advice of the Illinois Standardbred
6 Breeders Funds Advisory Board for the purposes listed in
7 subsection (g) of Section 31 of this Act, before the amount
8 allocated to standardbred purses under item (i) is
9 allocated to standardbred organization licensees in the
10 succeeding allocation year.

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

16 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

17 (230 ILCS 5/29) (from Ch. 8, par. 37-29)

18 Sec. 29. (a) After the privilege or pari-mutuel tax
19 established in Sections 26(f), 27, and 27.1 is paid to the
20 State from the monies retained by the organization licensee
21 pursuant to Sections 26, 26.2, and 26.3, the remainder of those
22 monies retained pursuant to Sections 26 and 26.2, except as
23 provided in subsection (g) of Section 27 of this Act, shall be
24 allocated evenly to the organization licensee and as purses.

25 (b) (Blank).

1 (c) (Blank).

2 (d) From the amounts generated for purses from all sources,
3 including, but not limited to, amounts generated from wagering
4 conducted by organization licensees, organization gaming
5 licensees, inter-track wagering licensees, inter-track
6 wagering location licensees, and advance deposit wagering
7 licensees, an organization representing the largest number of
8 horse owners and trainers in Illinois, for thoroughbred and
9 standardbred horses that race at the track of the organization
10 licensee, may negotiate an amount equal to 5% of any and all
11 revenue earned by the organization licensee for purses for that
12 calendar year. A contract with the appropriate thoroughbred or
13 standardbred horsemen organization shall be negotiated with
14 the organization licensee before the beginning of each calendar
15 year. No more than 50% of those funds shall be used for
16 operational expenses. At least 50% of those funds shall be used
17 for programs for backstretch workers, retirement plans,
18 diversity scholarships, horse aftercare programs, workers
19 compensation insurance fees, and horse ownership programs.
20 Audited financial statements certifying how the funding is
21 spent shall be provided to the organization licensee once each
22 calendar quarter.

23 No later than 105 days after the close of the
24 organization's fiscal year, any organization that has received
25 moneys pursuant to this subsection (d) during that prior year
26 shall file with the Illinois Racing Board, the Illinois Gaming

1 Board, and the organization licensee whose purse account moneys
2 have been transferred to the organization, statements verified
3 by a certified public accountant that shows the financial
4 condition of such organization and contains itemized
5 statements of the audited receipts and audited disbursements of
6 the organization for such the year. The Board shall audit the
7 books and records of any such organization annually. The Board
8 shall make that information available on its website. Each
9 ~~organization licensee and inter track wagering licensee from~~
10 ~~the money retained for purses as set forth in subsection (a) of~~
11 ~~this Section, shall pay to an organization representing the~~
12 ~~largest number of horse owners and trainers which has~~
13 ~~negotiated a contract with the organization licensee for such~~
14 ~~purpose an amount equal to at least 1% of the organization~~
15 ~~licensee's and inter track wagering licensee's retention of~~
16 ~~the pari mutuel handle for the racing season. Each inter track~~
17 ~~wagering location licensee, from the 4% of its handle required~~
18 ~~to be paid as purses under paragraph (11) of subsection (h) of~~
19 ~~Section 26 of this Act, shall pay to the contractually~~
20 ~~established representative organization 2% of that 4%,~~
21 ~~provided that the payments so made to the organization shall~~
22 ~~not exceed a total of \$125,000 in any calendar year. Such~~
23 ~~contract shall be negotiated and signed prior to the beginning~~
24 ~~of the racing season.~~

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

1 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

2 Sec. 30. (a) The General Assembly declares that it is the
3 policy of this State to encourage the breeding of thoroughbred
4 horses in this State and the ownership of such horses by
5 residents of this State in order to provide for: sufficient
6 numbers of high quality thoroughbred horses to participate in
7 thoroughbred racing meetings in this State, and to establish
8 and preserve the agricultural and commercial benefits of such
9 breeding and racing industries to the State of Illinois. It is
10 the intent of the General Assembly to further this policy by
11 the provisions of this Act.

12 (b) Each organization licensee conducting a thoroughbred
13 racing meeting pursuant to this Act shall provide at least two
14 races each day limited to Illinois conceived and foaled horses
15 or Illinois foaled horses or both. A minimum of 6 races shall
16 be conducted each week limited to Illinois conceived and foaled
17 or Illinois foaled horses or both. No horses shall be permitted
18 to start in such races unless duly registered under the rules
19 of the Department of Agriculture.

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

1 (d) There is hereby created a special fund of the State
2 Treasury to be known as the Illinois Thoroughbred Breeders
3 Fund.

4 Beginning on the effective date of this amendatory Act of
5 the 101st General Assembly, the Illinois Thoroughbred Breeders
6 Fund shall become a non-appropriated trust fund held separate
7 from State moneys. Expenditures from this Fund shall no longer
8 be subject to appropriation.

9 Except as provided in subsection (g) of Section 27 of this
10 Act, 8.5% of all the monies received by the State as privilege
11 taxes on Thoroughbred racing meetings shall be paid into the
12 Illinois Thoroughbred Breeders Fund.

13 Notwithstanding any provision of law to the contrary,
14 amounts deposited into the Illinois Thoroughbred Breeders Fund
15 from revenues generated by gaming pursuant to an organization
16 gaming license issued under the Illinois Gambling Act after the
17 effective date of this amendatory Act of the 101st General
18 Assembly shall be in addition to tax and fee amounts paid under
19 this Section for calendar year 2019 and thereafter.

20 (e) The Illinois Thoroughbred Breeders Fund shall be
21 administered by the Department of Agriculture with the advice
22 and assistance of the Advisory Board created in subsection (f)
23 of this Section.

24 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
25 shall consist of the Director of the Department of Agriculture,
26 who shall serve as Chairman; a member of the Illinois Racing

1 Board, designated by it; 2 representatives of the organization
2 licensees conducting thoroughbred racing meetings, recommended
3 by them; 2 representatives of the Illinois Thoroughbred
4 Breeders and Owners Foundation, recommended by it; one
5 representative ~~and 2 representatives~~ of the Horsemen's
6 Benevolent Protective Association; and one representative from
7 the Illinois Thoroughbred Horsemen's Association ~~or any~~
8 ~~successor organization established in Illinois comprised of~~
9 ~~the largest number of owners and trainers, recommended by it,~~
10 ~~with one representative of the Horsemen's Benevolent and~~
11 ~~Protective Association to come from its Illinois Division, and~~
12 ~~one from its Chicago Division.~~ Advisory Board members shall
13 serve for 2 years commencing January 1 of each odd numbered
14 year. If representatives of the organization licensees
15 conducting thoroughbred racing meetings, the Illinois
16 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
17 Horsemen's Benevolent Protection Association, and the Illinois
18 Thoroughbred Horsemen's Association have not been recommended
19 by January 1, of each odd numbered year, the Director of the
20 Department of Agriculture shall make an appointment for the
21 organization failing to so recommend a member of the Advisory
22 Board. Advisory Board members shall receive no compensation for
23 their services as members but shall be reimbursed for all
24 actual and necessary expenses and disbursements incurred in the
25 execution of their official duties.

26 (g) ~~No monies shall be expended from the Illinois~~

1 ~~Thoroughbred Breeders Fund except as appropriated by the~~
2 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
3 Illinois Thoroughbred Breeders Fund shall be expended by the
4 Department of Agriculture, with the advice and assistance of
5 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
6 following purposes only:

7 (1) To provide purse supplements to owners of horses
8 participating in races limited to Illinois conceived and
9 foaled and Illinois foaled horses. Any such purse
10 supplements shall not be included in and shall be paid in
11 addition to any purses, stakes, or breeders' awards offered
12 by each organization licensee as determined by agreement
13 between such organization licensee and an organization
14 representing the horsemen. No monies from the Illinois
15 Thoroughbred Breeders Fund shall be used to provide purse
16 supplements for claiming races in which the minimum
17 claiming price is less than \$7,500.

18 (2) To provide stakes and awards to be paid to the
19 owners of the winning horses in certain races limited to
20 Illinois conceived and foaled and Illinois foaled horses
21 designated as stakes races.

22 (2.5) To provide an award to the owner or owners of an
23 Illinois conceived and foaled or Illinois foaled horse that
24 wins a maiden special weight, an allowance, overnight
25 handicap race, or claiming race with claiming price of
26 \$10,000 or more providing the race is not restricted to

1 Illinois conceived and foaled or Illinois foaled horses.
2 Awards shall also be provided to the owner or owners of
3 Illinois conceived and foaled and Illinois foaled horses
4 that place second or third in those races. To the extent
5 that additional moneys are required to pay the minimum
6 additional awards of 40% of the purse the horse earns for
7 placing first, second or third in those races for Illinois
8 foaled horses and of 60% of the purse the horse earns for
9 placing first, second or third in those races for Illinois
10 conceived and foaled horses, those moneys shall be provided
11 from the purse account at the track where earned.

12 (3) To provide stallion awards to the owner or owners
13 of any stallion that is duly registered with the Illinois
14 Thoroughbred Breeders Fund Program ~~prior to the effective~~
15 ~~date of this amendatory Act of 1995~~ whose duly registered
16 Illinois conceived and foaled offspring wins a race
17 conducted at an Illinois thoroughbred racing meeting other
18 than a claiming race, provided that the stallion stood
19 service within Illinois at the time the offspring was
20 conceived and that the stallion did not stand for service
21 outside of Illinois at any time during the year in which
22 the offspring was conceived. ~~Such award shall not be paid~~
23 ~~to the owner or owners of an Illinois stallion that served~~
24 ~~outside this State at any time during the calendar year in~~
25 ~~which such race was conducted.~~

26 (4) To provide \$75,000 annually for purses to be

1 distributed to county fairs that provide for the running of
2 races during each county fair exclusively for the
3 thoroughbreds conceived and foaled in Illinois. The
4 conditions of the races shall be developed by the county
5 fair association and reviewed by the Department with the
6 advice and assistance of the Illinois Thoroughbred
7 Breeders Fund Advisory Board. There shall be no wagering of
8 any kind on the running of Illinois conceived and foaled
9 races at county fairs.

10 (4.1) To provide purse money for an Illinois stallion
11 stakes program.

12 (5) No less than 90% ~~80%~~ of all monies expended
13 ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund
14 shall be expended for the purposes in (1), (2), (2.5), (3),
15 (4), (4.1), and (5) as shown above.

16 (6) To provide for educational programs regarding the
17 thoroughbred breeding industry.

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

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

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

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

1 (h) The Illinois Thoroughbred Breeders Fund is not subject
2 to administrative charges or chargebacks, including, but not
3 limited to, those authorized under Section 8h of the State
4 Finance Act. ~~Whenever the Governor finds that the amount in the~~
5 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~
6 ~~the outstanding appropriations from such fund, the Governor~~
7 ~~shall notify the State Comptroller and the State Treasurer of~~
8 ~~such fact. The Comptroller and the State Treasurer, upon~~
9 ~~receipt of such notification, shall transfer such excess amount~~
10 ~~from the Illinois Thoroughbred Breeders Fund to the General~~
11 ~~Revenue Fund.~~

12 (i) A sum equal to 13% of the first prize money of every
13 purse won by an Illinois foaled or Illinois conceived and
14 foaled horse in races not limited to Illinois foaled horses or
15 Illinois conceived and foaled horses, or both, shall be paid by
16 the organization licensee conducting the horse race meeting.
17 Such sum shall be paid 50% from the organization licensee's
18 share of the money wagered and 50% from the purse account as
19 follows: 11 1/2% to the breeder of the winning horse and 1 1/2%
20 to the organization representing thoroughbred breeders and
21 owners who representative serves on the Illinois Thoroughbred
22 Breeders Fund Advisory Board for verifying the amounts of
23 breeders' awards earned, ensuring their distribution in
24 accordance with this Act, and servicing and promoting the
25 Illinois thoroughbred 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 gaming pursuant to an organization gaming license issued under
4 the Illinois Gambling Act, a sum equal to 21 1/2% of the first
5 prize money of every purse won by an Illinois foaled or an
6 Illinois conceived and foaled horse in races not limited to an
7 Illinois conceived and foaled horse, or both, shall be paid 30%
8 from the organization licensee's account and 70% from the purse
9 account as follows: 20% to the breeder of the winning horse and
10 1 1/2% to the organization representing thoroughbred breeders
11 and owners whose representatives serve on the Illinois
12 Thoroughbred Breeders Fund Advisory Board for verifying the
13 amounts of breeders' awards earned, ensuring their
14 distribution in accordance with this Act, and servicing and
15 promoting the Illinois Thoroughbred racing industry. A sum
16 equal to 12 1/2% of the first prize money of every purse won by
17 an Illinois foaled or an Illinois conceived and foaled horse in
18 races not limited to Illinois foaled horses or Illinois
19 conceived and foaled horses, or both, shall be paid by the
20 organization licensee conducting the horse race meeting. Such
21 sum shall be paid from the organization licensee's share of the
22 money wagered as follows: 11 1/2% to the breeder of the winning
23 horse and 1% to the organization representing thoroughbred
24 breeders and owners whose representative 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 horse racing industry.~~ The
3 organization representing thoroughbred breeders and owners
4 shall cause all expenditures of monies received under this
5 subsection (i) to be audited at least annually by a registered
6 public accountant. The organization shall file copies of each
7 annual audit with the Racing Board, the Clerk of the House of
8 Representatives and the Secretary of the Senate, and shall make
9 copies of each annual audit available to the public upon
10 request and upon payment of the reasonable cost of photocopying
11 the requested number of copies. Such payments shall not reduce
12 any award to the owner of the horse or reduce the taxes payable
13 under this Act. Upon completion of its racing meet, each
14 organization licensee shall deliver to the organization
15 representing thoroughbred breeders and owners whose
16 representative serves on the Illinois Thoroughbred Breeders
17 Fund Advisory Board a listing of all the Illinois foaled and
18 the Illinois conceived and foaled horses which won breeders'
19 awards and the amount of such breeders' awards under this
20 subsection to verify accuracy of payments and assure proper
21 distribution of breeders' awards in accordance with the
22 provisions of this Act. Such payments shall be delivered by the
23 organization licensee within 30 days of the end of each race
24 meeting.

25 (j) A sum equal to 13% of the first prize money won in
26 every race limited to Illinois foaled horses or Illinois

1 conceived and foaled horses, or both, shall be paid in the
2 following manner by the organization licensee conducting the
3 horse race meeting, 50% from the organization licensee's share
4 of the money wagered and 50% from the purse account as follows:
5 11 1/2% to the breeders of the horses in each such race which
6 are the official first, second, third, and fourth finishers and
7 1 1/2% to the organization representing thoroughbred breeders
8 and owners whose representatives serve on the Illinois
9 Thoroughbred Breeders Fund Advisory Board for verifying the
10 amounts of breeders' awards earned, ensuring their proper
11 distribution in accordance with this Act, and servicing and
12 promoting the Illinois horse racing industry. Beginning in the
13 calendar year in which an organization licensee that is
14 eligible to receive payments under paragraph (13) of subsection
15 (g) of Section 26 of this Act begins to receive funds from
16 gaming pursuant to an organization gaming license issued under
17 the Illinois Gambling Act, a sum of 21 1/2% of every purse in a
18 race limited to Illinois foaled horses or Illinois conceived
19 and foaled horses, or both, shall be paid by the organization
20 licensee conducting the horse race meeting. Such sum shall be
21 paid 30% from the organization licensee's account and 70% from
22 the purse account as follows: 20% to the breeders of the horses
23 in each such race who are official first, second, third and
24 fourth finishers and 1 1/2% to the organization representing
25 thoroughbred breeders and owners whose representatives serve
26 on the Illinois Thoroughbred Breeders Fund Advisory Board for

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

1 ~~their proper distribution in accordance with this Act, and~~
2 ~~servicing and promoting the Illinois thoroughbred horse racing~~
3 ~~industry. The organization representing thoroughbred breeders~~
4 ~~and owners shall cause all expenditures of monies received~~
5 ~~under this subsection (j) to be audited at least annually by a~~
6 ~~registered public accountant. The organization shall file~~
7 ~~copies of each annual audit with the Racing Board, the Clerk of~~
8 ~~the House of Representatives and the Secretary of the Senate,~~
9 ~~and shall make copies of each annual audit available to the~~
10 ~~public upon request and upon payment of the reasonable cost of~~
11 ~~photocopying the requested number of copies.~~

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

14 (1) 60% of such sum shall be paid to the breeder of the
15 horse which finishes in the official first position;

16 (2) 20% of such sum shall be paid to the breeder of the
17 horse which finishes in the official second position;

18 (3) 15% of such sum shall be paid to the breeder of the
19 horse which finishes in the official third position; and

20 (4) 5% of such sum shall be paid to the breeder of the
21 horse which finishes in the official fourth position.

22 Such payments shall not reduce any award to the owners of a
23 horse or reduce the taxes payable under this Act. Upon
24 completion of its racing meet, each organization licensee shall
25 deliver to the organization representing thoroughbred breeders
26 and owners whose representative serves on the Illinois

1 Thoroughbred Breeders Fund Advisory Board a listing of all the
2 Illinois foaled and the Illinois conceived and foaled horses
3 which won breeders' awards and the amount of such breeders'
4 awards in accordance with the provisions of this Act. Such
5 payments shall be delivered by the organization licensee within
6 30 days of the end of each race meeting.

7 (k) The term "breeder", as used herein, means the owner of
8 the mare at the time the foal is dropped. An "Illinois foaled
9 horse" is a foal dropped by a mare which enters this State on
10 or before December 1, in the year in which the horse is bred,
11 provided the mare remains continuously in this State until its
12 foal is born. An "Illinois foaled horse" also means a foal born
13 of a mare in the same year as the mare enters this State on or
14 before March 1, and remains in this State at least 30 days
15 after foaling, is bred back during the season of the foaling to
16 an Illinois Registered Stallion (unless a veterinarian
17 certifies that the mare should not be bred for health reasons),
18 and is not bred to a stallion standing in any other state
19 during the season of foaling. An "Illinois foaled horse" also
20 means a foal born in Illinois of a mare purchased at public
21 auction subsequent to the mare entering this State on or before
22 March 1 ~~prior to February 1~~ of the foaling year providing the
23 mare is owned solely by one or more Illinois residents or an
24 Illinois entity that is entirely owned by one or more Illinois
25 residents.

26 (l) The Department of Agriculture shall, by rule, with the

1 advice and assistance of the Illinois Thoroughbred Breeders
2 Fund Advisory Board:

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

15 (2) Provide for the registration of Illinois conceived
16 and foaled horses and Illinois foaled horses. No such horse
17 shall compete in the races limited to Illinois conceived
18 and foaled horses or Illinois foaled horses or both unless
19 registered with the Department of Agriculture. The
20 Department of Agriculture may prescribe such forms as are
21 necessary to determine the eligibility of such horses. The
22 Department of Agriculture may assess and collect
23 application fees for the registration of Illinois-eligible
24 foals. All fees collected are to be held in trust accounts
25 for the purposes set forth in this Act and in accordance
26 with Section 205-15 of the Department of Agriculture Law

1 ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No
2 person shall knowingly prepare or cause preparation of an
3 application for registration of such foals containing
4 false information.

5 (m) The Department of Agriculture, with the advice and
6 assistance of the Illinois Thoroughbred Breeders Fund Advisory
7 Board, shall provide that certain races limited to Illinois
8 conceived and foaled and Illinois foaled horses be stakes races
9 and determine the total amount of stakes and awards to be paid
10 to the owners of the winning horses in such races.

11 In determining the stakes races and the amount of awards
12 for such races, the Department of Agriculture shall consider
13 factors, including but not limited to, the amount of money
14 appropriated for the Illinois Thoroughbred Breeders Fund
15 program, organization licensees' contributions, availability
16 of stakes caliber horses as demonstrated by past performances,
17 whether the race can be coordinated into the proposed racing
18 dates within organization licensees' racing dates, opportunity
19 for colts and fillies and various age groups to race, public
20 wagering on such races, and the previous racing schedule.

21 (n) The Board and the organization ~~organizational~~ licensee
22 shall notify the Department of the conditions and minimum
23 purses for races limited to Illinois conceived and foaled and
24 Illinois foaled horses conducted for each organization
25 ~~organizational~~ licensee conducting a thoroughbred racing
26 meeting. The Department of Agriculture with the advice and

1 assistance of the Illinois Thoroughbred Breeders Fund Advisory
2 Board may allocate monies for purse supplements for such races.
3 In determining whether to allocate money and the amount, the
4 Department of Agriculture shall consider factors, including
5 but not limited to, the amount of money appropriated for the
6 Illinois Thoroughbred Breeders Fund program, the number of
7 races that may occur, and the organization ~~organizational~~
8 licensee's purse structure.

9 (o) (Blank).

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

11 (230 ILCS 5/30.5)

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

13 (a) The General Assembly declares that it is the policy of
14 this State to encourage the breeding of racing quarter horses
15 in this State and the ownership of such horses by residents of
16 this State in order to provide for sufficient numbers of high
17 quality racing quarter horses in this State and to establish
18 and preserve the agricultural and commercial benefits of such
19 breeding and racing industries to the State of Illinois. It is
20 the intent of the General Assembly to further this policy by
21 the provisions of this Act.

22 (b) There is hereby created a special fund in the State
23 Treasury to be known as the Illinois Racing Quarter Horse
24 Breeders Fund. Except as provided in subsection (g) of Section
25 27 of this Act, 8.5% of all the moneys received by the State as

1 pari-mutuel taxes on quarter horse racing shall be paid into
2 the Illinois Racing Quarter Horse Breeders Fund. The Illinois
3 Racing Quarter Horse Breeders Fund shall not be subject to
4 administrative charges or chargebacks, including, but not
5 limited to, those authorized under Section 8h of the State
6 Finance Act.

7 (c) The Illinois Racing Quarter Horse Breeders Fund shall
8 be administered by the Department of Agriculture with the
9 advice and assistance of the Advisory Board created in
10 subsection (d) of this Section.

11 (d) The Illinois Racing Quarter Horse Breeders Fund
12 Advisory Board shall consist of the Director of the Department
13 of Agriculture, who shall serve as Chairman; a member of the
14 Illinois Racing Board, designated by it; one representative of
15 the organization licensees conducting pari-mutuel quarter
16 horse racing meetings, recommended by them; 2 representatives
17 of the Illinois Running Quarter Horse Association, recommended
18 by it; and the Superintendent of Fairs and Promotions from the
19 Department of Agriculture. Advisory Board members shall serve
20 for 2 years commencing January 1 of each odd numbered year. If
21 representatives have not been recommended by January 1 of each
22 odd numbered year, the Director of the Department of
23 Agriculture may make an appointment for the organization
24 failing to so recommend a member of the Advisory Board.
25 Advisory Board members shall receive no compensation for their
26 services as members but may be reimbursed for all actual and

1 necessary expenses and disbursements incurred in the execution
2 of their official duties.

3 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
4 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
5 ~~the General Assembly. Moneys appropriated from the Illinois~~
6 Racing Quarter Horse Breeders Fund shall be expended by the
7 Department of Agriculture, with the advice and assistance of
8 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
9 for the following purposes only:

10 (1) To provide stakes and awards to be paid to the
11 owners of the winning horses in certain races. This
12 provision is limited to Illinois conceived and foaled
13 horses.

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

18 (3) To provide purse money for an Illinois stallion
19 stakes program.

20 (4) To provide for purses to be distributed for the
21 running of races during the Illinois State Fair and the
22 DuQuoin State Fair exclusively for quarter horses
23 conceived and foaled in Illinois.

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

1 (6) To provide for purses to be distributed for running
2 races exclusively for quarter horses conceived and foaled
3 in Illinois at locations in Illinois determined by the
4 Department of Agriculture with advice and consent of the
5 Illinois Racing Quarter Horse Breeders Fund Advisory
6 Board.

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

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

13 (9) To provide for dissemination of public information
14 designed to promote the breeding of racing quarter horses
15 in Illinois.

16 (10) To provide for expenses incurred in the
17 administration of the Illinois Racing Quarter Horse
18 Breeders Fund.

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

22 (1) Qualify stallions for Illinois breeding; such
23 stallions to stand for service within the State of
24 Illinois, at the time of a foal's conception. Such stallion
25 must not stand for service at any place outside the State
26 of Illinois during the calendar year in which the foal is

1 conceived. The Department of Agriculture may assess and
2 collect application fees for the registration of
3 Illinois-eligible stallions. All fees collected are to be
4 paid into the Illinois Racing Quarter Horse Breeders Fund.

5 (2) Provide for the registration of Illinois conceived
6 and foaled horses. No such horse shall compete in the races
7 limited to Illinois conceived and foaled horses unless it
8 is registered with the Department of Agriculture. The
9 Department of Agriculture may prescribe such forms as are
10 necessary to determine the eligibility of such horses. The
11 Department of Agriculture may assess and collect
12 application fees for the registration of Illinois-eligible
13 foals. All fees collected are to be paid into the Illinois
14 Racing Quarter Horse Breeders Fund. No person shall
15 knowingly prepare or cause preparation of an application
16 for registration of such foals that contains false
17 information.

18 (g) The Department of Agriculture, with the advice and
19 assistance of the Illinois Racing Quarter Horse Breeders Fund
20 Advisory Board, shall provide that certain races limited to
21 Illinois conceived and foaled be stakes races and determine the
22 total amount of stakes and awards to be paid to the owners of
23 the winning horses in such races.

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

25 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

1 Sec. 31. (a) The General Assembly declares that it is the
2 policy of this State to encourage the breeding of standardbred
3 horses in this State and the ownership of such horses by
4 residents of this State in order to provide for: sufficient
5 numbers of high quality standardbred horses to participate in
6 harness racing meetings in this State, and to establish and
7 preserve the agricultural and commercial benefits of such
8 breeding and racing industries to the State of Illinois. It is
9 the intent of the General Assembly to further this policy by
10 the provisions of this Section of this Act.

11 (b) Each organization licensee conducting a harness racing
12 meeting pursuant to this Act shall provide for at least two
13 races each race program limited to Illinois conceived and
14 foaled horses. A minimum of 6 races shall be conducted each
15 week limited to Illinois conceived and foaled horses. No horses
16 shall be permitted to start in such races unless duly
17 registered under the rules of the Department of Agriculture.

18 (b-5) Organization licensees, not including the Illinois
19 State Fair or the DuQuoin State Fair, shall provide stake races
20 and early closer races for Illinois conceived and foaled horses
21 so that purses distributed for such races shall be no less than
22 17% of total purses distributed for harness racing in that
23 calendar year in addition to any stakes payments and starting
24 fees contributed by horse owners.

25 (b-10) Each organization licensee conducting a harness
26 racing meeting pursuant to this Act shall provide an owner

1 award to be paid from the purse account equal to 12% of the
2 amount earned by Illinois conceived and foaled horses finishing
3 in the first 3 positions in races that are not restricted to
4 Illinois conceived and foaled horses. The owner awards shall
5 not be paid on races below the \$10,000 claiming class.

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

12 (d) There is hereby created a special fund of the State
13 Treasury to be known as the Illinois Standardbred Breeders
14 Fund. Beginning on the effective date of this amendatory Act of
15 the 101st General Assembly, the Illinois Standardbred Breeders
16 Fund shall become a non-appropriated trust fund held separate
17 and apart from State moneys. Expenditures from this Fund shall
18 no longer be subject to appropriation.

19 During the calendar year 1981, and each year thereafter,
20 except as provided in subsection (g) of Section 27 of this Act,
21 eight and one-half per cent of all the monies received by the
22 State as privilege taxes on harness racing meetings shall be
23 paid into the Illinois Standardbred Breeders Fund.

24 (e) Notwithstanding any provision of law to the contrary,
25 amounts deposited into the Illinois Standardbred Breeders Fund
26 from revenues generated by gaming pursuant to an organization

1 gaming license issued under the Illinois Gambling Act after the
2 effective date of this amendatory Act of the 101st General
3 Assembly shall be in addition to tax and fee amounts paid under
4 this Section for calendar year 2019 and thereafter. The
5 Illinois Standardbred Breeders Fund shall be administered by
6 the Department of Agriculture with the assistance and advice of
7 the Advisory Board created in subsection (f) of this Section.

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

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

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

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

1 DuQuoin State Fair.

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

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

7 4. No less than 75% of all monies in the Illinois
8 Standardbred Breeders Fund shall be expended for purses in
9 1, 2 and 3 as shown above.

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

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

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

25 8. To promote the sport of harness racing, including
26 grants up to a maximum of \$7,500 per fair per year for

1 conducting pari-mutuel wagering during the advertised
2 dates of a county fair.

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

6 (h) The Illinois Standardbred Breeders Fund is not subject
7 to administrative charges or chargebacks, including, but not
8 limited to, those authorized under Section 8h of the State
9 Finance Act. ~~Whenever the Governor finds that the amount in the~~
10 ~~Illinois Standardbred Breeders Fund is more than the total of~~
11 ~~the outstanding appropriations from such fund, the Governor~~
12 ~~shall notify the State Comptroller and the State Treasurer of~~
13 ~~such fact. The Comptroller and the State Treasurer, upon~~
14 ~~receipt of such notification, shall transfer such excess amount~~
15 ~~from the Illinois Standardbred Breeders Fund to the General~~
16 ~~Revenue Fund.~~

17 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
18 the gross ~~every~~ purse won by an Illinois conceived and foaled
19 horse shall be paid 50% by the organization licensee conducting
20 the horse race meeting to the breeder of such winning horse
21 from the organization licensee's account and 50% from the purse
22 account of the licensee ~~share of the money wagered~~. Such
23 payment shall not reduce any award to the owner of the horse or
24 reduce the taxes payable under this Act. Such payment shall be
25 delivered by the organization licensee at the end of each
26 quarter ~~race meeting~~.

1 (j) The Department of Agriculture shall, by rule, with the
2 assistance and advice of the Illinois Standardbred Breeders
3 Fund Advisory Board:

4 1. Qualify stallions for Illinois Standardbred
5 Breeders Fund breeding; such stallion shall be owned by a
6 resident of the State of Illinois or by an Illinois
7 corporation all of whose shareholders, directors, officers
8 and incorporators are residents of the State of Illinois.
9 Such stallion shall stand for service at and within the
10 State of Illinois at the time of a foal's conception, and
11 such stallion must not stand for service at any place, nor
12 may semen from such stallion be transported, outside the
13 State of Illinois during that calendar year in which the
14 foal is conceived and that the owner of the stallion was
15 for the 12 months prior, a resident of Illinois. However,
16 from January 1, 2018 until January 1, 2022, semen from an
17 Illinois stallion may be transported outside the State of
18 Illinois. The articles of agreement of any partnership,
19 joint venture, limited partnership, syndicate, association
20 or corporation and any bylaws and stock certificates must
21 contain a restriction that provides that the ownership or
22 transfer of interest by any one of the persons a party to
23 the agreement can only be made to a person who qualifies as
24 an Illinois resident.

25 2. Provide for the registration of Illinois conceived
26 and foaled horses and no such horse shall compete in the

1 races limited to Illinois conceived and foaled horses
2 unless registered with the Department of Agriculture. The
3 Department of Agriculture may prescribe such forms as may
4 be necessary to determine the eligibility of such horses.
5 No person shall knowingly prepare or cause preparation of
6 an application for registration of such foals containing
7 false information. A mare (dam) must be in the State at
8 least 30 days prior to foaling or remain in the State at
9 least 30 days at the time of foaling. However, the
10 requirement that a mare (dam) must be in the State at least
11 30 days before foaling or remain in the State at least 30
12 days at the time of foaling shall not be in effect from
13 January 1, 2018 until January 1, 2022. Beginning with the
14 1996 breeding season and for foals of 1997 and thereafter,
15 a foal conceived by transported semen may be eligible for
16 Illinois conceived and foaled registration provided all
17 breeding and foaling requirements are met. The stallion
18 must be qualified for Illinois Standardbred Breeders Fund
19 breeding at the time of conception and the mare must be
20 inseminated within the State of Illinois. The foal must be
21 dropped in Illinois and properly registered with the
22 Department of Agriculture in accordance with this Act.
23 However, from January 1, 2018 until January 1, 2022, the
24 requirement for a mare to be inseminated within the State
25 of Illinois and the requirement for a foal to be dropped in
26 Illinois are inapplicable.

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

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

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

24 6. Provide for the promotion of producing standardbred
25 racehorses by providing a bonus award program for owners of
26 2-year-old horses that win multiple major stakes races that

1 are limited to Illinois conceived and foaled horses.

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

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

22 (m) At all standardbred race meetings held or conducted
23 under authority of a license granted by the Board, and at all
24 standardbred races held at county fairs which are approved by
25 the Department of Agriculture or at the Illinois or DuQuoin
26 State Fairs, no one shall jog, train, warm up or drive a

1 standardbred horse unless he or she is wearing a protective
2 safety helmet, with the chin strap fastened and in place, which
3 meets the standards and requirements as set forth in the 1984
4 Standard for Protective Headgear for Use in Harness Racing and
5 Other Equestrian Sports published by the Snell Memorial
6 Foundation, or any standards and requirements for headgear the
7 Illinois Racing Board may approve. Any other standards and
8 requirements so approved by the Board shall equal or exceed
9 those published by the Snell Memorial Foundation. Any
10 equestrian helmet bearing the Snell label shall be deemed to
11 have met those standards and requirements.

12 (Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

13 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

14 Sec. 31.1. (a) Unless subsection (a-5) applies,
15 organization ~~Organization~~ licensees collectively shall
16 contribute annually to charity the sum of \$750,000 to
17 non-profit organizations that provide medical and family,
18 counseling, and similar services to persons who reside or work
19 on the backstretch of Illinois racetracks. Unless subsection
20 (a-5) applies, these ~~These~~ contributions shall be collected as
21 follows: (i) no later than July 1st of each year the Board
22 shall assess each organization licensee, except those tracks
23 located in Madison County, ~~which are not within 100 miles of~~
24 ~~each other~~ which tracks shall pay \$30,000 annually apiece into
25 the Board charity fund, that amount which equals \$690,000

1 multiplied by the amount of pari-mutuel wagering handled by the
2 organization licensee in the year preceding assessment and
3 divided by the total pari-mutuel wagering handled by all
4 Illinois organization licensees, except those tracks located
5 in Madison and Rock Island counties ~~which are not within 100~~
6 ~~miles of each other~~, in the year preceding assessment; (ii)
7 notice of the assessed contribution shall be mailed to each
8 organization licensee; (iii) within thirty days of its receipt
9 of such notice, each organization licensee shall remit the
10 assessed contribution to the Board. Unless subsection (a-5)
11 applies, if an organization licensee commences operation of
12 gaming at its facility pursuant to an organization gaming
13 license under the Illinois Gambling Act, then the organization
14 licensee shall contribute an additional \$83,000 per year
15 beginning in the year subsequent to the first year in which the
16 organization licensee begins receiving funds from gaming
17 pursuant to an organization gaming license. If an organization
18 licensee wilfully fails to so remit the contribution, the Board
19 may revoke its license to conduct horse racing.

20 (a-5) If (1) an organization licensee that did not operate
21 live racing in 2017 is awarded racing dates in 2018 or in any
22 subsequent year and (2) all organization licensees are
23 operating gaming pursuant to an organization gaming license
24 under the Illinois Gambling Act, then subsection (a) does not
25 apply and organization licensees collectively shall contribute
26 annually to charity the sum of \$1,000,000 to non-profit

1 organizations that provide medical and family, counseling, and
2 similar services to persons who reside or work on the
3 backstretch of Illinois racetracks. These contributions shall
4 be collected as follows: (i) no later than July 1st of each
5 year the Board shall assess each organization licensee an
6 amount based on the proportionate amount of live racing days in
7 the calendar year for which the Board has awarded to the
8 organization licensee out of the total aggregate number of live
9 racing days awarded; (ii) notice of the assessed contribution
10 shall be mailed to each organization licensee; (iii) within 30
11 days after its receipt of such notice, each organization
12 licensee shall remit the assessed contribution to the Board. If
13 an organization licensee willfully fails to so remit the
14 contribution, the Board may revoke its license to conduct horse
15 racing.

16 (b) No later than October 1st of each year, any qualified
17 charitable organization seeking an allotment of contributed
18 funds shall submit to the Board an application for those funds,
19 using the Board's approved form. No later than December 31st of
20 each year, the Board shall distribute all such amounts
21 collected that year to such charitable organization
22 applicants.

23 (Source: P.A. 87-110.)

24 (230 ILCS 5/32.1)

25 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack

1 real estate equalization.

2 (a) In order to encourage new investment in Illinois
3 racetrack facilities and mitigate differing real estate tax
4 burdens among all racetracks, the licensees affiliated or
5 associated with each racetrack that has been awarded live
6 racing dates in the current year shall receive an immediate
7 pari-mutuel tax credit in an amount equal to the greater of (i)
8 50% of the amount of the real estate taxes paid in the prior
9 year attributable to that racetrack, or (ii) the amount by
10 which the real estate taxes paid in the prior year attributable
11 to that racetrack exceeds 60% of the average real estate taxes
12 paid in the prior year for all racetracks awarded live horse
13 racing meets in the current year.

14 Each year, regardless of whether the organization licensee
15 conducted live racing in the year of certification, the Board
16 shall certify in writing, prior to December 31, the real estate
17 taxes paid in that year for each racetrack and the amount of
18 the pari-mutuel tax credit that each organization licensee,
19 inter-track wagering licensee, and inter-track wagering
20 location licensee that derives its license from such racetrack
21 is entitled in the succeeding calendar year. The real estate
22 taxes considered under this Section for any racetrack shall be
23 those taxes on the real estate parcels and related facilities
24 used to conduct a horse race meeting and inter-track wagering
25 at such racetrack under this Act. In no event shall the amount
26 of the tax credit under this Section exceed the amount of

1 pari-mutuel taxes otherwise calculated under this Act. The
2 amount of the tax credit under this Section shall be retained
3 by each licensee and shall not be subject to any reallocation
4 or further distribution under this Act. The Board may
5 promulgate emergency rules to implement this Section.

6 (b) If the organization licensee is operating gaming
7 pursuant to an organization gaming license issued under the
8 Illinois Gambling Act, except the organization licensee
9 described in Section 19.5, then, for the 5-year period
10 beginning on the January 1 of the calendar year immediately
11 following the calendar year during which an organization
12 licensee begins conducting gaming operations pursuant to an
13 organization gaming license issued under the Illinois Gambling
14 Act, the organization licensee shall make capital
15 expenditures, in an amount equal to no less than 50% of the tax
16 credit under this Section, to the improvement and maintenance
17 of the backstretch, including, but not limited to, backstretch
18 barns, dormitories, and services for backstretch workers.
19 Those capital expenditures must be in addition to, and not in
20 lieu of, the capital expenditures made for backstretch
21 improvements in calendar year 2015, as reported to the Board in
22 the organization licensee's application for racing dates and as
23 certified by the Board. The organization licensee is required
24 to annually submit the list and amounts of these capital
25 expenditures to the Board by January 30th of the year following
26 the expenditure.

1 (c) If the organization licensee is conducting gaming in
2 accordance with paragraph (b), then, after the 5-year period
3 beginning on January 1 of the calendar year immediately
4 following the calendar year during which an organization
5 licensee begins conducting gaming operations pursuant to an
6 organization gaming license issued under the Illinois Gambling
7 Act, the organization license is ineligible to receive a tax
8 credit under this Section.

9 (Source: P.A. 100-201, eff. 8-18-17.)

10 (230 ILCS 5/34.3 new)

11 Sec. 34.3. Drug testing. The Illinois Racing Board and the
12 Department of Agriculture shall jointly establish a program for
13 the purpose of conducting drug testing of horses at county
14 fairs and shall adopt any rules necessary for enforcement of
15 the program. The rules shall include appropriate penalties for
16 violations.

17 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

18 Sec. 36. (a) Whoever administers or conspires to administer
19 to any horse a hypnotic, narcotic, stimulant, depressant or any
20 chemical substance which may affect the speed of a horse at any
21 time in any race where the purse or any part of the purse is
22 made of money authorized by any Section of this Act, except
23 those chemical substances permitted by ruling of the Board,
24 internally, externally or by hypodermic method in a race or

1 prior thereto, or whoever knowingly enters a horse in any race
2 within a period of 24 hours after any hypnotic, narcotic,
3 stimulant, depressant or any other chemical substance which may
4 affect the speed of a horse at any time, except those chemical
5 substances permitted by ruling of the Board, has been
6 administered to such horse either internally or externally or
7 by hypodermic method for the purpose of increasing or retarding
8 the speed of such horse shall be guilty of a Class 4 felony.
9 The Board shall suspend or revoke such violator's license.

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

12 (c) The term "narcotic" as used in this Section includes
13 opium and all its alkaloids, salts, preparations and
14 derivatives, cocaine and all its salts, preparations and
15 derivatives and substitutes.

16 (d) The provisions of this Section and the treatment
17 authorized in this Section apply to horses entered in and
18 competing in race meetings as defined in Section 3.07 of this
19 Act and to horses entered in and competing at any county fair.

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

21 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

22 Sec. 40. (a) The imposition of any fine or penalty provided
23 in this Act shall not preclude the Board in its rules and
24 regulations from imposing a fine or penalty for any other
25 action which, in the Board's discretion, is a detriment or

1 impediment to horse racing.

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

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

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

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

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

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

18 (A) if a list or report is submitted no more than
19 30 days late, \$50;

20 (B) if a list or report is submitted no more than
21 60 days late, \$150; or

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

25 (3) filing an Illinois foaled thoroughbred mare status
26 report after the statutory deadline as provided in

1 subsection (k) of Section 30 of this Act ~~December 31~~:

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

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

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

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

11 (4) late filing of application for foal eligibility
12 certificate:

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

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

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

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

22 (5) failure to report the intent to remove a foal from
23 Illinois prior to inspection, identification and
24 certification by a Department of Agriculture investigator,
25 \$50; and

26 (6) if a list or report of mares bred is incomplete,

1 \$50 per mare not included on the list or report.

2 Any person upon whom monetary penalties are imposed under
3 this Section 3 times within a 5-year period shall have any
4 further monetary penalties imposed at double the amounts set
5 forth above. All monies assessed and collected for violations
6 relating to thoroughbreds shall be paid into the Illinois
7 Thoroughbred Breeders Fund. All monies assessed and collected
8 for violations relating to standardbreds shall be paid into the
9 Illinois Standardbred Breeders Fund.

10 (Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

11 (230 ILCS 5/54.75)

12 Sec. 54.75. Horse Racing Equity Trust Fund.

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

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

24 (1) Sixty percent of all moneys distributed under this
25 subsection shall be distributed to organization licensees

1 to be distributed at their race meetings as purses.
2 Fifty-seven percent of the amount distributed under this
3 paragraph (1) shall be distributed for thoroughbred race
4 meetings and 43% shall be distributed for standardbred race
5 meetings. Within each breed, moneys shall be allocated to
6 each organization licensee's purse fund in accordance with
7 the ratio between the purses generated for that breed by
8 that licensee during the prior calendar year and the total
9 purses generated throughout the State for that breed during
10 the prior calendar year by licensees in the current
11 calendar year.

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

14 (A) 11% shall be distributed to any person (or its
15 successors or assigns) who had operating control of a
16 racetrack that conducted live racing in 2002 at a
17 racetrack in a county with at least 230,000 inhabitants
18 that borders the Mississippi River and is a licensee in
19 the current year; and

20 (B) the remaining 89% shall be distributed pro rata
21 according to the aggregate proportion of total handle
22 from wagering on live races conducted in Illinois
23 (irrespective of where the wagers are placed) for
24 calendar years 2004 and 2005 to any person (or its
25 successors or assigns) who (i) had majority operating
26 control of a racing facility at which live racing was

1 conducted in calendar year 2002, (ii) is a licensee in
2 the current year, and (iii) is not eligible to receive
3 moneys under subparagraph (A) of this paragraph (2).

4 The moneys received by an organization licensee
5 under this paragraph (2) shall be used by each
6 organization licensee to improve, maintain, market,
7 and otherwise operate its racing facilities to conduct
8 live racing, which shall include backstretch services
9 and capital improvements related to live racing and the
10 backstretch. Any organization licensees sharing common
11 ownership may pool the moneys received and spent at all
12 racing facilities commonly owned in order to meet these
13 requirements.

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

18 (c) The Board shall monitor organization licensees to
19 ensure that moneys paid to organization licensees under this
20 Section are distributed by the organization licensees as
21 provided in subsection (b).

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

23 (230 ILCS 5/56 new)

24 Sec. 56. Gaming pursuant to an organization gaming license.

25 (a) A person, firm, corporation, partnership, or limited

1 liability company having operating control of a racetrack may
2 apply to the Gaming Board for an organization gaming license.
3 An organization gaming license shall authorize its holder to
4 conduct gaming on the grounds of the racetrack of which the
5 organization gaming licensee has operating control. Only one
6 organization gaming license may be awarded for any racetrack. A
7 holder of an organization gaming license shall be subject to
8 the Illinois Gambling Act and rules of the Illinois Gaming
9 Board concerning gaming pursuant to an organization gaming
10 license issued under the Illinois Gambling Act. If the person,
11 firm, corporation, or limited liability company having
12 operating control of a racetrack is found by the Illinois
13 Gaming Board to be unsuitable for an organization gaming
14 license under the Illinois Gambling Act and rules of the Gaming
15 Board, that person, firm, corporation, or limited liability
16 company shall not be granted an organization gaming license.
17 Each license shall specify the number of gaming positions that
18 its holder may operate.

19 An organization gaming licensee may not permit patrons
20 under 21 years of age to be present in its organization gaming
21 facility, but the licensee may accept wagers on live racing and
22 inter-track wagers at its organization gaming facility.

23 (b) For purposes of this subsection, "adjusted gross
24 receipts" means an organization gaming licensee's gross
25 receipts less winnings paid to wagerers and shall also include
26 any amounts that would otherwise be deducted pursuant to

1 subsection (a-9) of Section 13 of the Illinois Gambling Act.
2 The adjusted gross receipts by an organization gaming licensee
3 from gaming pursuant to an organization gaming license issued
4 under the Illinois Gambling Act remaining after the payment of
5 taxes under Section 13 of the Illinois Gambling Act shall be
6 distributed as follows:

7 (1) Amounts shall be paid to the purse account at the
8 track at which the organization licensee is conducting
9 racing equal to the following:

10 12.75% of annual adjusted gross receipts up to and
11 including \$93,000,000;

12 20% of annual adjusted gross receipts in excess of
13 \$93,000,000 but not exceeding \$100,000,000;

14 26.5% of annual adjusted gross receipts in excess
15 of \$100,000,000 but not exceeding \$125,000,000; and

16 20.5% of annual adjusted gross receipts in excess
17 of \$125,000,000.

18 If 2 different breeds race at the same racetrack in the
19 same calendar year, the purse moneys allocated under this
20 subsection (b) shall be divided pro rata based on live
21 racing days awarded by the Board to that race track for
22 each breed. However, the ratio may not exceed 60% for
23 either breed, except if one breed is awarded fewer than 20
24 live racing days, in which case the purse moneys allocated
25 shall be divided pro rata based on live racing days.

26 (2) The remainder shall be retained by the organization

1 gaming licensee.

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

15 Annually, from the purse account of an organization
16 licensee racing thoroughbred horses in Madison County, an
17 amount equal to 10% of the gaming receipts from gaming pursuant
18 to an organization gaming license placed into the purse
19 accounts shall be paid to the Illinois Thoroughbred Breeders
20 Fund and shall be used for owner awards; a stallion program
21 pursuant to paragraph (3) of subsection (g) of Section 30 of
22 this Act; and Illinois conceived and foaled stakes races
23 pursuant to paragraph (2) of subsection (g) of Section 30 of
24 this Act, as specifically designated by the horsemen
25 association representing the largest number of owners and
26 trainers who race at the organization licensee's race meetings.

1 Annually, from the amounts generated for purses from all
2 sources, including, but not limited to, amounts generated from
3 wagering conducted by organization licensees, organization
4 gaming licensees, inter-track wagering licensees, inter-track
5 wagering locations licensees, and advance deposit wagering
6 licensees, or an organization licensee to the purse account of
7 an organization licensee conducting thoroughbred races at a
8 track in Madison County, an amount equal to 10% of adjusted
9 gross receipts as defined in subsection (b) of this Section
10 shall be paid to the horsemen association representing the
11 largest number of owners and trainers who race at the
12 organization licensee's race meets, to be used to for
13 operational expenses and may be also used for after care
14 programs for retired thoroughbred race horses, backstretch
15 laundry and kitchen facilities, a health insurance or
16 retirement program, the Future Farmers of America, and such
17 other programs.

18 Annually, from the purse account of organization licensees
19 conducting thoroughbred races at racetracks in Cook County,
20 \$100,000 shall be paid for division and equal distribution to
21 the animal sciences department of each Illinois public
22 university system engaged in equine research and education on
23 or before the effective date of this amendatory Act of the
24 101st General Assembly for equine research and education.

25 (d) Annually, from the purse account of an organization
26 licensee racing standardbred horses, an amount equal to 15% of

1 the gaming receipts from gaming pursuant to an organization
2 gaming license placed into that purse account shall be paid to
3 the Illinois Standardbred Breeders Fund. Moneys deposited into
4 the Illinois Standardbred Breeders Fund shall be used for
5 standardbred racing as authorized in paragraphs 1, 2, 3, 8, and
6 9 of subsection (g) of Section 31 of this Act and for bonus
7 awards as authorized under paragraph 6 of subsection (j) of
8 Section 31 of this Act.

9 Section 35-55. The Riverboat Gambling Act is amended by
10 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
11 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by
12 adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14,
13 and 7.15 as follows:

14 (230 ILCS 10/1) (from Ch. 120, par. 2401)

15 Sec. 1. Short title. This Act shall be known and may be
16 cited as the Illinois Riverboat Gambling Act.

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

18 (230 ILCS 10/2) (from Ch. 120, par. 2402)

19 Sec. 2. Legislative Intent.

20 (a) This Act is intended to benefit the people of the State
21 of Illinois by assisting economic development, ~~and~~ promoting
22 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues
23 available to the State to assist and support education, and to

1 defray State expenses.

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

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

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

17 (230 ILCS 10/3) (from Ch. 120, par. 2403)

18 Sec. 3. ~~Riverboat~~ Gambling Authorized.

19 (a) Riverboat and casino gambling operations and gaming
20 operations pursuant to an organization gaming license ~~and the~~
21 ~~system of wagering incorporated therein~~, as defined in this
22 Act, are hereby authorized to the extent that they are carried
23 out in accordance with the provisions of this Act.

24 (b) This Act does not apply to the pari-mutuel system of
25 wagering used or intended to be used in connection with the

1 horse-race meetings as authorized under the Illinois Horse
2 Racing Act of 1975, lottery games authorized under the Illinois
3 Lottery Law, bingo authorized under the Bingo License and Tax
4 Act, charitable games authorized under the Charitable Games Act
5 or pull tabs and jar games conducted under the Illinois Pull
6 Tabs and Jar Games Act. This Act applies to gaming by an
7 organization gaming licensee authorized under the Illinois
8 Horse Racing Act of 1975 to the extent provided in that Act and
9 in this Act.

10 (c) Riverboat gambling conducted pursuant to this Act may
11 be authorized upon any water within the State of Illinois or
12 any water other than Lake Michigan which constitutes a boundary
13 of the State of Illinois. Notwithstanding any provision in this
14 subsection (c) to the contrary, a licensee that receives its
15 license pursuant to subsection (e-5) of Section 7 may conduct
16 riverboat gambling on Lake Michigan from a home dock located on
17 Lake Michigan subject to any limitations contained in Section
18 7. Notwithstanding any provision in this subsection (c) to the
19 contrary, a licensee may conduct gambling at its home dock
20 facility as provided in Sections 7 and 11. A licensee may
21 conduct riverboat gambling authorized under this Act
22 regardless of whether it conducts excursion cruises. A licensee
23 may permit the continuous ingress and egress of passengers for
24 the purpose of gambling.

25 (d) Gambling that is conducted in accordance with this Act
26 using slot machines and video games of chance and other

1 electronic gambling games as defined in both this Act and the
2 Illinois Horse Racing Act of 1975 is authorized.

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

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

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

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

7 ~~(b)~~ "Occupational license" means a license issued by the
8 Board to a person or entity to perform an occupation which the
9 Board has identified as requiring a license to engage in
10 riverboat gambling, casino gambling, or gaming pursuant to an
11 organization gaming license issued under this Act in Illinois.

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

18 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
19 permanently moored barge, or permanently moored barges that are
20 permanently fixed together to operate as one vessel, on which
21 lawful gambling is authorized and licensed as provided in this
22 Act.

23 "Slot machine" means any mechanical, electrical, or other
24 device, contrivance, or machine that is authorized by the Board
25 as a wagering device under this Act which, upon insertion of a

1 coin, currency, token, or similar object therein, or upon
2 payment of any consideration whatsoever, is available to play
3 or operate, the play or operation of which may deliver or
4 entitle the person playing or operating the machine to receive
5 cash, premiums, merchandise, tokens, or anything of value
6 whatsoever, whether the payoff is made automatically from the
7 machine or in any other manner whatsoever. A slot machine:

8 (1) may utilize spinning reels or video displays or
9 both;

10 (2) may or may not dispense coins, tickets, or tokens
11 to winning patrons;

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

14 (4) may simulate a table game.

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

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

20 ~~(f)~~ "Dock" means the location where a riverboat moors for
21 the purpose of embarking passengers for and disembarking
22 passengers from the riverboat.

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

26 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less

1 winnings paid to wagerers.

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

5 ~~(j)~~ (Blank).

6 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
7 gambling games authorized under this Act upon a riverboat or in
8 a casino or authorized under this Act and the Illinois Horse
9 Racing Act of 1975 at an organization gaming facility.

10 ~~(l)~~ "License bid" means the lump sum amount of money that
11 an applicant bids and agrees to pay the State in return for an
12 owners license that is issued or re-issued on or after July 1,
13 2003.

14 "Table game" means a live gaming apparatus upon which
15 gaming is conducted or that determines an outcome that is the
16 object of a wager, including, but not limited to, baccarat,
17 twenty-one, blackjack, poker, craps, roulette wheel, klondike
18 table, punchboard, faro layout, keno layout, numbers ticket,
19 push card, jar ticket, pull tab, or other similar games that
20 are authorized by the Board as a wagering device under this
21 Act. "Table game" does not include slot machines or video games
22 of chance.

23 ~~(m)~~ The terms "minority person", "woman", and "person with
24 a disability" shall have the same meaning as defined in Section
25 2 of the Business Enterprise for Minorities, Women, and Persons
26 with Disabilities Act.

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

3 "Owners license" means a license to conduct riverboat or
4 casino gambling operations, but does not include an
5 organization gaming license.

6 "Licensed owner" means a person who holds an owners
7 license.

8 "Organization gaming facility" means that portion of an
9 organization licensee's racetrack facilities at which gaming
10 authorized under Section 7.7 is conducted.

11 "Organization gaming license" means a license issued by the
12 Illinois Gaming Board under Section 7.7 of this Act authorizing
13 gaming pursuant to that Section at an organization gaming
14 facility.

15 "Organization gaming licensee" means an entity that holds
16 an organization gaming license.

17 "Organization licensee" means an entity authorized by the
18 Illinois Racing Board to conduct pari-mutuel wagering in
19 accordance with the Illinois Horse Racing Act of 1975. With
20 respect only to gaming pursuant to an organization gaming
21 license, "organization licensee" includes the authorization
22 for gaming created under subsection (a) of Section 56 of the
23 Illinois Horse Racing Act of 1975.

24 (Source: P.A. 100-391, eff. 8-25-17.)

1 Sec. 5. Gaming Board.

2 (a) (1) There is hereby established the Illinois Gaming
3 Board, which shall have the powers and duties specified in this
4 Act, and all other powers necessary and proper to fully and
5 effectively execute this Act for the purpose of administering,
6 regulating, and enforcing the system of riverboat and casino
7 gambling established by this Act and gaming pursuant to an
8 organization gaming license issued under this Act. Its
9 jurisdiction shall extend under this Act to every person,
10 association, corporation, partnership and trust involved in
11 riverboat and casino gambling operations and gaming pursuant to
12 an organization gaming license issued under this Act in the
13 State of Illinois.

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

22 On and after the effective date of this amendatory Act of
23 the 101st General Assembly, new appointees to the Board must
24 include the following:

25 (A) One member who has received, at a minimum, a
26 bachelor's degree from an accredited school and at least 10

1 years of verifiable experience in the fields of
2 investigation and law enforcement.

3 (B) One member who is a certified public accountant
4 with experience in auditing and with knowledge of complex
5 corporate structures and transactions.

6 (C) One member who has 5 years' experience as a
7 principal, senior officer, or director of a company or
8 business with either material responsibility for the daily
9 operations and management of the overall company or
10 business or material responsibility for the policy making
11 of the company or business.

12 (D) One member who is an attorney licensed to practice
13 law in Illinois for at least 5 years.

14 Notwithstanding any provision of this subsection (a), the
15 requirements of subparagraphs (A) through (D) of this paragraph
16 (2) shall not apply to any person reappointed pursuant to
17 paragraph (3).

18 No more than 3 members of the Board may be from the same
19 political party. No Board member shall, within a period of one
20 year immediately preceding nomination, have been employed or
21 received compensation or fees for services 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. Board members must publicly
25 disclose all prior affiliations with gaming interests,
26 including any compensation, fees, bonuses, salaries, and other

1 reimbursement received from a person or entity, or its parent
2 or affiliate, that has engaged in business with the Board, a
3 licensee, or a licensee under the Illinois Horse Racing Act of
4 1975. This disclosure must be made within 30 days after
5 nomination but prior to confirmation by the Senate and must be
6 made available to the members of the Senate. At least one
7 ~~member shall be experienced in law enforcement and criminal~~
8 ~~investigation, at least one member shall be a certified public~~
9 ~~accountant experienced in accounting and auditing, and at least~~
10 ~~one member shall be a lawyer licensed to practice law in~~
11 ~~Illinois.~~

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

25 (4) Each member of the Board shall receive \$300 for each
26 day the Board meets and for each day the member conducts any

1 hearing pursuant to this Act. Each member of the Board shall
2 also be reimbursed for all actual and necessary expenses and
3 disbursements incurred in the execution of official duties.

4 (5) No person shall be appointed a member of the Board or
5 continue to be a member of the Board who is, or whose spouse,
6 child or parent is, a member of the board of directors of, or a
7 person financially interested in, any gambling operation
8 subject to the jurisdiction of this Board, or any race track,
9 race meeting, racing association or the operations thereof
10 subject to the jurisdiction of the Illinois Racing Board. No
11 Board member shall hold any other public office. No person
12 shall be a member of the Board who is not of good moral
13 character or who has been convicted of, or is under indictment
14 for, a felony under the laws of Illinois or any other state, or
15 the United States.

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

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

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

23 (7.5) For the examination of all mechanical,
24 electromechanical, or electronic table games, slot machines,
25 slot accounting systems, sports wagering systems, and other
26 electronic gaming equipment, and the field inspection of such

1 systems, games, and machines, for compliance with this Act, the
2 Board shall ~~may~~ utilize the services of ~~one or more~~ independent
3 outside testing laboratories that have been accredited in
4 accordance with ISO/IEC 17025 by an accreditation body that is
5 a signatory to the International Laboratory Accreditation
6 Cooperation Mutual Recognition Agreement signifying they ~~by a~~
7 ~~national accreditation body and that, in the judgment of the~~
8 ~~Board,~~ are qualified to perform such examinations.
9 Notwithstanding any law to the contrary, the Board shall
10 consider the licensing of independent outside testing
11 laboratory applicants in accordance with procedures
12 established by the Board by rule. The Board shall not withhold
13 its approval of an independent outside testing laboratory
14 license applicant that has been accredited as required under
15 this paragraph (7.5) and is licensed in gaming jurisdictions
16 comparable to Illinois. Upon the finalization of required
17 rules, the Board shall license independent testing
18 laboratories and accept the test reports of any licensed
19 testing laboratory of the system's, game's, or machine
20 manufacturer's choice, notwithstanding the existence of
21 contracts between the Board and any independent testing
22 laboratory.

23 (8) The Board shall employ such personnel as may be
24 necessary to carry out its functions and shall determine the
25 salaries of all personnel, except those personnel whose
26 salaries are determined under the terms of a collective

1 bargaining agreement. No person shall be employed to serve the
2 Board who is, or whose spouse, parent or child is, an official
3 of, or has a financial interest in or financial relation with,
4 any operator engaged in gambling operations within this State
5 or any organization engaged in conducting horse racing within
6 this State. For the one year immediately preceding employment,
7 an employee shall not 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 Board, a licensee, or a licensee under the Illinois Horse
11 Racing Act of 1975. Any employee violating these prohibitions
12 shall be subject to termination of employment.

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

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

26 (1) To decide promptly and in reasonable order all

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

13 (2) To conduct all hearings pertaining to civil
14 violations of this Act or rules and regulations promulgated
15 hereunder;

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

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

26 (5) To provide for the levy and collection of penalties

1 and fines for the violation of provisions of this Act and
2 the rules and regulations promulgated hereunder. All such
3 fines and penalties shall be deposited into the Education
4 Assistance Fund, created by Public Act 86-0018, of the
5 State of Illinois;

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

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

23 (8) To hold at least one meeting each quarter of the
24 fiscal year. In addition, special meetings may be called by
25 the Chairman or any 2 Board members upon 72 hours written
26 notice to each member. All Board meetings shall be subject

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

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

24 (10) To file a written annual report with the Governor
25 on or before July 1 each year and such additional reports
26 as the Governor may request. The annual report shall

1 include a statement of receipts and disbursements by the
2 Board, actions taken by the Board, and any additional
3 information and recommendations which the Board may deem
4 valuable or which the Governor may request;

5 (11) (Blank);

6 (12) (Blank);

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

9 (13.1) To assume responsibility for the administration
10 and enforcement of operations at organization gaming
11 facilities pursuant to this Act and the Illinois Horse
12 Racing Act of 1975;

13 (13.2) To assume responsibility for the administration
14 and enforcement of the Sports Wagering Act; and

15 (14) To adopt, by rule, a code of conduct governing
16 Board members and employees that ensure, to the maximum
17 extent possible, that persons subject to this Code avoid
18 situations, relationships, or associations that may
19 represent or lead to a conflict of interest.

20 Internal controls and changes submitted by licensees must
21 be reviewed and either approved or denied with cause within 90
22 days after receipt of submission is deemed final by the
23 Illinois Gaming Board. In the event an internal control
24 submission or change does not meet the standards set by the
25 Board, staff of the Board must provide technical assistance to
26 the licensee to rectify such deficiencies within 90 days after

1 the initial submission and the revised submission must be
2 reviewed and approved or denied with cause within 90 days after
3 the date the revised submission is deemed final by the Board.
4 For the purposes of this paragraph, "with cause" means that the
5 approval of the submission would jeopardize the integrity of
6 gaming. In the event the Board staff has not acted within the
7 timeframe, the submission shall be deemed approved.

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

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

17 (2) To have jurisdiction and supervision over all
18 riverboat gambling operations authorized under this Act ~~in~~
19 ~~this State~~ and all persons in places ~~on riverboats~~ where
20 gambling operations are conducted.

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

1 to the public interest and for the best interests of
2 riverboat gambling, including rules and regulations
3 regarding the inspection of organization gaming
4 facilities, casinos, and ~~such~~ riverboats, and the review of
5 any permits or licenses necessary to operate a riverboat,
6 casino, or organization gaming facility under any laws or
7 regulations applicable to riverboats, casinos, or
8 organization gaming facilities and to impose penalties for
9 violations thereof.

10 (4) To enter the office, riverboats, casinos,
11 organization gaming facilities, and other facilities, or
12 other places of business of a licensee, where evidence of
13 the compliance or noncompliance with the provisions of this
14 Act is likely to be found.

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

20 (6) To adopt standards for the licensing of all persons
21 and entities under this Act, as well as for electronic or
22 mechanical gambling games, and to establish fees for such
23 licenses.

24 (7) To adopt appropriate standards for all
25 organization gaming facilities, riverboats, casinos, and
26 other facilities authorized under this Act.

1 (8) To require that the records, including financial or
2 other statements of any licensee under this Act, shall be
3 kept in such manner as prescribed by the Board and that any
4 such licensee involved in the ownership or management of
5 gambling operations submit to the Board an annual balance
6 sheet and profit and loss statement, list of the
7 stockholders or other persons having a 1% or greater
8 beneficial interest in the gambling activities of each
9 licensee, and any other information the Board deems
10 necessary in order to effectively administer this Act and
11 all rules, regulations, orders and final decisions
12 promulgated under this Act.

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

21 (10) To prescribe a form to be used by any licensee
22 involved in the ownership or management of gambling
23 operations as an application for employment for their
24 employees.

25 (11) To revoke or suspend licenses, as the Board may
26 see fit and in compliance with applicable laws of the State

1 regarding administrative procedures, and to review
2 applications for the renewal of licenses. The Board may
3 suspend an owners license or an organization gaming
4 license, without notice or hearing upon a determination
5 that the safety or health of patrons or employees is
6 jeopardized by continuing a gambling operation conducted
7 under that license ~~riverboat's operation~~. The suspension
8 may remain in effect until the Board determines that the
9 cause for suspension has been abated. The Board may revoke
10 an the owners license or organization gaming license upon a
11 determination that the licensee ~~owner~~ has not made
12 satisfactory progress toward abating the hazard.

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

24 (13) To require all licensees of gambling operations to
25 utilize a cashless wagering system whereby all players'
26 money is converted to tokens, electronic cards, or chips

1 which shall be used only for wagering in the gambling
2 establishment.

3 (14) (Blank).

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

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

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

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

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

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

17 (20) To delegate the execution of any of its powers
18 under this Act for the purpose of administering and
19 enforcing this Act and the its rules adopted by the Board
20 ~~and regulations hereunder~~.

21 (20.5) To approve any contract entered into on its
22 behalf.

23 (20.6) To appoint investigators to conduct
24 investigations, searches, seizures, arrests, and other
25 duties imposed under this Act, as deemed necessary by the
26 Board. These investigators have and may exercise all of the

1 rights and powers of peace officers, provided that these
2 powers shall be limited to offenses or violations occurring
3 or committed in a casino, in an organization gaming
4 facility, or on a riverboat or dock, as defined in
5 subsections (d) and (f) of Section 4, or as otherwise
6 provided by this Act or any other law.

7 (20.7) To contract with the Department of State Police
8 for the use of trained and qualified State police officers
9 and with the Department of Revenue for the use of trained
10 and qualified Department of Revenue investigators to
11 conduct investigations, searches, seizures, arrests, and
12 other duties imposed under this Act and to exercise all of
13 the rights and powers of peace officers, provided that the
14 powers of Department of Revenue investigators under this
15 subdivision (20.7) shall be limited to offenses or
16 violations occurring or committed in a casino, in an
17 organization gaming facility, or on a riverboat or dock, as
18 defined in subsections (d) and (f) of Section 4, or as
19 otherwise provided by this Act or any other law. In the
20 event the Department of State Police or the Department of
21 Revenue is unable to fill contracted police or
22 investigative positions, the Board may appoint
23 investigators to fill those positions pursuant to
24 subdivision (20.6).

25 (21) To adopt rules concerning the conduct of gaming
26 pursuant to an organization gaming license issued under

1 this Act.

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

15 (23) ~~(21)~~ To take any other action as may be reasonable
16 or appropriate to enforce this Act and the rules adopted by
17 the Board and ~~regulations hereunder.~~

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

26 (e) The Board must authorize to each investigator and to

1 any other employee of the Board exercising the powers of a
2 peace officer a distinct badge that, on its face, (i) clearly
3 states that the badge is authorized by the Board and (ii)
4 contains a unique identifying number. No other badge shall be
5 authorized by the Board.

6 (Source: P.A. 100-1152, eff. 12-14-18.)

7 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

8 Sec. 5.1. Disclosure of records.

9 (a) Notwithstanding any applicable statutory provision to
10 the contrary, the Board shall, on written request from any
11 person, provide information furnished by an applicant or
12 licensee concerning the applicant or licensee, his products,
13 services or gambling enterprises and his business holdings, as
14 follows:

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

17 (2) An identification of any applicant or licensee
18 including, if an applicant or licensee is not an
19 individual, the names and addresses of all stockholders and
20 directors, if the entity is a corporation; the names and
21 addresses of all members, if the entity is a limited
22 liability company; the names and addresses of all partners,
23 both general and limited, if the entity is a partnership;
24 and the names and addresses of all beneficiaries, if the
25 entity is a trust ~~the state of incorporation or~~

1 ~~registration, the corporate officers, and the identity of~~
2 ~~all shareholders or participants.~~ If an applicant or
3 licensee has a pending registration statement filed with
4 the Securities and Exchange Commission, only the names of
5 those persons or entities holding interest of 5% or more
6 must be provided.

7 (3) An identification of any business, including, if
8 applicable, the state of incorporation or registration, in
9 which an applicant or licensee or an applicant's or
10 licensee's spouse or children has an equity interest of
11 more than 1%. If an applicant or licensee is a corporation,
12 partnership or other business entity, the applicant or
13 licensee shall identify any other corporation, partnership
14 or business entity in which it has an equity interest of 1%
15 or more, including, if applicable, the state of
16 incorporation or registration. This information need not
17 be provided by a corporation, partnership or other business
18 entity that has a pending registration statement filed with
19 the Securities and Exchange Commission.

20 (4) Whether an applicant or licensee has been indicted,
21 convicted, pleaded guilty or nolo contendere, or forfeited
22 bail concerning any criminal offense under the laws of any
23 jurisdiction, either felony or misdemeanor (except for
24 traffic violations), including the date, the name and
25 location of the court, arresting agency and prosecuting
26 agency, the case number, the offense, the disposition and

1 the location and length of incarceration.

2 (5) Whether an applicant or licensee has had any
3 license or certificate issued by a licensing authority in
4 Illinois or any other jurisdiction denied, restricted,
5 suspended, revoked or not renewed and a statement
6 describing the facts and circumstances concerning the
7 denial, restriction, suspension, revocation or
8 non-renewal, including the licensing authority, the date
9 each such action was taken, and the reason for each such
10 action.

11 (6) Whether an applicant or licensee has ever filed or
12 had filed against it a proceeding in bankruptcy or has ever
13 been involved in any formal process to adjust, defer,
14 suspend or otherwise work out the payment of any debt
15 including the date of filing, the name and location of the
16 court, the case and number of the disposition.

17 (7) Whether an applicant or licensee has filed, or been
18 served with a complaint or other notice filed with any
19 public body, regarding the delinquency in the payment of,
20 or a dispute over the filings concerning the payment of,
21 any tax required under federal, State or local law,
22 including the amount, type of tax, the taxing agency and
23 time periods involved.

24 (8) A statement listing the names and titles of all
25 public officials or officers of any unit of government, and
26 relatives of said public officials or officers who,

1 directly or indirectly, own any financial interest in, have
2 any beneficial interest in, are the creditors of or hold
3 any debt instrument issued by, or hold or have any interest
4 in any contractual or service relationship with, an
5 applicant or licensee.

6 (9) Whether an applicant or licensee has made, directly
7 or indirectly, any political contribution, or any loans,
8 donations or other payments, to any candidate or office
9 holder, within 5 years from the date of filing the
10 application, including the amount and the method of
11 payment.

12 (10) The name and business telephone number of the
13 counsel representing an applicant or licensee in matters
14 before the Board.

15 (11) A description of any proposed or approved gambling
16 ~~riverboat gaming~~ operation, including the type of boat,
17 home dock, or casino or gaming location, expected economic
18 benefit to the community, anticipated or actual number of
19 employees, any statement from an applicant or licensee
20 regarding compliance with federal and State affirmative
21 action guidelines, projected or actual admissions and
22 projected or actual adjusted gross gaming receipts.

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

25 (b) Notwithstanding any applicable statutory provision to
26 the contrary, the Board shall, on written request from any

1 person, also provide the following information:

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

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

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

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

13 (1) Section 7 of the Freedom of Information Act; or

14 (2) The statutes, rules, regulations or
15 intergovernmental agreements of any jurisdiction.

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

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

20 (230 ILCS 10/5.3 new)

21 Sec. 5.3. Ethical conduct.

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

1 (b) Officials and employees of the corporate authority of a
2 host community shall not use or attempt to use his or her
3 official position to secure or attempt to secure any privilege,
4 advantage, favor, or influence for himself or herself or
5 others.

6 (c) Officials and employees of the corporate authority of a
7 host community may not have a financial interest, directly or
8 indirectly, in his or her own name or in the name of any other
9 person, partnership, association, trust, corporation, or other
10 entity in any contract or subcontract for the performance of
11 any work for a riverboat or casino that is located in the host
12 community. This prohibition shall extend to the holding or
13 acquisition of an interest in any entity identified by Board
14 action that, in the Board's judgment, could represent the
15 potential for or the appearance of a financial interest. The
16 holding or acquisition of an interest in such entities through
17 an indirect means, such as through a mutual fund, shall not be
18 prohibited, except that the Board may identify specific
19 investments or funds that, in its judgment, are so influenced
20 by gaming holdings as to represent the potential for or the
21 appearance of a conflict of interest.

22 (d) Officials and employees of the corporate authority of a
23 host community may not accept any gift, gratuity, service,
24 compensation, travel, lodging, or thing of value, with the
25 exception of unsolicited items of an incidental nature, from
26 any person, corporation, or entity doing business with the

1 riverboat or casino that is located in the host community.

2 (e) Officials and employees of the corporate authority of a
3 host community shall not, during the period that the person is
4 an official or employee of the corporate authority or for a
5 period of 2 years immediately after leaving such office,
6 knowingly accept employment or receive compensation or fees for
7 services from a person or entity, or its parent or affiliate,
8 that has engaged in business with the riverboat or casino that
9 is located in the host community that resulted in contracts
10 with an aggregate value of at least \$25,000 or if that official
11 or employee has made a decision that directly applied to the
12 person or entity, or its parent or affiliate.

13 (f) A spouse, child, or parent of an official or employee
14 of the corporate authority of a host community may not have a
15 financial interest, directly or indirectly, in his or her own
16 name or in the name of any other person, partnership,
17 association, trust, corporation, or other entity in any
18 contract or subcontract for the performance of any work for a
19 riverboat or casino in the host community. This prohibition
20 shall extend to the holding or acquisition of an interest in
21 any entity identified by Board action that, in the judgment of
22 the Board, could represent the potential for or the appearance
23 of a conflict of interest. The holding or acquisition of an
24 interest in such entities through an indirect means, such as
25 through a mutual fund, shall not be prohibited, except that the
26 Board may identify specific investments or funds that, in its

1 judgment, are so influenced by gaming holdings as to represent
2 the potential for or the appearance of a conflict of interest.

3 (g) A spouse, child, or parent of an official or employee
4 of the corporate authority of a host community may not accept
5 any gift, gratuity, service, compensation, travel, lodging, or
6 thing of value, with the exception of unsolicited items of an
7 incidental nature, from any person, corporation, or entity
8 doing business with the riverboat or casino that is located in
9 the host community.

10 (h) A spouse, child, or parent of an official or employee
11 of the corporate authority of a host community may not, during
12 the period that the person is an official of the corporate
13 authority or for a period of 2 years immediately after leaving
14 such office or employment, knowingly accept employment or
15 receive compensation or fees for services from a person or
16 entity, or its parent or affiliate, that has engaged in
17 business with the riverboat or casino that is located in the
18 host community that resulted in contracts with an aggregate
19 value of at least \$25,000 or if that official or employee has
20 made a decision that directly applied to the person or entity,
21 or its parent or affiliate.

22 (i) Officials and employees of the corporate authority of a
23 host community shall not attempt, in any way, to influence any
24 person or entity doing business with the riverboat or casino
25 that is located in the host community or any officer, agent, or
26 employee thereof to hire or contract with any person or entity

1 for any compensated work.

2 (j) Any communication between an official of the corporate
3 authority of a host community and any applicant for an owners
4 license in the host community, or an officer, director, or
5 employee of a riverboat or casino in the host community,
6 concerning any matter relating in any way to gaming shall be
7 disclosed to the Board. Such disclosure shall be in writing by
8 the official within 30 days after the communication and shall
9 be filed with the Board. Disclosure must consist of the date of
10 the communication, the identity and job title of the person
11 with whom the communication was made, a brief summary of the
12 communication, the action requested or recommended, all
13 responses made, the identity and job title of the person making
14 the response, and any other pertinent information. Public
15 disclosure of the written summary provided to the Board and the
16 Gaming Board shall be subject to the exemptions provided under
17 the Freedom of Information Act.

18 This subsection (j) shall not apply to communications
19 regarding traffic, law enforcement, security, environmental
20 issues, city services, transportation, or other routine
21 matters concerning the ordinary operations of the riverboat or
22 casino. For purposes of this subsection (j), "ordinary
23 operations" means operations relating to the casino or
24 riverboat facility other than the conduct of gambling
25 activities, and "routine matters" includes the application
26 for, issuance of, renewal of, and other processes associated

1 with municipal permits and licenses.

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

4 (l) For purposes of this Section, "host community" or "host
5 municipality" means a unit of local government that contains a
6 riverboat or casino within its borders.

7 (230 ILCS 10/6) (from Ch. 120, par. 2406)

8 Sec. 6. Application for Owners License.

9 (a) A qualified person may apply to the Board for an owners
10 license to conduct a ~~riverboat~~ gambling operation as provided
11 in this Act. The application shall be made on forms provided by
12 the Board and shall contain such information as the Board
13 prescribes, including but not limited to the identity of the
14 riverboat on which such gambling operation is to be conducted,
15 if applicable, and the exact location where such riverboat or
16 casino will be located ~~docked~~, a certification that the
17 riverboat will be registered under this Act at all times during
18 which gambling operations are conducted on board, detailed
19 information regarding the ownership and management of the
20 applicant, and detailed personal information regarding the
21 applicant. Any application for an owners license to be
22 re-issued on or after June 1, 2003 shall also include the
23 applicant's license bid in a form prescribed by the Board.
24 Information provided on the application shall be used as a
25 basis for a thorough background investigation which the Board

1 shall conduct with respect to each applicant. An incomplete
2 application shall be cause for denial of a license by the
3 Board.

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

7 (1) The history and success of the applicant and each
8 person and entity disclosed under subsection (c) of this
9 Section in developing tourism facilities ancillary to
10 gaming, if applicable.

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

17 (3) The projected number of jobs that would be created
18 if the license is granted and the projected number of new
19 employees at the proposed facility where gambling is to be
20 conducted by the applicant.

21 (4) The record, if any, of the applicant and its
22 developer in meeting commitments to local agencies,
23 community-based organizations, and employees at other
24 locations where the applicant or its developer has
25 performed similar functions as they would perform if the
26 applicant were granted a license.

1 (5) Identification of adverse effects that might be
2 caused by the proposed facility where gambling is to be
3 conducted by the applicant, including the costs of meeting
4 increased demand for public health care, child care, public
5 transportation, affordable housing, and social services,
6 and a plan to mitigate those adverse effects.

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

9 (A) federal, state, and local discrimination, wage
10 and hour, disability, and occupational and
11 environmental health and safety laws; and

12 (B) state and local labor relations and employment
13 laws.

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

16 (8) A plan concerning the utilization of
17 minority-owned and women-owned businesses and concerning
18 the hiring of minorities and women.

19 (9) Evidence the applicant used its best efforts to
20 reach a goal of 25% ownership representation by minority
21 persons and 5% ownership representation by women.

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

26 (c) Each applicant shall disclose the identity of every

1 person or entity ~~, association, trust or corporation~~ having a
2 greater than 1% direct or indirect pecuniary interest in the
3 ~~riverboat~~ gambling operation with respect to which the license
4 is sought. If the disclosed entity is a trust, the application
5 shall disclose the names and addresses of all ~~the~~
6 beneficiaries; if a corporation, the names and addresses of all
7 stockholders and directors; if a partnership, the names and
8 addresses of all partners, both general and limited.

9 (d) An application shall be filed and considered in
10 accordance with the rules of the Board. Each application shall
11 be accompanied by a nonrefundable ~~An~~ application fee of
12 \$250,000. In addition, a nonrefundable fee of \$50,000 shall be
13 paid at the time of filing to defray the costs associated with
14 the background investigation conducted by the Board. If the
15 costs of the investigation exceed \$50,000, the applicant shall
16 pay the additional amount to the Board within 7 days after
17 requested by the Board. If the costs of the investigation are
18 less than \$50,000, the applicant shall receive a refund of the
19 remaining amount. All information, records, interviews,
20 reports, statements, memoranda or other data supplied to or
21 used by the Board in the course of its review or investigation
22 of an application for a license or a renewal under this Act
23 shall be privileged, strictly confidential and shall be used
24 only for the purpose of evaluating an applicant for a license
25 or a 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 State Gaming Fund.

5 (e) The Board shall charge each applicant a fee set by the
6 Department of State Police to defray the costs associated with
7 the search and classification of fingerprints obtained by the
8 Board with respect to the applicant's application. These fees
9 shall be paid into the State Police Services Fund. In order to
10 expedite the application process, the Board may establish rules
11 allowing applicants to acquire criminal background checks and
12 financial integrity reviews as part of the initial application
13 process from a list of vendors approved by the Board.

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

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

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

1 (230 ILCS 10/7) (from Ch. 120, par. 2407)

2 Sec. 7. Owners licenses.

3 (a) The Board shall issue owners licenses to persons or
4 entities that, ~~firms or corporations which~~ apply for such
5 licenses upon payment to the Board of the non-refundable
6 license fee as provided in subsection (e) or (e-5) ~~set by the~~
7 ~~Board, upon payment of a \$25,000 license fee for the first year~~
8 ~~of operation and a \$5,000 license fee for each succeeding year~~
9 and upon a determination by the Board that the applicant is
10 eligible for an owners license pursuant to this Act and the
11 rules of the Board. From the effective date of this amendatory
12 Act of the 95th General Assembly until (i) 3 years after the
13 effective date of this amendatory Act of the 95th General
14 Assembly, (ii) the date any organization licensee begins to
15 operate a slot machine or video game of chance under the
16 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
17 that payments begin under subsection (c-5) of Section 13 of the
18 Act, ~~or~~ (iv) the wagering tax imposed under Section 13 of this
19 Act is increased by law to reflect a tax rate that is at least
20 as stringent or more stringent than the tax rate contained in
21 subsection (a-3) of Section 13, or (v) when an owners licensee
22 holding a license issued pursuant to Section 7.1 of this Act
23 begins conducting gaming, whichever occurs first, as a
24 condition of licensure and as an alternative source of payment
25 for those funds payable under subsection (c-5) of Section 13 of
26 this ~~the Riverboat Gambling~~ Act, any owners licensee that holds

1 or receives its owners license on or after the effective date
2 of this amendatory Act of the 94th General Assembly, other than
3 an owners licensee operating a riverboat with adjusted gross
4 receipts in calendar year 2004 of less than \$200,000,000, must
5 pay into the Horse Racing Equity Trust Fund, in addition to any
6 other payments required under this Act, an amount equal to 3%
7 of the adjusted gross receipts received by the owners licensee.
8 The payments required under this Section shall be made by the
9 owners licensee to the State Treasurer no later than 3:00
10 o'clock p.m. of the day after the day when the adjusted gross
11 receipts were received by the owners licensee. A person, ~~firm~~
12 or entity ~~corporation~~ is ineligible to receive an owners
13 license if:

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

16 (2) the person has been convicted of any violation of
17 Article 28 of the Criminal Code of 1961 or the Criminal
18 Code of 2012, or substantially similar laws of any other
19 jurisdiction;

20 (3) the person has submitted an application for a
21 license under this Act which contains false information;

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

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

26 (6) the entity ~~firm or corporation~~ employs a person

1 defined in (1), (2), (3) or (4) who participates in the
2 management or operation of gambling operations authorized
3 under this Act;

4 (7) (blank); or

5 (8) a license of the person or entity, ~~firm or~~
6 ~~corporation~~ issued under this Act, or a license to own or
7 operate gambling facilities in any other jurisdiction, has
8 been revoked.

9 The Board is expressly prohibited from making changes to
10 the requirement that licensees make payment into the Horse
11 Racing Equity Trust Fund without the express authority of the
12 Illinois General Assembly and making any other rule to
13 implement or interpret this amendatory Act of the 95th General
14 Assembly. For the purposes of this paragraph, "rules" is given
15 the meaning given to that term in Section 1-70 of the Illinois
16 Administrative Procedure Act.

17 (b) In determining whether to grant an owners license to an
18 applicant, the Board shall consider:

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

22 (A) controls, directly or indirectly, such
23 applicant, or

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

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

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

5 (4) the extent to which the ownership of the applicant
6 reflects the diversity of the State by including minority
7 persons, women, and persons with a disability and the good
8 faith affirmative action plan of each applicant to recruit,
9 train and upgrade minority persons, women, and persons with
10 a disability in all employment classifications; the Board
11 shall further consider granting an owners license and
12 giving preference to an applicant under this Section to
13 applicants in which minority persons and women hold
14 ownership interest of at least 16% and 4%, respectively.

15 (4.5) the extent to which the ownership of the
16 applicant includes veterans of service in the armed forces
17 of the United States, and the good faith affirmative action
18 plan of each applicant to recruit, train, and upgrade
19 veterans of service in the armed forces of the United
20 States in all employment classifications;

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

23 (6) whether the applicant has adequate capitalization
24 to provide and maintain, for the duration of a license, a
25 riverboat or casino;

26 (7) the extent to which the applicant exceeds or meets

1 other standards for the issuance of an owners license which
2 the Board may adopt by rule; ~~and~~

3 (8) the ~~The~~ amount of the applicant's license bid; ~~+~~

4 (9) the extent to which the applicant or the proposed
5 host municipality plans to enter into revenue sharing
6 agreements with communities other than the host
7 municipality; and

8 (10) the extent to which the ownership of an applicant
9 includes the most qualified number of minority persons,
10 women, and persons with a disability.

11 (c) Each owners license shall specify the place where the
12 casino ~~riverboats~~ shall operate or the riverboat shall operate
13 and dock.

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

16 (e) In addition to any licenses authorized under subsection
17 (e-5) of this Section, the ~~The~~ Board may issue up to 10
18 licenses authorizing the holders of such licenses to own
19 riverboats. In the application for an owners license, the
20 applicant shall state the dock at which the riverboat is based
21 and the water on which the riverboat will be located. The Board
22 shall issue 5 licenses to become effective not earlier than
23 January 1, 1991. Three of such licenses shall authorize
24 riverboat gambling on the Mississippi River, or, with approval
25 by the municipality in which the riverboat was docked on August
26 7, 2003 and with Board approval, be authorized to relocate to a

1 new location, in a municipality that (1) borders on the
2 Mississippi River or is within 5 miles of the city limits of a
3 municipality that borders on the Mississippi River and (2), on
4 August 7, 2003, had a riverboat conducting riverboat gambling
5 operations pursuant to a license issued under this Act; one of
6 which shall authorize riverboat gambling from a home dock in
7 the city of East St. Louis; and one of which shall authorize
8 riverboat gambling from a home dock in the City of Alton. One
9 other license shall authorize riverboat gambling on the
10 Illinois River in the City of East Peoria or, with Board
11 approval, shall authorize land-based gambling operations
12 anywhere within the corporate limits of the City of Peoria
13 ~~south of Marshall County.~~ The Board shall issue one additional
14 license to become effective not earlier than March 1, 1992,
15 which shall authorize riverboat gambling on the Des Plaines
16 River in Will County. The Board may issue 4 additional licenses
17 to become effective not earlier than March 1, 1992. In
18 determining the water upon which riverboats will operate, the
19 Board shall consider the economic benefit which riverboat
20 gambling confers on the State, and shall seek to assure that
21 all regions of the State share in the economic benefits of
22 riverboat gambling.

23 In granting all licenses, the Board may give favorable
24 consideration to economically depressed areas of the State, to
25 applicants presenting plans which provide for significant
26 economic development over a large geographic area, and to

1 applicants who currently operate non-gambling riverboats in
2 Illinois. The Board shall review all applications for owners
3 licenses, and shall inform each applicant of the Board's
4 decision. The Board may grant an owners license to an applicant
5 that has not submitted the highest license bid, but if it does
6 not select the highest bidder, the Board shall issue a written
7 decision explaining why another applicant was selected and
8 identifying the factors set forth in this Section that favored
9 the winning bidder. The fee for issuance or renewal of a
10 license pursuant to this subsection (e) shall be \$250,000.

11 (e-5) In addition to licenses authorized under subsection
12 (e) of this Section:

13 (1) the Board shall issue one owners license
14 authorizing the conduct of casino gambling in the City of
15 Chicago;

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

18 (3) the Board may issue one owners license authorizing
19 the conduct of riverboat gambling located in the City of
20 Waukegan;

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

23 (5) the Board may issue one owners license authorizing
24 the conduct of riverboat gambling in a municipality that is
25 wholly or partially located in one of the following
26 townships of Cook County: Bloom, Bremen, Calumet, Rich,

1 Thornton, or Worth Township; and

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

5 Except for the license authorized under paragraph (1), each
6 application for a license pursuant to this subsection (e-5)
7 shall be submitted to the Board no later than 120 days after
8 the effective date of this amendatory Act of the 101st General
9 Assembly. All applications for a license under this subsection
10 (e-5) shall include the nonrefundable application fee and the
11 nonrefundable background investigation fee as provided in
12 subsection (d) of Section 6 of this Act. In the event that an
13 applicant submits an application for a license pursuant to this
14 subsection (e-5) prior to the effective date of this amendatory
15 Act of the 101st General Assembly, such applicant shall submit
16 the nonrefundable application fee and background investigation
17 fee as provided in subsection (d) of Section 6 of this Act no
18 later than 6 months after the effective date of this amendatory
19 Act of the 101st General Assembly.

20 The Board shall consider issuing a license pursuant to
21 paragraphs (1) through (6) of this subsection only after the
22 corporate authority of the municipality or the county board of
23 the county in which the riverboat or casino shall be located
24 has certified to the Board the following:

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

1 (ii) that the applicant and the corporate authority or
2 county board have mutually agreed on the permanent location
3 of the riverboat or casino;

4 (iii) that the applicant and the corporate authority or
5 county board have mutually agreed on the temporary location
6 of the riverboat or casino;

7 (iv) that the applicant and the corporate authority or
8 the county board have mutually agreed on the percentage of
9 revenues that will be shared with the municipality or
10 county, if any;

11 (v) that the applicant and the corporate authority or
12 county board have mutually agreed on any zoning, licensing,
13 public health, or other issues that are within the
14 jurisdiction of the municipality or county; and

15 (vi) that the corporate authority or county board has
16 passed a resolution or ordinance in support of the
17 riverboat or casino in the municipality or county.

18 At least 7 days before the corporate authority of a
19 municipality or county board of the county submits a
20 certification to the Board concerning items (i) through (vi) of
21 this subsection, it shall hold a public hearing to discuss
22 items (i) through (vi), as well as any other details concerning
23 the proposed riverboat or casino in the municipality or county.
24 The corporate authority or county board must subsequently
25 memorialize the details concerning the proposed riverboat or
26 casino in a resolution that must be adopted by a majority of

1 the corporate authority or county board before any
2 certification is sent to the Board. The Board shall not alter,
3 amend, change, or otherwise interfere with any agreement
4 between the applicant and the corporate authority of the
5 municipality or county board of the county regarding the
6 location of any temporary or permanent facility.

7 In addition, within 30 days after the effective date of
8 this amendatory Act of the 101st General Assembly, the Board,
9 with consent and at the expense of the City of Chicago, shall
10 select and retain the services of a nationally recognized
11 casino gaming feasibility consultant. Within 150 days after the
12 effective date of this amendatory Act of the 101st General
13 Assembly, the consultant shall prepare and deliver to the Board
14 a study concerning the feasibility of, and the ability to
15 finance, a casino in the City of Chicago. The feasibility study
16 shall be delivered to the Mayor of the City of Chicago, the
17 Governor, the President of the Senate, and the Speaker of the
18 House of Representatives. Ninety days after receipt of the
19 feasibility study, the Board shall make a determination, based
20 on the results of the feasibility study, whether to issue a
21 license under paragraph (1) of this subsection (e-5). The Board
22 may begin accepting applications for the owners license under
23 paragraph (1) of this subsection (e-5) upon the determination
24 to issue such an owners license.

25 In addition, prior to the Board issuing the owners license
26 authorized under paragraph (4) of subsection (e-5), an impact

1 study shall be completed to determine what location in the city
2 will provide the greater impact to the region, including the
3 creation of jobs and the generation of tax revenue.

4 (e-10) The licenses authorized under subsection (e-5) of
5 this Section shall be issued within 12 months after the date
6 the license application is submitted. If the Board does not
7 issue the licenses within that time period, then the Board
8 shall give a written explanation to the applicant as to why it
9 has not reached a determination and when it reasonably expects
10 to make a determination. The fee for the issuance or renewal of
11 a license issued pursuant to this subsection (e-10) shall be
12 \$250,000. Additionally, a licensee located outside of Cook
13 County shall pay a minimum initial fee of \$17,500 per gaming
14 position, and a licensee located in Cook County shall pay a
15 minimum initial fee of \$30,000 per gaming position. The initial
16 fees payable under this subsection (e-10) shall be deposited
17 into the Rebuild Illinois Projects Fund.

18 (e-15) Each licensee of a license authorized under
19 subsection (e-5) of this Section shall make a reconciliation
20 payment 3 years after the date the licensee begins operating in
21 an amount equal to 75% of the adjusted gross receipts for the
22 most lucrative 12-month period of operations, minus an amount
23 equal to the initial payment per gaming position paid by the
24 specific licensee. Each licensee shall pay a \$15,000,000
25 reconciliation fee upon issuance of an owners license. If this
26 calculation results in a negative amount, then the licensee is

1 not entitled to any reimbursement of fees previously paid. This
2 reconciliation payment may be made in installments over a
3 period of no more than 2 years, subject to Board approval. Any
4 installment payments shall include an annual market interest
5 rate as determined by the Board. All payments by licensees
6 under this subsection (e-15) shall be deposited into the
7 Rebuild Illinois Projects Fund.

8 (e-20) In addition to any other revocation powers granted
9 to the Board under this Act, the Board may revoke the owners
10 license of a licensee which fails to begin conducting gambling
11 within 15 months of receipt of the Board's approval of the
12 application if the Board determines that license revocation is
13 in the best interests of the State.

14 (f) The first 10 owners licenses issued under this Act
15 shall permit the holder to own up to 2 riverboats and equipment
16 thereon for a period of 3 years after the effective date of the
17 license. Holders of the first 10 owners licenses must pay the
18 annual license fee for each of the 3 years during which they
19 are authorized to own riverboats.

20 (g) Upon the termination, expiration, or revocation of each
21 of the first 10 licenses, which shall be issued for a 3 year
22 period, all licenses are renewable annually upon payment of the
23 fee and a determination by the Board that the licensee
24 continues to meet all of the requirements of this Act and the
25 Board's rules. However, for licenses renewed on or after May 1,
26 1998, renewal shall be for a period of 4 years, unless the

1 Board sets a shorter period.

2 (h) An owners license, except for an owners license issued
3 under subsection (e-5) of this Section, shall entitle the
4 licensee to own up to 2 riverboats.

5 An owners licensee of a casino or riverboat that is located
6 in the City of Chicago pursuant to paragraph (1) of subsection
7 (e-5) of this Section shall limit the number of gaming
8 positions to 4,000 for such owner. An owners licensee
9 authorized under subsection (e) or paragraph (2), (3), (4), or
10 (5) of subsection (e-5) of this Section shall limit the number
11 of gaming positions to 2,000 for any such owners license. An
12 owners licensee authorized under paragraph (6) of subsection
13 (e-5) of this Section ~~A licensee~~ shall limit the number of
14 gaming positions ~~gambling participants~~ to 1,200 for ~~any~~ such
15 owner. The initial fee for each gaming position obtained on or
16 after the effective date of this amendatory Act of the 101st
17 General Assembly shall be a minimum of \$17,500 for licensees
18 not located in Cook County and a minimum of \$30,000 for
19 licensees located in Cook County, in addition to the
20 reconciliation payment, as set forth in subsection (e-15) of
21 this Section ~~owners license~~. The fees under this subsection (h)
22 shall be deposited into the Rebuild Illinois Projects Fund. The
23 fees under this subsection (h) that are paid by an owners
24 licensee authorized under subsection (e) shall be paid by July
25 1, 2020.

26 Each owners licensee under subsection (e) of this Section

1 shall reserve its gaming positions within 30 days after the
2 effective date of this amendatory Act of the 101st General
3 Assembly. The Board may grant an extension to this 30-day
4 period, provided that the owners licensee submits a written
5 request and explanation as to why it is unable to reserve its
6 positions within the 30-day period.

7 Each owners licensee under subsection (e-5) of this
8 Section shall reserve its gaming positions within 30 days after
9 issuance of its owners license. The Board may grant an
10 extension to this 30-day period, provided that the owners
11 licensee submits a written request and explanation as to why it
12 is unable to reserve its positions within the 30-day period.

13 A licensee may operate both of its riverboats concurrently,
14 provided that the total number of gaming positions ~~gambling~~
15 ~~participants~~ on both riverboats does not exceed the limit
16 established pursuant to this subsection ~~1,200~~. Riverboats
17 licensed to operate on the Mississippi River and the Illinois
18 River south of Marshall County shall have an authorized
19 capacity of at least 500 persons. Any other riverboat licensed
20 under this Act shall have an authorized capacity of at least
21 400 persons.

22 (h-5) An owners licensee who conducted gambling operations
23 prior to January 1, 2012 and obtains positions pursuant to this
24 amendatory Act of the 101st General Assembly shall make a
25 reconciliation payment 3 years after any additional gaming
26 positions begin operating in an amount equal to 75% of the

1 owners licensee's average gross receipts for the most lucrative
2 12-month period of operations minus an amount equal to the
3 initial fee that the owners licensee paid per additional gaming
4 position. For purposes of this subsection (h-5), "average gross
5 receipts" means (i) the increase in adjusted gross receipts for
6 the most lucrative 12-month period of operations over the
7 adjusted gross receipts for 2019, multiplied by (ii) the
8 percentage derived by dividing the number of additional gaming
9 positions that an owners licensee had obtained by the total
10 number of gaming positions operated by the owners licensee. If
11 this calculation results in a negative amount, then the owners
12 licensee is not entitled to any reimbursement of fees
13 previously paid. This reconciliation payment may be made in
14 installments over a period of no more than 2 years, subject to
15 Board approval. Any installment payments shall include an
16 annual market interest rate as determined by the Board. These
17 reconciliation payments shall be deposited into the Rebuild
18 Illinois Projects Fund.

19 (i) A licensed owner is authorized to apply to the Board
20 for and, if approved therefor, to receive all licenses from the
21 Board necessary for the operation of a riverboat or casino,
22 including a liquor license, a license to prepare and serve food
23 for human consumption, and other necessary licenses. All use,
24 occupation and excise taxes which apply to the sale of food and
25 beverages in this State and all taxes imposed on the sale or
26 use of tangible personal property apply to such sales aboard

1 the riverboat or in the casino.

2 (j) The Board may issue or re-issue a license authorizing a
3 riverboat to dock in a municipality or approve a relocation
4 under Section 11.2 only if, prior to the issuance or
5 re-issuance of the license or approval, the governing body of
6 the municipality in which the riverboat will dock has by a
7 majority vote approved the docking of riverboats in the
8 municipality. The Board may issue or re-issue a license
9 authorizing a riverboat to dock in areas of a county outside
10 any municipality or approve a relocation under Section 11.2
11 only if, prior to the issuance or re-issuance of the license or
12 approval, the governing body of the county has by a majority
13 vote approved of the docking of riverboats within such areas.

14 (k) An owners licensee may conduct land-based gambling
15 operations upon approval by the Board and payment of a fee of
16 \$250,000, which shall be deposited into the State Gaming Fund.

17 (l) An owners licensee may conduct gaming at a temporary
18 facility pending the construction of a permanent facility or
19 the remodeling or relocation of an existing facility to
20 accommodate gaming participants for up to 24 months after the
21 temporary facility begins to conduct gaming. Upon request by an
22 owners licensee and upon a showing of good cause by the owners
23 licensee, the Board shall extend the period during which the
24 licensee may conduct gaming at a temporary facility by up to 12
25 months. The Board shall make rules concerning the conduct of
26 gaming from temporary facilities.

1 (Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

2 (230 ILCS 10/7.3)

3 Sec. 7.3. State conduct of gambling operations.

4 (a) If, after reviewing each application for a re-issued
5 license, the Board determines that the highest prospective
6 total revenue to the State would be derived from State conduct
7 of the gambling operation in lieu of re-issuing the license,
8 the Board shall inform each applicant of its decision. The
9 Board shall thereafter have the authority, without obtaining an
10 owners license, to conduct casino or riverboat gambling
11 operations as previously authorized by the terminated,
12 expired, revoked, or nonrenewed license through a licensed
13 manager selected pursuant to an open and competitive bidding
14 process as set forth in Section 7.5 and as provided in Section
15 7.4.

16 (b) The Board may locate any casino or riverboat on which a
17 gambling operation is conducted by the State in any home dock
18 or other location authorized by Section 3(c) upon receipt of
19 approval from a majority vote of the governing body of the
20 municipality or county, as the case may be, in which the
21 riverboat will dock.

22 (c) The Board shall have jurisdiction over and shall
23 supervise all gambling operations conducted by the State
24 provided for in this Act and shall have all powers necessary
25 and proper to fully and effectively execute the provisions of

1 this Act relating to gambling operations conducted by the
2 State.

3 (d) The maximum number of owners licenses authorized under
4 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
5 which the Board authorizes the State to conduct a casino or
6 riverboat gambling operation under subsection (a) in lieu of
7 re-issuing a license to an applicant under Section 7.1.

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

9 (230 ILCS 10/7.5)

10 Sec. 7.5. Competitive Bidding. When the Board determines
11 that (i) it will re-issue an owners license pursuant to an open
12 and competitive bidding process, as set forth in Section 7.1,
13 (ii) ~~or that~~ it will issue a managers license pursuant to an
14 open and competitive bidding process, as set forth in Section
15 7.4, or (iii) it will issue an owners license pursuant to an
16 open and competitive bidding process, as set forth in Section
17 7.12, the open and competitive bidding process shall adhere to
18 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. Organization gaming licenses.

10 (a) The Illinois Gaming Board shall award one organization
11 gaming license to each person or entity having operating
12 control of a racetrack that applies under Section 56 of the
13 Illinois Horse Racing Act of 1975, subject to the application
14 and eligibility requirements of this Section. Within 60 days
15 after the effective date of this amendatory Act of the 101st
16 General Assembly, a person or entity having operating control
17 of a racetrack may submit an application for an organization
18 gaming license. The application shall be made on such forms as
19 provided by the Board and shall contain such information as the
20 Board prescribes, including, but not limited to, the identity
21 of any racetrack at which gaming will be conducted pursuant to
22 an organization gaming license, detailed information regarding
23 the ownership and management of the applicant, and detailed
24 personal information regarding the applicant. The application
25 shall specify the number of gaming positions the applicant

1 intends to use and the place where the organization gaming
2 facility will operate. A person who knowingly makes a false
3 statement on an application is guilty of a Class A misdemeanor.

4 Each applicant shall disclose the identity of every person
5 or entity having a direct or indirect pecuniary interest
6 greater than 1% in any racetrack with respect to which the
7 license is sought. If the disclosed entity is a corporation,
8 the applicant shall disclose the names and addresses of all
9 stockholders and directors. If the disclosed entity is a
10 limited liability company, the applicant shall disclose the
11 names and addresses of all members and managers. If the
12 disclosed entity is a partnership, the applicant shall disclose
13 the names and addresses of all partners, both general and
14 limited. If the disclosed entity is a trust, the applicant
15 shall disclose the names and addresses of all beneficiaries.

16 An application shall be filed and considered in accordance
17 with the rules of the Board. Each application for an
18 organization gaming license shall include a nonrefundable
19 application fee of \$250,000. In addition, a nonrefundable fee
20 of \$50,000 shall be paid at the time of filing to defray the
21 costs associated with background investigations conducted by
22 the Board. If the costs of the background investigation exceed
23 \$50,000, the applicant shall pay the additional amount to the
24 Board within 7 days after a request by the Board. If the costs
25 of the investigation are less than \$50,000, the applicant shall
26 receive a refund of the remaining amount. All information,

1 records, interviews, reports, statements, memoranda, or other
2 data supplied to or used by the Board in the course of this
3 review or investigation of an applicant for an organization
4 gaming license under this Act shall be privileged and strictly
5 confidential and shall be used only for the purpose of
6 evaluating an applicant for an organization gaming license or a
7 renewal. Such information, records, interviews, reports,
8 statements, memoranda, or other data shall not be admissible as
9 evidence nor discoverable in any action of any kind in any
10 court or before any tribunal, board, agency or person, except
11 for any action deemed necessary by the Board. The application
12 fee shall be deposited into the State Gaming Fund.

13 Each applicant shall submit with his or her application, on
14 forms provided by the Board, a set of his or her fingerprints.
15 The Board shall charge each applicant a fee set by the
16 Department of State Police to defray the costs associated with
17 the search and classification of fingerprints obtained by the
18 Board with respect to the applicant's application. This fee
19 shall be paid into the State Police Services Fund.

20 (b) The Board shall determine within 120 days after
21 receiving an application for an organization gaming license
22 whether to grant an organization gaming license to the
23 applicant. If the Board does not make a determination within
24 that time period, then the Board shall give a written
25 explanation to the applicant as to why it has not reached a
26 determination and when it reasonably expects to make a

1 determination.

2 The organization gaming licensee shall purchase up to the
3 amount of gaming positions authorized under this Act within 120
4 days after receiving its organization gaming license. If an
5 organization gaming licensee is prepared to purchase the gaming
6 positions, but is temporarily prohibited from doing so by order
7 of a court of competent jurisdiction or the Board, then the
8 120-day period is tolled until a resolution is reached.

9 An organization gaming license shall authorize its holder
10 to conduct gaming under this Act at its racetracks on the same
11 days of the year and hours of the day that owners licenses are
12 allowed to operate under approval of the Board.

13 An organization gaming license and any renewal of an
14 organization gaming license shall authorize gaming pursuant to
15 this Section for a period of 4 years. The fee for the issuance
16 or renewal of an organization gaming license shall be \$250,000.

17 All payments by licensees under this subsection (b) shall
18 be deposited into the Rebuild Illinois Projects Fund.

19 (c) To be eligible to conduct gaming under this Section, a
20 person or entity having operating control of a racetrack must
21 (i) obtain an organization gaming license, (ii) hold an
22 organization license under the Illinois Horse Racing Act of
23 1975, (iii) hold an inter-track wagering license, (iv) pay an
24 initial fee of \$30,000 per gaming position from organization
25 gaming licensees where gaming is conducted in Cook County and,
26 except as provided in subsection (c-5), \$17,500 for

1 organization gaming licensees where gaming is conducted
2 outside of Cook County before beginning to conduct gaming plus
3 make the reconciliation payment required under subsection (k),
4 (v) conduct live racing in accordance with subsections (e-1),
5 (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act
6 of 1975, (vi) meet the requirements of subsection (a) of
7 Section 56 of the Illinois Horse Racing Act of 1975, (vii) for
8 organization licensees conducting standardbred race meetings,
9 keep backstretch barns and dormitories open and operational
10 year-round unless a lesser schedule is mutually agreed to by
11 the organization licensee and the horsemen association racing
12 at that organization licensee's race meeting, (viii) for
13 organization licensees conducting thoroughbred race meetings,
14 the organization licensee must maintain accident medical
15 expense liability insurance coverage of \$1,000,000 for
16 jockeys, and (ix) meet all other requirements of this Act that
17 apply to owners licensees.

18 An organization gaming licensee may enter into a joint
19 venture with a licensed owner to own, manage, conduct, or
20 otherwise operate the organization gaming licensee's
21 organization gaming facilities, unless the organization gaming
22 licensee has a parent company or other affiliated company that
23 is, directly or indirectly, wholly owned by a parent company
24 that is also licensed to conduct organization gaming, casino
25 gaming, or their equivalent in another state.

26 All payments by licensees under this subsection (c) shall

1 be deposited into the Rebuild Illinois Projects Fund.

2 (c-5) A person or entity having operating control of a
3 racetrack located in Madison County shall only pay the initial
4 fees specified in subsection (c) for 540 of the gaming
5 positions authorized under the license.

6 (d) A person or entity is ineligible to receive an
7 organization gaming license if:

8 (1) the person or entity has been convicted of a felony
9 under the laws of this State, any other state, or the
10 United States, including a conviction under the Racketeer
11 Influenced and Corrupt Organizations Act;

12 (2) the person or entity has been convicted of any
13 violation of Article 28 of the Criminal Code of 2012, or
14 substantially similar laws of any other jurisdiction;

15 (3) the person or entity has submitted an application
16 for a license under this Act that contains false
17 information;

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

19 (5) a person defined in (1), (2), (3), or (4) of this
20 subsection (d) is an officer, director, or managerial
21 employee of the entity;

22 (6) the person or entity employs a person defined in
23 (1), (2), (3), or (4) of this subsection (d) who
24 participates in the management or operation of gambling
25 operations authorized under this Act; or

26 (7) a license of the person or entity issued under this

1 Act or a license to own or operate gambling facilities in
2 any other jurisdiction has been revoked.

3 (e) The Board may approve gaming positions pursuant to an
4 organization gaming license statewide as provided in this
5 Section. The authority to operate gaming positions under this
6 Section shall be allocated as follows: up to 1,200 gaming
7 positions for any organization gaming licensee in Cook County
8 and up to 900 gaming positions for any organization gaming
9 licensee outside of Cook County.

10 (f) Each applicant for an organization gaming license shall
11 specify in its application for licensure the number of gaming
12 positions it will operate, up to the applicable limitation set
13 forth in subsection (e) of this Section. Any unreserved gaming
14 positions that are not specified shall be forfeited and
15 retained by the Board. For the purposes of this subsection (f),
16 an organization gaming licensee that did not conduct live
17 racing in 2010 and is located within 3 miles of the Mississippi
18 River may reserve up to 900 positions and shall not be
19 penalized under this Section for not operating those positions
20 until it meets the requirements of subsection (e) of this
21 Section, but such licensee shall not request unreserved gaming
22 positions under this subsection (f) until its 900 positions are
23 all operational.

24 Thereafter, the Board shall publish the number of
25 unreserved gaming positions and shall accept requests for
26 additional positions from any organization gaming licensee

1 that initially reserved all of the positions that were offered.
2 The Board shall allocate expeditiously the unreserved gaming
3 positions to requesting organization gaming licensees in a
4 manner that maximizes revenue to the State. The Board may
5 allocate any such unused gaming positions pursuant to an open
6 and competitive bidding process, as provided under Section 7.5
7 of this Act. This process shall continue until all unreserved
8 gaming positions have been purchased. All positions obtained
9 pursuant to this process and all positions the organization
10 gaming licensee specified it would operate in its application
11 must be in operation within 18 months after they were obtained
12 or the organization gaming licensee forfeits the right to
13 operate those positions, but is not entitled to a refund of any
14 fees paid. The Board may, after holding a public hearing, grant
15 extensions so long as the organization gaming licensee is
16 working in good faith to make the positions operational. The
17 extension may be for a period of 6 months. If, after the period
18 of the extension, the organization gaming licensee has not made
19 the positions operational, then another public hearing must be
20 held by the Board before it may grant another extension.

21 Unreserved gaming positions retained from and allocated to
22 organization gaming licensees by the Board pursuant to this
23 subsection (f) shall not be allocated to owners licensees under
24 this Act.

25 For the purpose of this subsection (f), the unreserved
26 gaming positions for each organization gaming licensee shall be

1 the applicable limitation set forth in subsection (e) of this
2 Section, less the number of reserved gaming positions by such
3 organization gaming licensee, and the total unreserved gaming
4 positions shall be the aggregate of the unreserved gaming
5 positions for all organization gaming licensees.

6 (g) An organization gaming licensee is authorized to
7 conduct the following at a racetrack:

8 (1) slot machine gambling;

9 (2) video game of chance gambling;

10 (3) gambling with electronic gambling games as defined
11 in this Act or defined by the Illinois Gaming Board; and

12 (4) table games.

13 (h) Subject to the approval of the Illinois Gaming Board,
14 an organization gaming licensee may make modification or
15 additions to any existing buildings and structures to comply
16 with the requirements of this Act. The Illinois Gaming Board
17 shall make its decision after consulting with the Illinois
18 Racing Board. In no case, however, shall the Illinois Gaming
19 Board approve any modification or addition that alters the
20 grounds of the organization licensee such that the act of live
21 racing is an ancillary activity to gaming authorized under this
22 Section. Gaming authorized under this Section may take place in
23 existing structures where inter-track wagering is conducted at
24 the racetrack or a facility within 300 yards of the racetrack
25 in accordance with the provisions of this Act and the Illinois
26 Horse Racing Act of 1975.

1 (i) An organization gaming licensee may conduct gaming at a
2 temporary facility pending the construction of a permanent
3 facility or the remodeling or relocation of an existing
4 facility to accommodate gaming participants for up to 24 months
5 after the temporary facility begins to conduct gaming
6 authorized under this Section. Upon request by an organization
7 gaming licensee and upon a showing of good cause by the
8 organization gaming licensee, the Board shall extend the period
9 during which the licensee may conduct gaming authorized under
10 this Section at a temporary facility by up to 12 months. The
11 Board shall make rules concerning the conduct of gaming
12 authorized under this Section from temporary facilities.

13 The gaming authorized under this Section may take place in
14 existing structures where inter-track wagering is conducted at
15 the racetrack or a facility within 300 yards of the racetrack
16 in accordance with the provisions of this Act and the Illinois
17 Horse Racing Act of 1975.

18 (i-5) Under no circumstances shall an organization gaming
19 licensee conduct gaming at any State or county fair.

20 (j) The Illinois Gaming Board must adopt emergency rules in
21 accordance with Section 5-45 of the Illinois Administrative
22 Procedure Act as necessary to ensure compliance with the
23 provisions of this amendatory Act of the 101st General Assembly
24 concerning the conduct of gaming by an organization gaming
25 licensee. The adoption of emergency rules authorized by this
26 subsection (j) shall be deemed to be necessary for the public

1 interest, safety, and welfare.

2 (k) Each organization gaming licensee who obtains gaming
3 positions must make a reconciliation payment 3 years after the
4 date the organization gaming licensee begins operating the
5 positions in an amount equal to 75% of the difference between
6 its adjusted gross receipts from gaming authorized under this
7 Section and amounts paid to its purse accounts pursuant to item
8 (1) of subsection (b) of Section 56 of the Illinois Horse
9 Racing Act of 1975 for the 12-month period for which such
10 difference was the largest, minus an amount equal to the
11 initial per position fee paid by the organization gaming
12 licensee. If this calculation results in a negative amount,
13 then the organization gaming licensee is not entitled to any
14 reimbursement of fees previously paid. This reconciliation
15 payment may be made in installments over a period of no more
16 than 2 years, subject to Board approval. Any installment
17 payments shall include an annual market interest rate as
18 determined by the Board.

19 All payments by licensees under this subsection (k) shall
20 be deposited into the Rebuild Illinois Projects Fund.

21 (l) As soon as practical after a request is made by the
22 Illinois Gaming Board, to minimize duplicate submissions by the
23 applicant, the Illinois Racing Board must provide information
24 on an applicant for an organization gaming license to the
25 Illinois Gaming Board.

1 (230 ILCS 10/7.8 new)

2 Sec. 7.8. Home rule. The regulation and licensing of
3 organization gaming licensees and gaming conducted pursuant to
4 an organization gaming license are exclusive powers and
5 functions of the State. A home rule unit may not regulate or
6 license such gaming or organization gaming licensees. This
7 Section is a denial and limitation of home rule powers and
8 functions under subsection (h) of Section 6 of Article VII of
9 the Illinois Constitution.

10 (230 ILCS 10/7.10 new)

11 Sec. 7.10. Diversity program.

12 (a) Each owners licensee, organization gaming licensee,
13 and suppliers licensee shall establish and maintain a diversity
14 program to ensure non-discrimination in the award and
15 administration of contracts. The programs shall establish
16 goals of awarding not less than 25% of the annual dollar value
17 of all contracts, purchase orders, or other agreements to
18 minority-owned businesses and 5% of the annual dollar value of
19 all contracts to women-owned businesses.

20 (b) Each owners licensee, organization gaming licensee,
21 and suppliers licensee shall establish and maintain a diversity
22 program designed to promote equal opportunity for employment.
23 The program shall establish hiring goals as the Board and each
24 licensee determines appropriate. The Board shall monitor the
25 progress of the gaming licensee's progress with respect to the

1 program's goals.

2 (c) No later than May 31 of each year, each licensee shall
3 report to the Board (1) the number of respective employees and
4 the number of its respective employees who have designated
5 themselves as members of a minority group and gender and (2)
6 the total goals achieved under subsection (a) of this Section
7 as a percentage of the total contracts awarded by the license.
8 In addition, all licensees shall submit a report with respect
9 to the minority-owned and women-owned businesses program
10 created in this Section to the Board.

11 (d) When considering whether to re-issue or renew a license
12 to an owners licensee, organization gaming licensee, or
13 suppliers licensee, the Board shall take into account the
14 licensee's success in complying with the provisions of this
15 Section. If an owners licensee, organization gaming licensee,
16 or suppliers licensee has not satisfied the goals contained in
17 this Section, the Board shall require a written explanation as
18 to why the licensee is not in compliance and shall require the
19 licensee to file multi-year metrics designed to achieve
20 compliance with the provisions by the next renewal period,
21 consistent with State and federal law.

22 (230 ILCS 10/7.11 new)

23 Sec. 7.11. Annual report on diversity.

24 (a) Each licensee that receives a license under Sections 7,
25 7.1, and 7.7 shall execute and file a report with the Board no

1 later than December 31 of each year that shall contain, but not
2 be limited to, the following information:

3 (i) a good faith affirmative action plan to recruit,
4 train, and upgrade minority persons, women, and persons
5 with a disability in all employment classifications;

6 (ii) the total dollar amount of contracts that were
7 awarded to businesses owned by minority persons, women, and
8 persons with a disability;

9 (iii) the total number of businesses owned by minority
10 persons, women, and persons with a disability that were
11 utilized by the licensee;

12 (iv) the utilization of businesses owned by minority
13 persons, women, and persons with disabilities during the
14 preceding year; and

15 (v) the outreach efforts used by the licensee to
16 attract investors and businesses consisting of minority
17 persons, women, and persons with a disability.

18 (b) The Board shall forward a copy of each licensee's
19 annual reports to the General Assembly no later than February 1
20 of each year. The reports to the General Assembly shall be
21 filed with the Clerk of the House of Representatives and the
22 Secretary of the Senate in electronic form only, in the manner
23 that the Clerk and the Secretary shall direct.

24 (230 ILCS 10/7.12 new)

25 Sec. 7.12. Issuance of new owners licenses.

1 (a) Owners licenses newly authorized pursuant to this
2 amendatory Act of the 101st General Assembly may be issued by
3 the Board to a qualified applicant pursuant to an open and
4 competitive bidding process, as set forth in Section 7.5, and
5 subject to the maximum number of authorized licenses set forth
6 in subsection (e-5) of Section 7 of this Act.

7 (b) To be a qualified applicant, a person or entity may not
8 be ineligible to receive an owners license under subsection (a)
9 of Section 7 of this Act and must submit an application for an
10 owners license that complies with Section 6 of this Act.

11 (c) In determining whether to grant an owners license to an
12 applicant, the Board shall consider all of the factors set
13 forth in subsections (b) and (e-10) of Section 7 of this Act,
14 as well as the amount of the applicant's license bid. The Board
15 may grant the owners license to an applicant that has not
16 submitted the highest license bid, but if it does not select
17 the highest bidder, the Board shall issue a written decision
18 explaining why another applicant was selected and identifying
19 the factors set forth in subsections (b) and (e-10) of Section
20 7 of this Act that favored the winning bidder.

21 (230 ILCS 10/7.13 new)

22 Sec. 7.13. Environmental standards. All permanent
23 casinos, riverboats, and organization gaming facilities shall
24 consist of buildings that are certified as meeting the U.S.
25 Green Building Council's Leadership in Energy and

1 Environmental Design standards. The provisions of this Section
2 apply to a holder of an owners license or organization gaming
3 license that (i) begins operations on or after January 1, 2019
4 or (ii) relocates its facilities on or after the effective date
5 of this amendatory Act of the 101st General Assembly.

6 (230 ILCS 10/7.14 new)

7 Sec. 7.14. Chicago Casino Advisory Committee. An Advisory
8 Committee is established to monitor, review, and report on (1)
9 the utilization of minority-owned business enterprises and
10 women-owned business enterprises by the owners licensee, (2)
11 employment of women, and (3) employment of minorities with
12 regard to the development and construction of the casino as
13 authorized under paragraph (1) of subsection (e-5) of Section 7
14 of the Illinois Gambling Act. The owners licensee under
15 paragraph (1) of subsection (e-5) of Section 7 of the Illinois
16 Gambling Act shall work with the Advisory Committee in
17 accumulating necessary information for the Advisory Committee
18 to submit reports, as necessary, to the General Assembly and to
19 the City of Chicago.

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

1 periodically and shall report the information to the Mayor of
2 the City of Chicago and to the General Assembly by December
3 31st of every year.

4 The Advisory Committee shall be dissolved on the date that
5 casino gambling operations are first conducted at a permanent
6 facility under the license authorized under paragraph (1) of
7 subsection (e-5) Section 7 of the Illinois Gambling Act. For
8 the purposes of this Section, the terms "woman" and "minority
9 person" have the meanings provided in Section 2 of the Business
10 Enterprise for Minorities, Women, and Persons with
11 Disabilities Act.

12 (230 ILCS 10/7.15 new)

13 Sec. 7.15. Limitations on gaming at Chicago airports. The
14 Chicago casino may conduct gaming operations in an airport
15 under the administration or control of the Chicago Department
16 of Aviation. Gaming operations may be conducted pursuant to
17 this Section so long as: (i) gaming operations are conducted in
18 a secured area that is beyond the Transportation Security
19 Administration security checkpoints and only available to
20 airline passengers at least 21 years of age who are members of
21 a private club, and not to the general public, (ii) gaming
22 operations are limited to slot machines, as defined in Section
23 4 of the Illinois Gambling Act, and (iii) the combined number
24 of gaming positions operating in the City of Chicago at the
25 airports and at the temporary and permanent casino facility

1 does not exceed the maximum number of gaming positions
2 authorized pursuant to subsection (h) of Section 7 of the
3 Illinois Gambling Act. Gaming operations at an airport are
4 subject to all applicable laws and rules that apply to any
5 other gaming facility under the Illinois Gambling Act.

6 (230 ILCS 10/8) (from Ch. 120, par. 2408)

7 Sec. 8. Suppliers licenses.

8 (a) The Board may issue a suppliers license to such
9 persons, firms or corporations which apply therefor upon the
10 payment of a non-refundable application fee set by the Board,
11 upon a determination by the Board that the applicant is
12 eligible for a suppliers license and upon payment of a \$5,000
13 annual license fee.

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

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

21 (d) A person, firm or corporation is ineligible to receive
22 a suppliers license if:

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

25 (2) the person has been convicted of any violation of

1 Article 28 of the Criminal Code of 1961 or the Criminal
2 Code of 2012, or substantially similar laws of any other
3 jurisdiction;

4 (3) the person has submitted an application for a
5 license under this Act which contains false information;

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

7 (5) the entity ~~firm or corporation~~ is one in which a
8 person defined in (1), (2), (3) or (4), is an officer,
9 director or managerial employee;

10 (6) the firm or corporation employs a person who
11 participates in the management or operation of ~~riverboat~~
12 gambling authorized under this Act;

13 (7) the license of the person, firm or corporation
14 issued under this Act, or a license to own or operate
15 gambling facilities in any other jurisdiction, has been
16 revoked.

17 (e) Any person that supplies any equipment, devices, or
18 supplies to a licensed ~~riverboat~~ gambling operation must first
19 obtain a suppliers license. A supplier shall furnish to the
20 Board a list of all equipment, devices and supplies offered for
21 sale or lease in connection with gambling games authorized
22 under this Act. A supplier shall keep books and records for the
23 furnishing of equipment, devices and supplies to gambling
24 operations separate and distinct from any other business that
25 the supplier might operate. A supplier shall file a quarterly
26 return with the Board listing all sales and leases. A supplier

1 shall permanently affix its name or a distinctive logo or other
2 mark or design element identifying the manufacturer or supplier
3 to all its equipment, devices, and supplies, except gaming
4 chips without a value impressed, engraved, or imprinted on it,
5 for gambling operations. The Board may waive this requirement
6 for any specific product or products if it determines that the
7 requirement is not necessary to protect the integrity of the
8 game. Items purchased from a licensed supplier may continue to
9 be used even though the supplier subsequently changes its name,
10 distinctive logo, or other mark or design element; undergoes a
11 change in ownership; or ceases to be licensed as a supplier for
12 any reason. Any supplier's equipment, devices or supplies which
13 are used by any person in an unauthorized gambling operation
14 shall be forfeited to the State. A holder of an owners license
15 or an organization gaming license ~~A licensed owner~~ may own its
16 own equipment, devices and supplies. Each holder of an owners
17 license or an organization gaming license under the Act shall
18 file an annual report listing its inventories of gambling
19 equipment, devices and supplies.

20 (f) Any person who knowingly makes a false statement on an
21 application is guilty of a Class A misdemeanor.

22 (g) Any gambling equipment, devices and supplies provided
23 by any licensed supplier may either be repaired on the
24 riverboat, in the casino, or at the organization gaming
25 facility or removed from the riverboat, casino, or organization
26 gaming facility to a ~~an on-shore~~ facility owned by the holder

1 of an owners license, organization gaming license, or suppliers
2 license for repair.

3 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;
4 98-756, eff. 7-16-14.)

5 (230 ILCS 10/9) (from Ch. 120, par. 2409)

6 Sec. 9. Occupational licenses.

7 (a) The Board may issue an occupational license to an
8 applicant upon the payment of a non-refundable fee set by the
9 Board, upon a determination by the Board that the applicant is
10 eligible for an occupational license and upon payment of an
11 annual license fee in an amount to be established. To be
12 eligible for an occupational license, an applicant must:

13 (1) be at least 21 years of age if the applicant will
14 perform any function involved in gaming by patrons. Any
15 applicant seeking an occupational license for a non-gaming
16 function shall be at least 18 years of age;

17 (2) not have been convicted of a felony offense, a
18 violation of Article 28 of the Criminal Code of 1961 or the
19 Criminal Code of 2012, or a similar statute of any other
20 jurisdiction;

21 (2.5) not have been convicted of a crime, other than a
22 crime described in item (2) of this subsection (a),
23 involving dishonesty or moral turpitude, except that the
24 Board may, in its discretion, issue an occupational license
25 to a person who has been convicted of a crime described in

1 this item (2.5) more than 10 years prior to his or her
2 application and has not subsequently been convicted of any
3 other crime;

4 (3) have demonstrated a level of skill or knowledge
5 which the Board determines to be necessary in order to
6 operate gambling aboard a riverboat, in a casino, or at an
7 organization gaming facility; and

8 (4) have met standards for the holding of an
9 occupational license as adopted by rules of the Board. Such
10 rules shall provide that any person or entity seeking an
11 occupational license to manage gambling operations under
12 this Act hereunder shall be subject to background inquiries
13 and further requirements similar to those required of
14 applicants for an owners license. Furthermore, such rules
15 shall provide that each such entity shall be permitted to
16 manage gambling operations for only one licensed owner.

17 (b) Each application for an occupational license shall be
18 on forms prescribed by the Board and shall contain all
19 information required by the Board. The applicant shall set
20 forth in the application: whether he has been issued prior
21 gambling related licenses; whether he has been licensed in any
22 other state under any other name, and, if so, such name and his
23 age; and whether or not a permit or license issued to him in
24 any other state has been suspended, restricted or revoked, and,
25 if so, for what period of time.

26 (c) Each applicant shall submit with his application, on

1 forms provided by the Board, 2 sets of his fingerprints. The
2 Board shall charge each applicant a fee set by the Department
3 of State Police to defray the costs associated with the search
4 and classification of fingerprints obtained by the Board with
5 respect to the applicant's application. These fees shall be
6 paid into the State Police Services Fund.

7 (d) The Board may in its discretion refuse an occupational
8 license to any person: (1) who is unqualified to perform the
9 duties required of such applicant; (2) who fails to disclose or
10 states falsely any information called for in the application;
11 (3) who has been found guilty of a violation of this Act or
12 whose prior gambling related license or application therefor
13 has been suspended, restricted, revoked or denied for just
14 cause in any other state; or (4) for any other just cause.

15 (e) The Board may suspend, revoke or restrict any
16 occupational licensee: (1) for violation of any provision of
17 this Act; (2) for violation of any of the rules and regulations
18 of the Board; (3) for any cause which, if known to the Board,
19 would have disqualified the applicant from receiving such
20 license; or (4) for default in the payment of any obligation or
21 debt due to the State of Illinois; or (5) for any other just
22 cause.

23 (f) A person who knowingly makes a false statement on an
24 application is guilty of a Class A misdemeanor.

25 (g) Any license issued pursuant to this Section shall be
26 valid for a period of one year from the date of issuance.

1 (h) Nothing in this Act shall be interpreted to prohibit a
2 licensed owner or organization gaming licensee from entering
3 into an agreement with a public community college or a school
4 approved under the Private Business and Vocational Schools Act
5 of 2012 for the training of any occupational licensee. Any
6 training offered by such a school shall be in accordance with a
7 written agreement between the licensed owner or organization
8 gaming licensee and the school.

9 (i) Any training provided for occupational licensees may be
10 conducted either at the site of the gambling facility ~~on the~~
11 ~~riverboat~~ or at a school with which a licensed owner or
12 organization gaming licensee has entered into an agreement
13 pursuant to subsection (h).

14 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
15 97-1150, eff. 1-25-13.)

16 (230 ILCS 10/11) (from Ch. 120, par. 2411)

17 Sec. 11. Conduct of gambling. Gambling may be conducted by
18 licensed owners or licensed managers on behalf of the State
19 aboard riverboats. Gambling may be conducted by organization
20 gaming licensees at organization gaming facilities. Gambling
21 authorized under this Section is, subject to the following
22 standards:

23 (1) A licensee may conduct riverboat gambling
24 authorized under this Act regardless of whether it conducts
25 excursion cruises. A licensee may permit the continuous

1 ingress and egress of patrons ~~passengers~~ on a riverboat not
2 used for excursion cruises for the purpose of gambling.
3 Excursion cruises shall not exceed 4 hours for a round
4 trip. However, the Board may grant express approval for an
5 extended cruise on a case-by-case basis.

6 (1.5) An owners licensee may conduct gambling
7 operations authorized under this Act 24 hours a day.

8 (2) (Blank).

9 (3) Minimum and maximum wagers on games shall be set by
10 the licensee.

11 (4) Agents of the Board and the Department of State
12 Police may board and inspect any riverboat, enter and
13 inspect any portion of a casino, or enter and inspect any
14 portion of an organization gaming facility at any time for
15 the purpose of determining whether this Act is being
16 complied with. Every riverboat, if under way and being
17 hailed by a law enforcement officer or agent of the Board,
18 must stop immediately and lay to.

19 (5) Employees of the Board shall have the right to be
20 present on the riverboat or in the casino or on adjacent
21 facilities under the control of the licensee and at the
22 organization gaming facility under the control of the
23 organization gaming licensee.

24 (6) Gambling equipment and supplies customarily used
25 in conducting ~~riverboat~~ gambling must be purchased or
26 leased only from suppliers licensed for such purpose under

1 this Act. The Board may approve the transfer, sale, or
2 lease of gambling equipment and supplies by a licensed
3 owner from or to an affiliate of the licensed owner as long
4 as the gambling equipment and supplies were initially
5 acquired from a supplier licensed in Illinois.

6 (7) Persons licensed under this Act shall permit no
7 form of wagering on gambling games except as permitted by
8 this Act.

9 (8) Wagers may be received only from a person present
10 on a licensed riverboat, in a casino, or at an organization
11 gaming facility. No person present on a licensed riverboat,
12 in a casino, or at an organization gaming facility shall
13 place or attempt to place a wager on behalf of another
14 person who is not present on the riverboat, in a casino, or
15 at the organization gaming facility.

16 (9) Wagering, including gaming authorized under
17 Section 7.7, shall not be conducted with money or other
18 negotiable currency.

19 (10) A person under age 21 shall not be permitted on an
20 area of a riverboat or casino where gambling is being
21 conducted or at an organization gaming facility where
22 gambling is being conducted, except for a person at least
23 18 years of age who is an employee of the riverboat or
24 casino gambling operation or gaming operation. No employee
25 under age 21 shall perform any function involved in
26 gambling by the patrons. No person under age 21 shall be

1 permitted to make a wager under this Act, and any winnings
2 that are a result of a wager by a person under age 21,
3 whether or not paid by a licensee, shall be treated as
4 winnings for the privilege tax purposes, confiscated, and
5 forfeited to the State and deposited into the Education
6 Assistance Fund.

7 (11) Gambling excursion cruises are permitted only
8 when the waterway for which the riverboat is licensed is
9 navigable, as determined by the Board in consultation with
10 the U.S. Army Corps of Engineers. This paragraph (11) does
11 not limit the ability of a licensee to conduct gambling
12 authorized under this Act when gambling excursion cruises
13 are not permitted.

14 (12) All tickets ~~tokens~~, chips, or electronic cards
15 used to make wagers must be purchased (i) from a licensed
16 owner or manager, in the case of a riverboat, either aboard
17 a riverboat or at an onshore facility which has been
18 approved by the Board and which is located where the
19 riverboat docks, (ii) in the case of a casino, from a
20 licensed owner at the casino, or (iii) from an organization
21 gaming licensee at the organization gaming facility. The
22 tickets ~~tokens~~, chips, or electronic cards may be purchased
23 by means of an agreement under which the owner or manager
24 extends credit to the patron. Such tickets ~~tokens~~, chips,
25 or electronic cards may be used while aboard the riverboat,
26 in the casino, or at the organization gaming facility only

1 for the purpose of making wagers on gambling games.

2 (13) Notwithstanding any other Section of this Act, in
3 addition to the other licenses authorized under this Act,
4 the Board may issue special event licenses allowing persons
5 who are not otherwise licensed to conduct riverboat
6 gambling to conduct such gambling on a specified date or
7 series of dates. Riverboat gambling under such a license
8 may take place on a riverboat not normally used for
9 riverboat gambling. The Board shall establish standards,
10 fees and fines for, and limitations upon, such licenses,
11 which may differ from the standards, fees, fines and
12 limitations otherwise applicable under this Act. All such
13 fees shall be deposited into the State Gaming Fund. All
14 such fines shall be deposited into the Education Assistance
15 Fund, created by Public Act 86-0018, of the State of
16 Illinois.

17 (14) In addition to the above, gambling must be
18 conducted in accordance with all rules adopted by the
19 Board.

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

21 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

22 Sec. 11.1. Collection of amounts owing under credit
23 agreements. Notwithstanding any applicable statutory provision
24 to the contrary, a licensed owner, licensed ~~or~~ manager, or
25 organization gaming licensee who extends credit to a ~~riverboat~~

1 gambling patron pursuant to paragraph (12) of Section 11
2 ~~Section 11 (a) (12)~~ of this Act is expressly authorized to
3 institute a cause of action to collect any amounts due and
4 owing under the extension of credit, as well as the licensed
5 owner's, licensed or manager's, or organization gaming
6 licensee's costs, expenses and reasonable attorney's fees
7 incurred in collection.

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

9 (230 ILCS 10/12) (from Ch. 120, par. 2412)

10 Sec. 12. Admission tax; fees.

11 (a) A tax is hereby imposed upon admissions to riverboat
12 and casino gambling facilities ~~riverboats~~ operated by licensed
13 owners authorized pursuant to this Act. Until July 1, 2002, the
14 rate is \$2 per person admitted. From July 1, 2002 until July 1,
15 2003, the rate is \$3 per person admitted. From July 1, 2003
16 until August 23, 2005 (the effective date of Public Act
17 94-673), for a licensee that admitted 1,000,000 persons or
18 fewer in the previous calendar year, the rate is \$3 per person
19 admitted; for a licensee that admitted more than 1,000,000 but
20 no more than 2,300,000 persons in the previous calendar year,
21 the rate is \$4 per person admitted; and for a licensee that
22 admitted more than 2,300,000 persons in the previous calendar
23 year, the rate is \$5 per person admitted. Beginning on August
24 23, 2005 (the effective date of Public Act 94-673), for a
25 licensee that admitted 1,000,000 persons or fewer in calendar

1 year 2004, the rate is \$2 per person admitted, and for all
2 other licensees, including licensees that were not conducting
3 gambling operations in 2004, the rate is \$3 per person
4 admitted. This admission tax is imposed upon the licensed owner
5 conducting gambling.

6 (1) The admission tax shall be paid for each admission,
7 except that a person who exits a riverboat gambling
8 facility and reenters that riverboat gambling facility
9 within the same gaming day shall be subject only to the
10 initial admission tax.

11 (2) (Blank).

12 (3) The riverboat licensee may issue tax-free passes to
13 actual and necessary officials and employees of the
14 licensee or other persons actually working on the
15 riverboat.

16 (4) The number and issuance of tax-free passes is
17 subject to the rules of the Board, and a list of all
18 persons to whom the tax-free passes are issued shall be
19 filed with the Board.

20 (a-5) A fee is hereby imposed upon admissions operated by
21 licensed managers on behalf of the State pursuant to Section
22 7.3 at the rates provided in this subsection (a-5). For a
23 licensee that admitted 1,000,000 persons or fewer in the
24 previous calendar year, the rate is \$3 per person admitted; for
25 a licensee that admitted more than 1,000,000 but no more than
26 2,300,000 persons in the previous calendar year, the rate is \$4

1 per person admitted; and for a licensee that admitted more than
2 2,300,000 persons in the previous calendar year, the rate is \$5
3 per person admitted.

4 (1) The admission fee shall be paid for each admission.

5 (2) (Blank).

6 (3) The licensed manager may issue fee-free passes to
7 actual and necessary officials and employees of the manager
8 or other persons actually working on the riverboat.

9 (4) The number and issuance of fee-free passes is
10 subject to the rules of the Board, and a list of all
11 persons to whom the fee-free passes are issued shall be
12 filed with the Board.

13 (b) Except as provided in subsection (b-5), from ~~From~~ the
14 tax imposed under subsection (a) and the fee imposed under
15 subsection (a-5), a municipality shall receive from the State
16 \$1 for each person embarking on a riverboat docked within the
17 municipality or entering a casino located within the
18 municipality, and a county shall receive \$1 for each person
19 entering a casino or embarking on a riverboat docked within the
20 county but outside the boundaries of any municipality. The
21 municipality's or county's share shall be collected by the
22 Board on behalf of the State and remitted quarterly by the
23 State, subject to appropriation, to the treasurer of the unit
24 of local government for deposit in the general fund.

25 (b-5) From the tax imposed under subsection (a) and the fee
26 imposed under subsection (a-5), \$1 for each person embarking on

1 a riverboat designated in paragraph (4) of subsection (e-5) of
2 Section 7 shall be divided as follows: \$0.70 to the City of
3 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village
4 of Machesney Park, and \$0.20 to Winnebago County.

5 The municipality's or county's share shall be collected by
6 the Board on behalf of the State and remitted monthly by the
7 State, subject to appropriation, to the treasurer of the unit
8 of local government for deposit in the general fund.

9 (b-10) From the tax imposed under subsection (a) and the
10 fee imposed under subsection (a-5), \$1 for each person
11 embarking on a riverboat or entering a casino designated in
12 paragraph (1) of subsection (e-5) of Section 7 shall be divided
13 as follows: \$0.70 to the City of Chicago, \$0.15 to the Village
14 of Maywood, and \$0.15 to the Village of Summit.

15 The municipality's or county's share shall be collected by
16 the Board on behalf of the State and remitted monthly by the
17 State, subject to appropriation, to the treasurer of the unit
18 of local government for deposit in the general fund.

19 (b-15) From the tax imposed under subsection (a) and the
20 fee imposed under subsection (a-5), \$1 for each person
21 embarking on a riverboat or entering a casino designated in
22 paragraph (2) of subsection (e-5) of Section 7 shall be divided
23 as follows: \$0.70 to the City of Danville and \$0.30 to
24 Vermilion County.

25 The municipality's or county's share shall be collected by
26 the Board on behalf of the State and remitted monthly by the

1 State, subject to appropriation, to the treasurer of the unit
2 of local government for deposit in the general fund.

3 (c) The licensed owner shall pay the entire admission tax
4 to the Board and the licensed manager shall pay the entire
5 admission fee to the Board. Such payments shall be made daily.
6 Accompanying each payment shall be a return on forms provided
7 by the Board which shall include other information regarding
8 admissions as the Board may require. Failure to submit either
9 the payment or the return within the specified time may result
10 in suspension or revocation of the owners or managers license.

11 (c-5) A tax is imposed on admissions to organization gaming
12 facilities at the rate of \$3 per person admitted by an
13 organization gaming licensee. The tax is imposed upon the
14 organization gaming licensee.

15 (1) The admission tax shall be paid for each admission,
16 except that a person who exits an organization gaming
17 facility and reenters that organization gaming facility
18 within the same gaming day, as the term "gaming day" is
19 defined by the Board by rule, shall be subject only to the
20 initial admission tax. The Board shall establish, by rule,
21 a procedure to determine whether a person admitted to an
22 organization gaming facility has paid the admission tax.

23 (2) An organization gaming licensee may issue tax-free
24 passes to actual and necessary officials and employees of
25 the licensee and other persons associated with its gaming
26 operations.

1 (3) The number and issuance of tax-free passes is
2 subject to the rules of the Board, and a list of all
3 persons to whom the tax-free passes are issued shall be
4 filed with the Board.

5 (4) The organization gaming licensee shall pay the
6 entire admission tax to the Board.

7 Such payments shall be made daily. Accompanying each
8 payment shall be a return on forms provided by the Board, which
9 shall include other information regarding admission as the
10 Board may require. Failure to submit either the payment or the
11 return within the specified time may result in suspension or
12 revocation of the organization gaming license.

13 From the tax imposed under this subsection (c-5), a
14 municipality other than the Village of Stickney or the City of
15 Collinsville in which an organization gaming facility is
16 located, or if the organization gaming facility is not located
17 within a municipality, then the county in which the
18 organization gaming facility is located, except as otherwise
19 provided in this Section, shall receive, subject to
20 appropriation, \$1 for each person who enters the organization
21 gaming facility. For each admission to the organization gaming
22 facility in excess of 1,500,000 in a year, from the tax imposed
23 under this subsection (c-5), the county in which the
24 organization gaming facility is located shall receive, subject
25 to appropriation, \$0.30, which shall be in addition to any
26 other moneys paid to the county under this Section.

1 From the tax imposed under this subsection (c-5) on an
2 organization gaming facility located in the Village of
3 Stickney, \$1 for each person who enters the organization gaming
4 facility shall be distributed as follows, subject to
5 appropriation: \$0.24 to the Village of Stickney, \$0.49 to the
6 Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the
7 Stickney Public Health District, and \$0.05 to the City of
8 Bridgeview.

9 From the tax imposed under this subsection (c-5) on an
10 organization gaming facility located in the City of
11 Collinsville, the following shall each receive 10 cents for
12 each person who enters the organization gaming facility,
13 subject to appropriation: the Village of Alorton; the Village
14 of Washington Park; State Park Place; the Village of Fairmont
15 City; the City of Centreville; the Village of Brooklyn; the
16 City of Venice; the City of Madison; the Village of Caseyville;
17 and the Village of Pontoon Beach.

18 On the 25th day of each month, all amounts remaining after
19 payments required under this subsection (c-5) have been made
20 shall be transferred into the Capital Projects 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~~ gambling operations, other
8 than licensed managers conducting riverboat gambling
9 operations on behalf of the State, 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 22.5% of annual adjusted gross receipts in excess of
15 \$25,000,000 but not exceeding \$50,000,000;

16 27.5% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 32.5% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 37.5% of annual adjusted gross receipts in excess of
21 \$100,000,000 but not exceeding \$150,000,000;

22 45% of annual adjusted gross receipts in excess of
23 \$150,000,000 but not exceeding \$200,000,000;

24 50% of annual adjusted gross receipts in excess of
25 \$200,000,000.

26 For the imposition of the privilege tax in this subsection

1 (a-4), amounts paid pursuant to item (1) of subsection (b) of
2 Section 56 of the Illinois Horse Racing Act of 1975 shall not
3 be included in the determination of adjusted gross receipts.

4 (a-5) Beginning on the first day that an owners licensee
5 under paragraph (1), (2), (3), (4), (5), or (6) of subsection
6 (e-5) of Section 7 conducts gambling operations, either in a
7 temporary facility or a permanent facility, a privilege tax is
8 imposed on persons engaged in the business of conducting
9 gambling operations, other than licensed managers conducting
10 riverboat gambling operations on behalf of the State, based on
11 the adjusted gross receipts received by such licensee from the
12 gambling games authorized under this Act. The privilege tax for
13 all gambling games other than table games, including, but not
14 limited to, slot machines, video game of chance gambling, and
15 electronic gambling games shall be at the following rates:

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

18 22.5% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 27.5% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 32.5% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

24 37.5% of annual adjusted gross receipts in excess of
25 \$100,000,000 but not exceeding \$150,000,000;

26 45% of annual adjusted gross receipts in excess of

1 \$150,000,000 but not exceeding \$200,000,000;

2 50% of annual adjusted gross receipts in excess of
3 \$200,000,000.

4 The privilege tax for table games shall be at the following
5 rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 20% of annual adjusted gross receipts in excess of
9 \$25,000,000.

10 For the imposition of the privilege tax in this subsection
11 (a-5), amounts paid pursuant to item (1) of subsection (b) of
12 Section 56 of the Illinois Horse Racing Act of 1975 shall not
13 be included in the determination of adjusted gross receipts.

14 Notwithstanding the provisions of this subsection (a-5),
15 for the first 10 years that the privilege tax is imposed under
16 this subsection (a-5), the privilege tax shall be imposed on
17 the modified annual adjusted gross receipts of a riverboat or
18 casino conducting gambling operations in the City of East St.
19 Louis, unless:

20 (1) the riverboat or casino fails to employ at least
21 450 people;

22 (2) the riverboat or casino fails to maintain
23 operations in a manner consistent with this Act or is not a
24 viable riverboat or casino subject to the approval of the
25 Board; or

26 (3) the owners licensee is not an entity in which

1 employees participate in an employee stock ownership plan.

2 As used in this subsection (a-5), "modified annual adjusted
3 gross receipts" means:

4 (A) for calendar year 2020, the annual adjusted gross
5 receipts for the current year minus the difference between
6 an amount equal to the average annual adjusted gross
7 receipts from a riverboat or casino conducting gambling
8 operations in the City of East St. Louis for 2014, 2015,
9 2016, 2017, and 2018 and the annual adjusted gross receipts
10 for 2018;

11 (B) for calendar year 2021, the annual adjusted gross
12 receipts for the current year minus the difference between
13 an amount equal to the average annual adjusted gross
14 receipts from a riverboat or casino conducting gambling
15 operations in the City of East St. Louis for 2014, 2015,
16 2016, 2017, and 2018 and the annual adjusted gross receipts
17 for 2019; and

18 (C) for calendar years 2022 through 2029, the annual
19 adjusted gross receipts for the current year minus the
20 difference between an amount equal to the average annual
21 adjusted gross receipts from a riverboat or casino
22 conducting gambling operations in the City of East St.
23 Louis for 3 years preceding the current year and the annual
24 adjusted gross receipts for the immediately preceding
25 year.

26 (a-5.5) In addition to the privilege tax imposed under

1 subsection (a-5), a privilege tax is imposed on the owners
2 licensee under paragraph (1) of subsection (e-5) of Section 7
3 at the rate of one-third of the owners licensee's adjusted
4 gross receipts.

5 For the imposition of the privilege tax in this subsection
6 (a-5.5), amounts paid pursuant to item (1) of subsection (b) of
7 Section 56 of the Illinois Horse Racing Act of 1975 shall not
8 be included in the determination of adjusted gross receipts.

9 (a-6) From the effective date of this amendatory Act of the
10 101st General Assembly until June 30, 2023, an owners licensee
11 that conducted gambling operations prior to January 1, 2011
12 shall receive a dollar-for-dollar credit against the tax
13 imposed under this Section for any renovation or construction
14 costs paid by the owners licensee, but in no event shall the
15 credit exceed \$2,000,000.

16 Additionally, from the effective date of this amendatory
17 Act of the 101st General Assembly until December 31, 2022, an
18 owners licensee that (i) is located within 15 miles of the
19 Missouri border, and (ii) has at least 3 riverboats, casinos,
20 or their equivalent within a 45-mile radius, may be authorized
21 to relocate to a new location with the approval of both the
22 unit of local government designated as the home dock and the
23 Board, so long as the new location is within the same unit of
24 local government and no more than 3 miles away from its
25 original location. Such owners licensee shall receive a credit
26 against the tax imposed under this Section equal to 8% of the

1 total project costs, as approved by the Board, for any
2 renovation or construction costs paid by the owners licensee
3 for the construction of the new facility, provided that the new
4 facility is operational by July 1, 2022. In determining whether
5 or not to approve a relocation, the Board must consider the
6 extent to which the relocation will diminish the gaming
7 revenues received by other Illinois gaming facilities.

8 (a-7) Beginning in the initial adjustment year and through
9 the final adjustment year, if the total obligation imposed
10 pursuant to either subsection (a-5) or (a-6) will result in an
11 owners licensee receiving less after-tax adjusted gross
12 receipts than it received in calendar year 2018, then the total
13 amount of privilege taxes that the owners licensee is required
14 to pay for that calendar year shall be reduced to the extent
15 necessary so that the after-tax adjusted gross receipts in that
16 calendar year equals the after-tax adjusted gross receipts in
17 calendar year 2018, but the privilege tax reduction shall not
18 exceed the annual adjustment cap. If pursuant to this
19 subsection (a-7), the total obligation imposed pursuant to
20 either subsection (a-5) or (a-6) shall be reduced, then the
21 owners licensee shall not receive a refund from the State at
22 the end of the subject calendar year but instead shall be able
23 to apply that amount as a credit against any payments it owes
24 to the State in the following calendar year to satisfy its
25 total obligation under either subsection (a-5) or (a-6). The
26 credit for the final adjustment year shall occur in the

1 calendar year following the final adjustment year.

2 If an owners licensee that conducted gambling operations
3 prior to January 1, 2019 expands its riverboat or casino,
4 including, but not limited to, with respect to its gaming
5 floor, additional non-gaming amenities such as restaurants,
6 bars, and hotels and other additional facilities, and incurs
7 construction and other costs related to such expansion from the
8 effective date of this amendatory Act of the 101st General
9 Assembly until the 5th anniversary of the effective date of
10 this amendatory Act of the 101st General Assembly, then for
11 each \$15,000,000 spent for any such construction or other costs
12 related to expansion paid by the owners licensee, the final
13 adjustment year shall be extended by one year and the annual
14 adjustment cap shall increase by 0.2% of adjusted gross
15 receipts during each calendar year until and including the
16 final adjustment year. No further modifications to the final
17 adjustment year or annual adjustment cap shall be made after
18 \$75,000,000 is incurred in construction or other costs related
19 to expansion so that the final adjustment year shall not extend
20 beyond the 9th calendar year after the initial adjustment year,
21 not including the initial adjustment year, and the annual
22 adjustment cap shall not exceed 4% of adjusted gross receipts
23 in a particular calendar year. Construction and other costs
24 related to expansion shall include all project related costs,
25 including, but not limited to, all hard and soft costs,
26 financing costs, on or off-site ground, road or utility work,

1 cost of gaming equipment and all other personal property,
2 initial fees assessed for each incremental gaming position, and
3 the cost of incremental land acquired for such expansion. Soft
4 costs shall include, but not be limited to, legal fees,
5 architect, engineering and design costs, other consultant
6 costs, insurance cost, permitting costs, and pre-opening costs
7 related to the expansion, including, but not limited to, any of
8 the following: marketing, real estate taxes, personnel,
9 training, travel and out-of-pocket expenses, supply,
10 inventory, and other costs, and any other project related soft
11 costs.

12 To be eligible for the tax credits in subsection (a-6), all
13 construction contracts shall include a requirement that the
14 contractor enter into a project labor agreement with the
15 building and construction trades council with geographic
16 jurisdiction of the location of the proposed gaming facility.

17 Notwithstanding any other provision of this subsection
18 (a-7), this subsection (a-7) does not apply to an owners
19 licensee unless such owners licensee spends at least
20 \$15,000,000 on construction and other costs related to its
21 expansion, excluding the initial fees assessed for each
22 incremental gaming position.

23 This subsection (a-7) does not apply to owners licensees
24 authorized pursuant to subsection (e-5) of Section 7 of this
25 Act.

26 For purposes of this subsection (a-7):

1 "Building and construction trades council" means any
2 organization representing multiple construction entities that
3 are monitoring or attentive to compliance with public or
4 workers' safety laws, wage and hour requirements, or other
5 statutory requirements or that are making or maintaining
6 collective bargaining agreements.

7 "Initial adjustment year" means the year commencing on
8 January 1 of the calendar year immediately following the
9 earlier of the following:

10 (1) the commencement of gambling operations, either in
11 a temporary or permanent facility, with respect to the
12 owners license authorized under paragraph (1) of
13 subsection (e-5) of Section 7 of this Act; or

14 (2) 24 months after the effective date of this
15 amendatory Act of the 101st General Assembly, provided the
16 initial adjustment year shall not commence earlier than 12
17 months after the effective date of this amendatory Act of
18 the 101st General Assembly.

19 "Final adjustment year" means the 2nd calendar year after
20 the initial adjustment year, not including the initial
21 adjustment year, and as may be extended further as described in
22 this subsection (a-7).

23 "Annual adjustment cap" means 3% of adjusted gross receipts
24 in a particular calendar year, and as may be increased further
25 as otherwise described in this subsection (a-7).

26 (a-8) Riverboat gambling operations conducted by a

1 licensed manager on behalf of the State are not subject to the
2 tax imposed under this Section.

3 (a-9) Beginning on January 1, 2020, the calculation of
4 gross receipts or adjusted gross receipts, for the purposes of
5 this Section, for a riverboat, a casino, or an organization
6 gaming facility shall not include the dollar amount of
7 non-cashable vouchers, coupons, and electronic promotions
8 redeemed by wagerers upon the riverboat, in the casino, or in
9 the organization gaming facility up to and including an amount
10 not to exceed 20% of a riverboat's, a casino's, or an
11 organization gaming facility's adjusted gross receipts.

12 The Illinois Gaming Board shall submit to the General
13 Assembly a comprehensive report no later than March 31, 2023
14 detailing, at a minimum, the effect of removing non-cashable
15 vouchers, coupons, and electronic promotions from this
16 calculation on net gaming revenues to the State in calendar
17 years 2020 through 2022, the increase or reduction in wagerers
18 as a result of removing non-cashable vouchers, coupons, and
19 electronic promotions from this calculation, the effect of the
20 tax rates in subsection (a-5) on net gaming revenues to this
21 State, and proposed modifications to the calculation.

22 (a-10) The taxes imposed by this Section shall be paid by
23 the licensed owner or the organization gaming licensee to the
24 Board not later than 5:00 o'clock p.m. of the day after the day
25 when the wagers were made.

26 (a-15) If the privilege tax imposed under subsection (a-3)

1 is no longer imposed pursuant to item (i) of the last paragraph
2 of subsection (a-3), then by June 15 of each year, each owners
3 licensee, other than an owners licensee that admitted 1,000,000
4 persons or fewer in calendar year 2004, must, in addition to
5 the payment of all amounts otherwise due under this Section,
6 pay to the Board a reconciliation payment in the amount, if
7 any, by which the licensed owner's base amount exceeds the
8 amount of net privilege tax paid by the licensed owner to the
9 Board in the then current State fiscal year. A licensed owner's
10 net privilege tax obligation due for the balance of the State
11 fiscal year shall be reduced up to the total of the amount paid
12 by the licensed owner in its June 15 reconciliation payment.
13 The obligation imposed by this subsection (a-15) is binding on
14 any person, firm, corporation, or other entity that acquires an
15 ownership interest in any such owners license. The obligation
16 imposed under this subsection (a-15) terminates on the earliest
17 of: (i) July 1, 2007, (ii) the first day after the effective
18 date of this amendatory Act of the 94th General Assembly that
19 riverboat gambling operations are conducted pursuant to a
20 dormant license, (iii) the first day that riverboat gambling
21 operations are conducted under the authority of an owners
22 license that is in addition to the 10 owners licenses initially
23 authorized under this Act, or (iv) the first day that a
24 licensee under the Illinois Horse Racing Act of 1975 conducts
25 gaming operations with slot machines or other electronic gaming
26 devices. The Board must reduce the obligation imposed under

1 this subsection (a-15) by an amount the Board deems reasonable
2 for any of the following reasons: (A) an act or acts of God,
3 (B) an act of bioterrorism or terrorism or a bioterrorism or
4 terrorism threat that was investigated by a law enforcement
5 agency, or (C) a condition beyond the control of the owners
6 licensee that does not result from any act or omission by the
7 owners licensee or any of its agents and that poses a hazardous
8 threat to the health and safety of patrons. If an owners
9 licensee pays an amount in excess of its liability under this
10 Section, the Board shall apply the overpayment to future
11 payments required under this Section.

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

13 "Act of God" means an incident caused by the operation of
14 an extraordinary force that cannot be foreseen, that cannot be
15 avoided by the exercise of due care, and for which no person
16 can be held liable.

17 "Base amount" means the following:

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

19 For a riverboat in East Peoria, \$43,000,000.

20 For the Empress riverboat in Joliet, \$86,000,000.

21 For a riverboat in Metropolis, \$45,000,000.

22 For the Harrah's riverboat in Joliet, \$114,000,000.

23 For a riverboat in Aurora, \$86,000,000.

24 For a riverboat in East St. Louis, \$48,500,000.

25 For a riverboat in Elgin, \$198,000,000.

26 "Dormant license" has the meaning ascribed to it in

1 subsection (a-3).

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

6 The changes made to this subsection (a-15) by Public Act
7 94-839 are intended to restate and clarify the intent of Public
8 Act 94-673 with respect to the amount of the payments required
9 to be made under this subsection by an owners licensee to the
10 Board.

11 (b) ~~From Until January 1, 1998, 25% of the tax revenue~~
12 ~~deposited in the State Gaming Fund under this Section shall be~~
13 ~~paid, subject to appropriation by the General Assembly, to the~~
14 ~~unit of local government which is designated as the home dock~~
15 ~~of the riverboat. Beginning January 1, 1998, from the tax~~
16 revenue from riverboat or casino gambling deposited in the
17 State Gaming Fund under this Section, an amount equal to 5% of
18 adjusted gross receipts generated by a riverboat or a casino,
19 other than a riverboat or casino designated in paragraph (1),
20 (3), or (4) of subsection (e-5) of Section 7, shall be paid
21 monthly, subject to appropriation by the General Assembly, to
22 the unit of local government in which the casino is located or
23 that is designated as the home dock of the riverboat.
24 Notwithstanding anything to the contrary, beginning on the
25 first day that an owners licensee under paragraph (1), (2),
26 (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts

1 gambling operations, either in a temporary facility or a
2 permanent facility, and for 2 years thereafter, a unit of local
3 government designated as the home dock of a riverboat whose
4 license was issued before January 1, 2019, other than a
5 riverboat conducting gambling operations in the City of East
6 St. Louis, shall not receive less under this subsection (b)
7 than the amount the unit of local government received under
8 this subsection (b) in calendar year 2018. Notwithstanding
9 anything to the contrary and because the City of East St. Louis
10 is a financially distressed city, beginning on the first day
11 that an owners licensee under paragraph (1), (2), (3), (4),
12 (5), or (6) of subsection (e-5) of Section 7 conducts gambling
13 operations, either in a temporary facility or a permanent
14 facility, and for 10 years thereafter, a unit of local
15 government designated as the home dock of a riverboat
16 conducting gambling operations in the City of East St. Louis
17 shall not receive less under this subsection (b) than the
18 amount the unit of local government received under this
19 subsection (b) in calendar year 2018.

20 From the tax revenue deposited in the State Gaming Fund
21 pursuant to riverboat or casino gambling operations conducted
22 by a licensed manager on behalf of the State, an amount equal
23 to 5% of adjusted gross receipts generated pursuant to those
24 riverboat or casino gambling operations shall be paid monthly,
25 subject to appropriation by the General Assembly, to the unit
26 of local government that is designated as the home dock of the

1 riverboat upon which those riverboat gambling operations are
2 conducted or in which the casino is located.

3 From the tax revenue from riverboat or casino gambling
4 deposited in the State Gaming Fund under this Section, an
5 amount equal to 5% of the adjusted gross receipts generated by
6 a riverboat designated in paragraph (3) of subsection (e-5) of
7 Section 7 shall be divided and remitted monthly, subject to
8 appropriation, as follows: 70% to Waukegan, 10% to Park City,
9 15% to North Chicago, and 5% to Lake County.

10 From the tax revenue from riverboat or casino gambling
11 deposited in the State Gaming Fund under this Section, an
12 amount equal to 5% of the adjusted gross receipts generated by
13 a riverboat designated in paragraph (4) of subsection (e-5) of
14 Section 7 shall be remitted monthly, subject to appropriation,
15 as follows: 70% to the City of Rockford, 5% to the City of
16 Loves Park, 5% to the Village of Machesney, and 20% to
17 Winnebago County.

18 From the tax revenue from riverboat or casino gambling
19 deposited in the State Gaming Fund under this Section, an
20 amount equal to 5% of the adjusted gross receipts generated by
21 a riverboat designated in paragraph (5) of subsection (e-5) of
22 Section 7 shall be remitted monthly, subject to appropriation,
23 as follows: 2% to the unit of local government in which the
24 riverboat or casino is located, and 3% shall be distributed:
25 (A) in accordance with a regional capital development plan
26 entered into by the following communities: Village of Beecher,

1 City of Blue Island, Village of Burnham, City of Calumet City,
2 Village of Calumet Park, City of Chicago Heights, City of
3 Country Club Hills, Village of Dixmoor, Village of Dolton,
4 Village of East Hazel Crest, Village of Flossmoor, Village of
5 Ford Heights, Village of Glenwood, City of Harvey, Village of
6 Hazel Crest, Village of Homewood, Village of Lansing, Village
7 of Lynwood, City of Markham, Village of Matteson, Village of
8 Midlothian, City of Oak Forest, Village of Olympia Fields,
9 Village of Orland Hills, Village of Orland Park, City of Palos
10 Heights, Village of Park Forest, Village of Phoenix, Village of
11 Posen, Village of Richton Park, Village of Riverdale, Village
12 of Robbins, Village of Sauk Village, Village of South Chicago
13 Heights, Village of South Holland, Village of Steger, Village
14 of Thornton, Village of Tinley Park, and Village of University
15 Park; or (B) if no regional capital development plan exists,
16 equally among the communities listed in item (A) to be used for
17 capital expenditures or public pension payments, or both.

18 Units of local government may refund any portion of the
19 payment that they receive pursuant to this subsection (b) to
20 the riverboat or casino.

21 (b-4) Beginning on the first day the licensee under
22 paragraph (5) of subsection (e-5) of Section 7 conducts
23 gambling operations, either in a temporary facility or a
24 permanent facility, and ending on July 31, 2042, from the tax
25 revenue deposited in the State Gaming Fund under this Section,
26 \$5,000,000 shall be paid annually, subject to appropriation, to

1 the host municipality of that owners licensee of a license
2 issued or re-issued pursuant to Section 7.1 of this Act before
3 January 1, 2012. Payments received by the host municipality
4 pursuant to this subsection (b-4) may not be shared with any
5 other unit of local government.

6 (b-5) Beginning on the effective date of this amendatory
7 Act of the 101st General Assembly, from the tax revenue
8 deposited in the State Gaming Fund under this Section, an
9 amount equal to 3% of adjusted gross receipts generated by each
10 organization gaming facility located outside Madison County
11 shall be paid monthly, subject to appropriation by the General
12 Assembly, to a municipality other than the Village of Stickney
13 in which each organization gaming facility is located or, if
14 the organization gaming facility is not located within a
15 municipality, to the county in which the organization gaming
16 facility is located, except as otherwise provided in this
17 Section. From the tax revenue deposited in the State Gaming
18 Fund under this Section, an amount equal to 3% of adjusted
19 gross receipts generated by an organization gaming facility
20 located in the Village of Stickney shall be paid monthly,
21 subject to appropriation by the General Assembly, as follows:
22 25% to the Village of Stickney, 5% to the City of Berwyn, 50%
23 to the Town of Cicero, and 20% to the Stickney Public Health
24 District.

25 From the tax revenue deposited in the State Gaming Fund
26 under this Section, an amount equal to 5% of adjusted gross

1 receipts generated by an organization gaming facility located
2 in the City of Collinsville shall be paid monthly, subject to
3 appropriation by the General Assembly, as follows: 30% to the
4 City of Alton, 30% to the City of East St. Louis, and 40% to the
5 City of Collinsville.

6 Municipalities and counties may refund any portion of the
7 payment that they receive pursuant to this subsection (b-5) to
8 the organization gaming facility.

9 (b-6) Beginning on the effective date of this amendatory
10 Act of the 101st General Assembly, from the tax revenue
11 deposited in the State Gaming Fund under this Section, an
12 amount equal to 2% of adjusted gross receipts generated by an
13 organization gaming facility located outside Madison County
14 shall be paid monthly, subject to appropriation by the General
15 Assembly, to the county in which the organization gaming
16 facility is located for the purposes of its criminal justice
17 system or health care system.

18 Counties may refund any portion of the payment that they
19 receive pursuant to this subsection (b-6) to the organization
20 gaming facility.

21 (b-7) From the tax revenue from the organization gaming
22 licensee located in one of the following townships of Cook
23 County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or
24 Worth, an amount equal to 5% of the adjusted gross receipts
25 generated by that organization gaming licensee shall be
26 remitted monthly, subject to appropriation, as follows: 2% to

1 the unit of local government in which the organization gaming
2 licensee is located, and 3% shall be distributed: (A) in
3 accordance with a regional capital development plan entered
4 into by the following communities: Village of Beecher, City of
5 Blue Island, Village of Burnham, City of Calumet City, Village
6 of Calumet Park, City of Chicago Heights, City of Country Club
7 Hills, Village of Dixmoor, Village of Dolton, Village of East
8 Hazel Crest, Village of Flossmoor, Village of Ford Heights,
9 Village of Glenwood, City of Harvey, Village of Hazel Crest,
10 Village of Homewood, Village of Lansing, Village of Lynwood,
11 City of Markham, Village of Matteson, Village of Midlothian,
12 City of Oak Forest, Village of Olympia Fields, Village of
13 Orland Hills, Village of Orland Park, City of Palos Heights,
14 Village of Park Forest, Village of Phoenix, Village of Posen,
15 Village of Richton Park, Village of Riverdale, Village of
16 Robbins, Village of Sauk Village, Village of South Chicago
17 Heights, Village of South Holland, Village of Steger, Village
18 of Thornton, Village of Tinley Park, and Village of University
19 Park; or (B) if no regional capital development plan exists,
20 equally among the communities listed in item (A) to be used for
21 capital expenditures or public pension payments, or both.

22 (b-8) In lieu of the payments under subsection (b) of this
23 Section, the tax revenue from the privilege tax imposed by
24 subsection (a-5.5) shall be paid monthly, subject to
25 appropriation by the General Assembly, to the City of Chicago
26 and shall be expended or obligated by the City of Chicago for

1 pension payments in accordance with Public Act 99-506.

2 (c) Appropriations, as approved by the General Assembly,
3 may be made from the State Gaming Fund to the Board (i) for the
4 administration and enforcement of this Act and the Video Gaming
5 Act, (ii) for distribution to the Department of State Police
6 and to the Department of Revenue for the enforcement of this
7 Act, and the Video Gaming Act, and (iii) to the Department of
8 Human Services for the administration of programs to treat
9 problem gambling. The Board's annual appropriations request
10 must separately state its funding needs for the regulation of
11 gaming authorized under Section 7.7, riverboat gaming, casino
12 gaming, video gaming, and sports wagering.

13 (c-2) An amount equal to 2% of the adjusted gross receipts
14 generated by an organization gaming facility located within a
15 home rule county with a population of over 3,000,000
16 inhabitants shall be paid, subject to appropriation from the
17 General Assembly, from the State Gaming Fund to the home rule
18 county in which the organization gaming licensee is located for
19 the purpose of enhancing the county's criminal justice system.

20 (c-3) Appropriations, as approved by the General Assembly,
21 may be made from the tax revenue deposited into the State
22 Gaming Fund from organization gaming licensees pursuant to this
23 Section for the administration and enforcement of this Act.

24 (c-4) After payments required under subsections (b),
25 (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from
26 the tax revenue from organization gaming licensees deposited

1 into the State Gaming Fund under this Section, all remaining
2 amounts from organization gaming licensees shall be
3 transferred into the Capital Projects Fund.

4 (c-5) (Blank). ~~Before May 26, 2006 (the effective date of~~
5 ~~Public Act 94 804) and beginning on the effective date of this~~
6 ~~amendatory Act of the 95th General Assembly, unless any~~
7 ~~organization licensee under the Illinois Horse Racing Act of~~
8 ~~1975 begins to operate a slot machine or video game of chance~~
9 ~~under the Illinois Horse Racing Act of 1975 or this Act, after~~
10 ~~the payments required under subsections (b) and (c) have been~~
11 ~~made, an amount equal to 15% of the adjusted gross receipts of~~
12 ~~(1) an owners licensee that relocates pursuant to Section 11.2,~~
13 ~~(2) an owners licensee conducting riverboat gambling~~
14 ~~operations pursuant to an owners license that is initially~~
15 ~~issued after June 25, 1999, or (3) the first riverboat gambling~~
16 ~~operations conducted by a licensed manager on behalf of the~~
17 ~~State under Section 7.3, whichever comes first, shall be paid~~
18 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

19 (c-10) Each year the General Assembly shall appropriate
20 from the General Revenue Fund to the Education Assistance Fund
21 an amount equal to the amount paid into the Horse Racing Equity
22 Fund pursuant to subsection (c-5) in the prior calendar year.

23 (c-15) After the payments required under subsections (b),
24 (c), and (c-5) have been made, an amount equal to 2% of the
25 adjusted gross receipts of (1) an owners licensee that
26 relocates pursuant to Section 11.2, (2) an owners licensee

1 conducting riverboat gambling operations pursuant to an owners
2 license that is initially issued after June 25, 1999, or (3)
3 the first riverboat gambling operations conducted by a licensed
4 manager on behalf of the State under Section 7.3, whichever
5 comes first, shall be paid, subject to appropriation from the
6 General Assembly, from the State Gaming Fund to each home rule
7 county with a population of over 3,000,000 inhabitants for the
8 purpose of enhancing the county's criminal justice system.

9 (c-20) Each year the General Assembly shall appropriate
10 from the General Revenue Fund to the Education Assistance Fund
11 an amount equal to the amount paid to each home rule county
12 with a population of over 3,000,000 inhabitants pursuant to
13 subsection (c-15) in the prior calendar year.

14 (c-21) After the payments required under subsections (b),
15 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have
16 been made, an amount equal to 2% of the adjusted gross receipts
17 generated by the owners licensee under paragraph (1) of
18 subsection (e-5) of Section 7 shall be paid, subject to
19 appropriation from the General Assembly, from the State Gaming
20 Fund to the home rule county in which the owners licensee is
21 located for the purpose of enhancing the county's criminal
22 justice system.

23 (c-22) After the payments required under subsections (b),
24 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and
25 (c-21) have been made, an amount equal to 2% of the adjusted
26 gross receipts generated by the owners licensee under paragraph

1 (5) of subsection (e-5) of Section 7 shall be paid, subject to
2 appropriation from the General Assembly, from the State Gaming
3 Fund to the home rule county in which the owners licensee is
4 located for the purpose of enhancing the county's criminal
5 justice system.

6 (c-25) From ~~On~~ July 1, 2013 and each July 1
7 thereafter through July 1, 2019, \$1,600,000 shall be
8 transferred from the State Gaming Fund to the Chicago State
9 University Education Improvement Fund.

10 On July 1, 2020 and each July 1 thereafter, \$3,000,000
11 shall be transferred from the State Gaming Fund to the Chicago
12 State University Education Improvement Fund.

13 (c-30) On July 1, 2013 or as soon as possible thereafter,
14 \$92,000,000 shall be transferred from the State Gaming Fund to
15 the School Infrastructure Fund and \$23,000,000 shall be
16 transferred from the State Gaming Fund to the Horse Racing
17 Equity Fund.

18 (c-35) Beginning on July 1, 2013, in addition to any amount
19 transferred under subsection (c-30) of this Section,
20 \$5,530,000 shall be transferred monthly from the State Gaming
21 Fund to the School Infrastructure Fund.

22 (d) From time to time, the Board shall transfer the
23 remainder of the funds generated by this Act into the Education
24 Assistance Fund, created by Public Act 86-0018, of the State of
25 Illinois.

26 (e) Nothing in this Act shall prohibit the unit of local

1 government designated as the home dock of the riverboat from
2 entering into agreements with other units of local government
3 in this State or in other states to share its portion of the
4 tax revenue.

5 (f) To the extent practicable, the Board shall administer
6 and collect the wagering taxes imposed by this Section in a
7 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
8 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
9 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
10 Penalty and Interest Act.

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

12 (230 ILCS 10/14) (from Ch. 120, par. 2414)

13 Sec. 14. Licensees - Records - Reports - Supervision.

14 (a) Licensed owners and organization gaming licensees ~~A~~
15 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
16 clearly show the following:

17 (1) The amount received daily from admission fees.

18 (2) The total amount of gross receipts.

19 (3) The total amount of the adjusted gross receipts.

20 (b) Licensed owners and organization gaming licensees ~~The~~
21 ~~licensed owner~~ shall furnish to the Board reports and
22 information as the Board may require with respect to its
23 activities on forms designed and supplied for such purpose by
24 the Board.

25 (c) The books and records kept by a licensed owner as

1 provided by this Section are public records and the
2 examination, publication, and dissemination of the books and
3 records are governed by the provisions of The Freedom of
4 Information Act.

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

6 (230 ILCS 10/15) (from Ch. 120, par. 2415)

7 Sec. 15. Audit of Licensee Operations. Annually, the
8 licensed owner, ~~or~~ manager, or organization gaming licensee
9 shall transmit to the Board an audit of the financial
10 transactions and condition of the licensee's or manager's total
11 operations. Additionally, within 90 days after the end of each
12 quarter of each fiscal year, the licensed owner, ~~or~~ manager, or
13 organization gaming licensee shall transmit to the Board a
14 compliance report on engagement procedures determined by the
15 Board. All audits and compliance engagements shall be conducted
16 by certified public accountants selected by the Board. Each
17 certified public accountant must be registered in the State of
18 Illinois under the Illinois Public Accounting Act. The
19 compensation for each certified public accountant shall be paid
20 directly by the licensed owner, ~~or~~ manager, or organization
21 gaming licensee to the certified public accountant.

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

23 (230 ILCS 10/17) (from Ch. 120, par. 2417)

24 Sec. 17. Administrative Procedures. The Illinois

1 Administrative Procedure Act shall apply to all administrative
2 rules and procedures of the Board under this Act and ~~or~~ the
3 Video Gaming Act, except that: (1) subsection (b) of Section
4 5-10 of the Illinois Administrative Procedure Act does not
5 apply to final orders, decisions and opinions of the Board; (2)
6 subsection (a) of Section 5-10 of the Illinois Administrative
7 Procedure Act does not apply to forms established by the Board
8 for use under this Act and or the Video Gaming Act; (3) the
9 provisions of Section 10-45 of the Illinois Administrative
10 Procedure Act regarding proposals for decision are excluded
11 under this Act and ~~or~~ the Video Gaming Act; and (4) the
12 provisions of subsection (d) of Section 10-65 of the Illinois
13 Administrative Procedure Act do not apply so as to prevent
14 summary suspension of any license pending revocation or other
15 action, which suspension shall remain in effect unless modified
16 by the Board or unless the Board's decision is reversed on the
17 merits upon judicial review.

18 (Source: P.A. 96-34, eff. 7-13-09.)

19 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

20 Sec. 17.1. Judicial Review.

21 (a) Jurisdiction and venue for the judicial review of a
22 final order of the Board relating to licensed owners,
23 suppliers, organization gaming licensees, and ~~or~~ special event
24 licenses is vested in the Appellate Court of the judicial
25 district in which Sangamon County is located. A petition for

1 judicial review of a final order of the Board must be filed in
2 the Appellate Court, within 35 days from the date that a copy
3 of the decision sought to be reviewed was served upon the party
4 affected by the decision.

5 (b) Judicial review of all other final orders of the Board
6 shall be conducted in accordance with the Administrative Review
7 Law.

8 (Source: P.A. 88-1.)

9 (230 ILCS 10/18) (from Ch. 120, par. 2418)

10 Sec. 18. Prohibited Activities - Penalty.

11 (a) A person is guilty of a Class A misdemeanor for doing
12 any of the following:

13 (1) Conducting gambling where wagering is used or to be
14 used without a license issued by the Board.

15 (2) Conducting gambling where wagering is permitted
16 other than in the manner specified by Section 11.

17 (b) A person is guilty of a Class B misdemeanor for doing
18 any of the following:

19 (1) permitting a person under 21 years to make a wager;

20 or

21 (2) violating paragraph (12) of subsection (a) of
22 Section 11 of this Act.

23 (c) A person wagering or accepting a wager at any location
24 outside the riverboat, casino, or organization gaming facility
25 in violation of paragraph ~~is subject to the penalties in~~

1 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
2 Criminal Code of 2012 is subject to the penalties provided in
3 that Section.

4 (d) A person commits a Class 4 felony and, in addition,
5 shall be barred for life from gambling operations ~~riverboats~~
6 under the jurisdiction of the Board, if the person does any of
7 the following:

8 (1) Offers, promises, or gives anything of value or
9 benefit to a person who is connected with a riverboat or
10 casino owner or organization gaming licensee, including,
11 but not limited to, an officer or employee of a licensed
12 owner, organization gaming licensee, or holder of an
13 occupational license pursuant to an agreement or
14 arrangement or with the intent that the promise or thing of
15 value or benefit will influence the actions of the person
16 to whom the offer, promise, or gift was made in order to
17 affect or attempt to affect the outcome of a gambling game,
18 or to influence official action of a member of the Board.

19 (2) Solicits or knowingly accepts or receives a promise
20 of anything of value or benefit while the person is
21 connected with a riverboat, casino, or organization gaming
22 facility, including, but not limited to, an officer or
23 employee of a licensed owner or organization gaming
24 licensee, or the holder of an occupational license,
25 pursuant to an understanding or arrangement or with the
26 intent that the promise or thing of value or benefit will

1 influence the actions of the person to affect or attempt to
2 affect the outcome of a gambling game, or to influence
3 official action of a member of the Board.

4 (3) Uses or possesses with the intent to use a device
5 to assist:

6 (i) In projecting the outcome of the game.

7 (ii) In keeping track of the cards played.

8 (iii) In analyzing the probability of the
9 occurrence of an event relating to the gambling game.

10 (iv) In analyzing the strategy for playing or
11 betting to be used in the game except as permitted by
12 the Board.

13 (4) Cheats at a gambling game.

14 (5) Manufactures, sells, or distributes any cards,
15 chips, dice, game or device which is intended to be used to
16 violate any provision of this 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 organization 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 organization gaming facility shall be tried in the
3 county in which the casino or organization 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 owners ~~owner~~ licensee or an organization gaming
9 licensee for knowingly sending marketing or promotional
10 materials to any person placed on the self-exclusion list, then
11 the Board shall distribute an amount equal to 15% of the fine
12 imposed to the unit of local government in which the casino,
13 riverboat, or organization gaming facility is located for the
14 purpose of awarding grants to non-profit entities that assist
15 gambling 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 organization 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 organization gaming facility operating

1 gambling games in violation of this Act and every slot machine
2 and video game of chance found at an organization gaming
3 facility operating gambling games in violation of this Act
4 shall be subject to seizure, confiscation and destruction as
5 provided in Section 28-5 of the Criminal Code of 2012.

6 (b) It is not a violation of this Act for a riverboat or
7 other watercraft which is licensed for gaming by a contiguous
8 state to dock on the shores of this State if the municipality
9 having jurisdiction of the shores, or the county in the case of
10 unincorporated areas, has granted permission for docking and no
11 gaming is conducted on the riverboat or other watercraft while
12 it is docked on the shores of this State. No gambling device
13 shall be subject to seizure, confiscation or destruction if the
14 gambling device is located on a riverboat or other watercraft
15 which is licensed for gaming by a contiguous state and which is
16 docked on the shores of this State if the municipality having
17 jurisdiction of the shores, or the county in the case of
18 unincorporated areas, has granted permission for docking and no
19 gaming is conducted on the riverboat or other watercraft while
20 it is docked on the shores of this State.

21 (Source: P.A. 97-1150, eff. 1-25-13.)

22 (230 ILCS 10/20) (from Ch. 120, par. 2420)

23 Sec. 20. Prohibited activities - civil penalties. Any
24 person who conducts a gambling operation without first
25 obtaining a license to do so, or who continues to conduct such

1 games after revocation of his license, or any licensee who
2 conducts or allows to be conducted any unauthorized gambling
3 games on a riverboat, in a casino, or at an organization gaming
4 facility where it is authorized to conduct its ~~riverboat~~
5 gambling operation, in addition to other penalties provided,
6 shall be subject to a civil penalty equal to the amount of
7 gross receipts derived from wagering on the gambling games,
8 whether unauthorized or authorized, conducted on that day as
9 well as confiscation and forfeiture of all gambling game
10 equipment used in the conduct of unauthorized gambling games.

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

12 (230 ILCS 10/24)

13 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
14 ~~Act~~. The provisions of this ~~the Illinois Riverboat Gambling~~
15 ~~Act~~, and all rules promulgated thereunder, shall apply to the
16 Video Gaming Act, except where there is a conflict between the
17 ~~2~~ Acts. In the event of a conflict between this Act and the
18 Video Gaming Act, the terms of this Act shall prevail.

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

20 Section 35-60. The Video Gaming Act is amended by changing
21 Sections 5, 15, 20, 25, 45, 60, 79, and 80 as follows:

22 (230 ILCS 40/5)

23 Sec. 5. Definitions. As used in this Act:

1 "Board" means the Illinois Gaming Board.

2 "Credit" means one, 5, 10, or 25 cents either won or
3 purchased by a player.

4 "Distributor" means an individual, partnership,
5 corporation, or limited liability company licensed under this
6 Act to buy, sell, lease, or distribute video gaming terminals
7 or major components or parts of video gaming terminals to or
8 from terminal operators.

9 "Electronic card" means a card purchased from a licensed
10 establishment, licensed fraternal establishment, licensed
11 veterans establishment, or licensed truck stop establishment
12 for use in that establishment as a substitute for cash in the
13 conduct of gaming on a video gaming terminal.

14 "Electronic voucher" means a voucher printed by an
15 electronic video game machine that is redeemable in the
16 licensed establishment for which it was issued.

17 "In-location bonus jackpot" means one or more video gaming
18 terminals at a single licensed establishment that allows for
19 wagers placed on such video gaming terminals to contribute to a
20 cumulative maximum jackpot of up to \$10,000.

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,
25 licensed truck stop establishments, licensed fraternal
26 establishments, or licensed veterans establishments.

1 "Licensed technician" means an individual who is licensed
2 under this Act to repair, service, and maintain video gaming
3 terminals.

4 "Licensed terminal handler" means a person, including but
5 not limited to an employee or independent contractor working
6 for a manufacturer, distributor, supplier, technician, or
7 terminal operator, who is licensed under this Act to possess or
8 control a video gaming terminal or to have access to the inner
9 workings of a video gaming terminal. A licensed terminal
10 handler does not include an individual, partnership,
11 corporation, or limited liability company defined as a
12 manufacturer, distributor, supplier, technician, or terminal
13 operator under this Act.

14 "Manufacturer" means an individual, partnership,
15 corporation, or limited liability company that is licensed
16 under this Act and that manufactures or assembles video gaming
17 terminals.

18 "Supplier" means an individual, partnership, corporation,
19 or limited liability company that is licensed under this Act to
20 supply major components or parts to video gaming terminals to
21 licensed terminal operators.

22 "Net terminal income" means money put into a video gaming
23 terminal minus credits paid out to players.

24 "Video gaming terminal" means any electronic video game
25 machine that, upon insertion of cash, electronic cards or
26 vouchers, or any combination thereof, is available to play or

1 simulate the play of a video game, including but not limited to
2 video poker, line up, and blackjack, as authorized by the Board
3 utilizing a video display and microprocessors in which the
4 player may receive free games or credits that can be redeemed
5 for cash. The term does not include a machine that directly
6 dispenses coins, cash, or tokens or is for amusement purposes
7 only.

8 "Licensed establishment" means any licensed retail
9 establishment where alcoholic liquor is drawn, poured, mixed,
10 or otherwise served for consumption on the premises, whether
11 the establishment operates on a nonprofit or for-profit basis.

12 "Licensed establishment" includes any such establishment that
13 has a contractual relationship with an inter-track wagering
14 location licensee licensed under the Illinois Horse Racing Act
15 of 1975, provided any contractual relationship shall not
16 include any transfer or offer of revenue from the operation of
17 video gaming under this Act to any licensee licensed under the
18 Illinois Horse Racing Act of 1975. Provided, however, that the
19 licensed establishment that has such a contractual
20 relationship with an inter-track wagering location licensee
21 may not, itself, be (i) an inter-track wagering location
22 licensee, (ii) the corporate parent or subsidiary of any
23 licensee licensed under the Illinois Horse Racing Act of 1975,
24 or (iii) the corporate subsidiary of a corporation that is also
25 the corporate parent or subsidiary of any licensee licensed
26 under the Illinois Horse Racing Act of 1975. "Licensed

1 establishment" does not include a facility operated by an
2 organization licensee, an inter-track wagering licensee, or an
3 inter-track wagering location licensee licensed under the
4 Illinois Horse Racing Act of 1975 or a riverboat licensed under
5 the Illinois Riverboat Gambling Act, except as provided in this
6 paragraph. The changes made to this definition by Public Act
7 98-587 are declarative of existing law.

8 "Licensed fraternal establishment" means the location
9 where a qualified fraternal organization that derives its
10 charter from a national fraternal organization regularly
11 meets.

12 "Licensed veterans establishment" means the location where
13 a qualified veterans organization that derives its charter from
14 a national veterans organization regularly meets.

15 "Licensed truck stop establishment" means a facility
16 located within 3 road miles from a freeway interchange, as
17 measured in accordance with the Department of Transportation's
18 rules regarding the criteria for the installation of business
19 signs: (i) that is at least a 3-acre facility with a
20 convenience store, (ii) with separate diesel islands for
21 fueling commercial motor vehicles, (iii) that sells at retail
22 more than 50,000 ~~10,000~~ gallons of diesel or biodiesel fuel per
23 month, and (iv) with parking spaces for commercial motor
24 vehicles. "Commercial motor vehicles" has the same meaning as
25 defined in Section 18b-101 of the Illinois Vehicle Code. The
26 requirement of item (iii) of this paragraph may be met by

1 showing that estimated future sales or past sales average at
2 least 50,000 ~~10,000~~ gallons per month.

3 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
4 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
5 7-16-14.)

6 (230 ILCS 40/15)

7 Sec. 15. Minimum requirements for licensing and
8 registration. Every video gaming terminal offered for play
9 shall first be tested and approved pursuant to the rules of the
10 Board, and each video gaming terminal offered in this State for
11 play shall conform to an approved model. For the examination of
12 video gaming machines and associated equipment as required by
13 this Section, the Board shall ~~may~~ utilize the services of ~~one~~
14 ~~or more~~ independent outside testing laboratories that have been
15 accredited in accordance with ISO/IEC 17025 by an accreditation
16 body that is a signatory to the International Laboratory
17 Accreditation Cooperation Mutual Recognition Agreement
18 signifying they are qualified to ~~by a national accreditation~~
19 ~~body and that, in the judgment of the Board, are qualified to~~
20 perform such examinations. Notwithstanding any law to the
21 contrary, the Board shall consider the licensing of independent
22 outside testing laboratory applicants in accordance with
23 procedures established by the Board by rule. The Board shall
24 not withhold its approval of an independent outside testing
25 laboratory license applicant that has been accredited as

1 required by this Section and is licensed in gaming
2 jurisdictions comparable to Illinois. Upon the finalization of
3 required rules, the Board shall license independent testing
4 laboratories and accept the test reports of any licensed
5 testing laboratory of the video gaming machine's or associated
6 equipment manufacturer's choice, notwithstanding the existence
7 of contracts between the Board and any independent testing
8 laboratory. Every video gaming terminal offered in this State
9 for play must meet minimum standards ~~set by an independent~~
10 ~~outside testing laboratory~~ approved by the Board. Each approved
11 model shall, at a minimum, meet the following criteria:

12 (1) It must conform to all requirements of federal law
13 and regulations, including FCC Class A Emissions
14 Standards.

15 (2) It must theoretically pay out a mathematically
16 demonstrable percentage during the expected lifetime of
17 the machine of all amounts played, which must not be less
18 than 80%. The Board shall establish a maximum payout
19 percentage for approved models by rule. Video gaming
20 terminals that may be affected by skill must meet this
21 standard when using a method of play that will provide the
22 greatest return to the player over a period of continuous
23 play.

24 (3) It must use a random selection process to determine
25 the outcome of each play of a game. The random selection
26 process must meet 99% confidence limits using a standard

1 chi-squared test for (randomness) goodness of fit.

2 (4) It must display an accurate representation of the
3 game outcome.

4 (5) It must not automatically alter pay tables or any
5 function of the video gaming terminal based on internal
6 computation of hold percentage or have any means of
7 manipulation that affects the random selection process or
8 probabilities of winning a game.

9 (6) It must not be adversely affected by static
10 discharge or other electromagnetic interference.

11 (7) It must be capable of detecting and displaying the
12 following conditions during idle states or on demand: power
13 reset; door open; and door just closed.

14 (8) It must have the capacity to display complete play
15 history (outcome, intermediate play steps, credits
16 available, bets placed, credits paid, and credits cashed
17 out) for the most recent game played and 10 games prior
18 thereto.

19 (9) The theoretical payback percentage of a video
20 gaming terminal must not be capable of being changed
21 without making a hardware or software change in the video
22 gaming terminal, either on site or via the central
23 communications system.

24 (10) Video gaming terminals must be designed so that
25 replacement of parts or modules required for normal
26 maintenance does not necessitate replacement of the

1 electromechanical meters.

2 (11) It must have nonresettable meters housed in a
3 locked area of the terminal that keep a permanent record of
4 all cash inserted into the machine, all winnings made by
5 the terminal printer, credits played in for video gaming
6 terminals, and credits won by video gaming players. The
7 video gaming terminal must provide the means for on-demand
8 display of stored information as determined by the Board.

9 (12) Electronically stored meter information required
10 by this Section must be preserved for a minimum of 180 days
11 after a power loss to the service.

12 (13) It must have one or more mechanisms that accept
13 cash in the form of bills. The mechanisms shall be designed
14 to prevent obtaining credits without paying by stringing,
15 slamming, drilling, or other means. If such attempts at
16 physical tampering are made, the video gaming terminal
17 shall suspend itself from operating until reset.

18 (14) It shall have accounting software that keeps an
19 electronic record which includes, but is not limited to,
20 the following: total cash inserted into the video gaming
21 terminal; the value of winning tickets claimed by players;
22 the total credits played; the total credits awarded by a
23 video gaming terminal; and pay back percentage credited to
24 players of each video game.

25 (15) It shall be linked by a central communications
26 system to provide auditing program information as approved

1 by the Board. The central communications system shall use a
2 standard industry protocol, as defined by the Gaming
3 Standards Association, and shall have the functionality to
4 enable the Board or its designee to activate or deactivate
5 individual gaming devices from the central communications
6 system. In no event may the communications system approved
7 by the Board limit participation to only one manufacturer
8 of video gaming terminals by either the cost in
9 implementing the necessary program modifications to
10 communicate or the inability to communicate with the
11 central communications system.

12 (16) The Board, in its discretion, may require video
13 gaming terminals to display Amber Alert messages if the
14 Board makes a finding that it would be economically and
15 technically feasible and pose no risk to the integrity and
16 security of the central communications system and video
17 gaming terminals.

18 Licensed terminal handlers shall have access to video
19 gaming terminals, including, but not limited to, logic door
20 access, without the physical presence or supervision of the
21 Board or its agent to perform, in coordination with and with
22 project approval from the central communication system
23 provider:

24 (i) the clearing of the random access memory and
25 reprogramming of the video gaming terminal;

26 (ii) the installation of new video gaming terminal

1 software and software upgrades that have been approved by
2 the Board;

3 (iii) the placement, connection to the central
4 communication system, and go-live operation of video
5 gaming terminals at a licensed establishment, licensed
6 truck stop establishment, licensed fraternal
7 establishment, or licensed veterans establishment;

8 (iv) the repair and maintenance of a video gaming
9 terminal located at a licensed establishment, licensed
10 truck stop establishment, licensed fraternal
11 establishment, or licensed veterans establishment,
12 including, but not limited to, the replacement of the video
13 gaming terminal with a new video gaming terminal;

14 (v) the temporary movement, disconnection,
15 replacement, and reconnection of video gaming terminals to
16 allow for physical improvements and repairs at a licensed
17 establishment, licensed truck stop establishment, licensed
18 fraternal establishment, or licensed veterans
19 establishment, such as replacement of flooring, interior
20 repairs, and other similar activities; and

21 (vi) such other functions as the Board may otherwise
22 authorize.

23 The Board shall, at a licensed terminal operator's expense,
24 cause all keys and other required devices to be provided to a
25 terminal operator necessary to allow the licensed terminal
26 handler access to the logic door to the terminal operator's

1 video gaming terminals.

2 The Board may adopt rules to establish additional criteria
3 to preserve the integrity and security of video gaming in this
4 State. The central communications system vendor may be licensed
5 as a video gaming terminal manufacturer or a video gaming
6 terminal distributor, or both, but in no event shall the
7 central communications system vendor be licensed as a video
8 gaming terminal operator.

9 The Board shall not permit the development of information
10 or the use by any licensee of gaming device or individual game
11 performance data. Nothing in this Act shall inhibit or prohibit
12 the Board from the use of gaming device or individual game
13 performance data in its regulatory duties. The Board shall
14 adopt rules to ensure that all licensees are treated and all
15 licensees act in a non-discriminatory manner and develop
16 processes and penalties to enforce those rules.

17 (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,
18 eff. 8-27-13; 98-756, eff. 7-16-14.)

19 (230 ILCS 40/20)

20 Sec. 20. Video gaming terminal payouts ~~Direct dispensing of~~
21 ~~receipt tickets only.~~

22 (a) A video gaming terminal may not directly dispense
23 coins, cash, tokens, or any other article of exchange or value
24 except for receipt tickets. Tickets shall be dispensed by
25 pressing the ticket dispensing button on the video gaming

1 terminal at the end of one's turn or play. The ticket shall
2 indicate the total amount of credits and the cash award, the
3 time of day in a 24-hour format showing hours and minutes, the
4 date, the terminal serial number, the sequential number of the
5 ticket, and an encrypted validation number from which the
6 validity of the prize may be determined. The player shall turn
7 in this ticket to the appropriate person at the licensed
8 establishment, licensed truck stop establishment, licensed
9 fraternal establishment, or licensed veterans establishment to
10 receive the cash award.

11 (b) The cost of the credit shall be one cent, 5 cents, 10
12 cents, ~~or~~ 25 cents, or \$1, and the maximum wager played per
13 hand shall not exceed \$4 ~~\$2~~. No cash award for the maximum
14 wager on any individual hand shall exceed \$1,199 ~~\$500~~. No cash
15 award for the maximum wager on a jackpot, progressive or
16 otherwise, shall exceed \$10,000.

17 (c) In-location bonus jackpot games are hereby authorized.
18 The Board shall adopt emergency rules pursuant to Section 5-45
19 of the Illinois Administrative Procedure Act to implement this
20 subsection (c) within 90 days after the effective date of this
21 amendatory Act of the 101st General Assembly. Jackpot winnings
22 from in-location progressive games shall be paid by the
23 terminal operator to the player not later than 3 days after
24 winning such a jackpot.

25 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

1 (230 ILCS 40/25)

2 Sec. 25. Restriction of licensees.

3 (a) Manufacturer. A person may not be licensed as a
4 manufacturer of a video gaming terminal in Illinois unless the
5 person has a valid manufacturer's license issued under this
6 Act. A manufacturer may only sell video gaming terminals for
7 use in Illinois to persons having a valid distributor's
8 license.

9 (b) Distributor. A person may not sell, distribute, or
10 lease or market a video gaming terminal in Illinois unless the
11 person has a valid distributor's license issued under this Act.
12 A distributor may only sell video gaming terminals for use in
13 Illinois to persons having a valid distributor's or terminal
14 operator's license.

15 (c) Terminal operator. A person may not own, maintain, or
16 place a video gaming terminal unless he has a valid terminal
17 operator's license issued under this Act. A terminal operator
18 may only place video gaming terminals for use in Illinois in
19 licensed establishments, licensed truck stop establishments,
20 licensed fraternal establishments, and licensed veterans
21 establishments. No terminal operator may give anything of
22 value, including but not limited to a loan or financing
23 arrangement, to a licensed establishment, licensed truck stop
24 establishment, licensed fraternal establishment, or licensed
25 veterans establishment as any incentive or inducement to locate
26 video terminals in that establishment. Of the after-tax profits

1 from a video gaming terminal, 50% shall be paid to the terminal
2 operator and 50% shall be paid to the licensed establishment,
3 licensed truck stop establishment, licensed fraternal
4 establishment, or licensed veterans establishment,
5 notwithstanding any agreement to the contrary. A video terminal
6 operator that violates one or more requirements of this
7 subsection is guilty of a Class 4 felony and is subject to
8 termination of his or her license by the Board.

9 (d) Licensed technician. A person may not service,
10 maintain, or repair a video gaming terminal in this State
11 unless he or she (1) has a valid technician's license issued
12 under this Act, (2) is a terminal operator, or (3) is employed
13 by a terminal operator, distributor, or manufacturer.

14 (d-5) Licensed terminal handler. No person, including, but
15 not limited to, an employee or independent contractor working
16 for a manufacturer, distributor, supplier, technician, or
17 terminal operator licensed pursuant to this Act, shall have
18 possession or control of a video gaming terminal, or access to
19 the inner workings of a video gaming terminal, unless that
20 person possesses a valid terminal handler's license issued
21 under this Act.

22 (e) Licensed establishment. No video gaming terminal may be
23 placed in any licensed establishment, licensed veterans
24 establishment, licensed truck stop establishment, or licensed
25 fraternal establishment unless the owner or agent of the owner
26 of the licensed establishment, licensed veterans

1 establishment, licensed truck stop establishment, or licensed
2 fraternal establishment has entered into a written use
3 agreement with the terminal operator for placement of the
4 terminals. A copy of the use agreement shall be on file in the
5 terminal operator's place of business and available for
6 inspection by individuals authorized by the Board. A licensed
7 establishment, licensed truck stop establishment, licensed
8 veterans establishment, or licensed fraternal establishment
9 may operate up to 6 ~~5~~ video gaming terminals on its premises at
10 any time. A licensed truck stop establishment may operate up to
11 10 video gaming terminals on its premises at any time.

12 (f) (Blank).

13 (g) Financial interest restrictions. As used in this Act,
14 "substantial interest" in a partnership, a corporation, an
15 organization, an association, a business, or a limited
16 liability company means:

17 (A) When, with respect to a sole proprietorship, an
18 individual or his or her spouse owns, operates, manages, or
19 conducts, directly or indirectly, the organization,
20 association, or business, or any part thereof; or

21 (B) When, with respect to a partnership, the individual
22 or his or her spouse shares in any of the profits, or
23 potential profits, of the partnership activities; or

24 (C) When, with respect to a corporation, an individual
25 or his or her spouse is an officer or director, or the
26 individual or his or her spouse is a holder, directly or

1 beneficially, of 5% or more of any class of stock of the
2 corporation; or

3 (D) When, with respect to an organization not covered
4 in (A), (B) or (C) above, an individual or his or her
5 spouse is an officer or manages the business affairs, or
6 the individual or his or her spouse is the owner of or
7 otherwise controls 10% or more of the assets of the
8 organization; or

9 (E) When an individual or his or her spouse furnishes
10 5% or more of the capital, whether in cash, goods, or
11 services, for the operation of any business, association,
12 or organization during any calendar year; or

13 (F) When, with respect to a limited liability company,
14 an individual or his or her spouse is a member, or the
15 individual or his or her spouse is a holder, directly or
16 beneficially, of 5% or more of the membership interest of
17 the limited liability company.

18 For purposes of this subsection (g), "individual" includes
19 all individuals or their spouses whose combined interest would
20 qualify as a substantial interest under this subsection (g) and
21 whose activities with respect to an organization, association,
22 or business are so closely aligned or coordinated as to
23 constitute the activities of a single entity.

24 (h) Location restriction. A licensed establishment,
25 licensed truck stop establishment, licensed fraternal
26 establishment, or licensed veterans establishment that is (i)

1 located within 1,000 feet of a facility operated by an
2 organization licensee licensed under the Illinois Horse Racing
3 Act of 1975 or the home dock of a riverboat licensed under the
4 Illinois Riverboat Gambling Act or (ii) located within 100 feet
5 of a school or a place of worship under the Religious
6 Corporation Act, is ineligible to operate a video gaming
7 terminal. The location restrictions in this subsection (h) do
8 not apply if (A) a facility operated by an organization
9 licensee, a school, or a place of worship moves to or is
10 established within the restricted area after a licensed
11 establishment, licensed truck stop establishment, licensed
12 fraternal establishment, or licensed veterans establishment
13 becomes licensed under this Act or (B) a school or place of
14 worship moves to or is established within the restricted area
15 after a licensed establishment, licensed truck stop
16 establishment, licensed fraternal establishment, or licensed
17 veterans establishment obtains its original liquor license.
18 For the purpose of this subsection, "school" means an
19 elementary or secondary public school, or an elementary or
20 secondary private school registered with or recognized by the
21 State Board of Education.

22 Notwithstanding the provisions of this subsection (h), the
23 Board may waive the requirement that a licensed establishment,
24 licensed truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment not be
26 located within 1,000 feet from a facility operated by an

1 organization licensee licensed under the Illinois Horse Racing
2 Act of 1975 or the home dock of a riverboat licensed under the
3 Illinois Riverboat Gambling Act. The Board shall not grant such
4 waiver if there is any common ownership or control, shared
5 business activity, or contractual arrangement of any type
6 between the establishment and the organization licensee or
7 owners licensee of a riverboat. The Board shall adopt rules to
8 implement the provisions of this paragraph.

9 (h-5) Restrictions on licenses in malls. The Board shall
10 not grant an application to become a licensed video gaming
11 location if the Board determines that granting the application
12 would more likely than not cause a terminal operator,
13 individually or in combination with other terminal operators,
14 licensed video gaming location, or other person or entity, to
15 operate the video gaming terminals in 2 or more licensed video
16 gaming locations as a single video gaming operation.

17 (1) In making determinations under this subsection
18 (h-5), factors to be considered by the Board shall include,
19 but not be limited to, the following:

20 (A) the physical aspects of the location;

21 (B) the ownership, control, or management of the
22 location;

23 (C) any arrangements, understandings, or
24 agreements, written or otherwise, among or involving
25 any persons or entities that involve the conducting of
26 any video gaming business or the sharing of costs or

1 revenues; and

2 (D) the manner in which any terminal operator or
3 other related entity markets, advertises, or otherwise
4 describes any location or locations to any other person
5 or entity or to the public.

6 (2) The Board shall presume, subject to rebuttal, that
7 the granting of an application to become a licensed video
8 gaming location within a mall will cause a terminal
9 operator, individually or in combination with other
10 persons or entities, to operate the video gaming terminals
11 in 2 or more licensed video gaming locations as a single
12 video gaming operation if the Board determines that
13 granting the license would create a local concentration of
14 licensed video gaming locations.

15 For the purposes of this subsection (h-5):

16 "Mall" means a building, or adjoining or connected
17 buildings, containing 4 or more separate locations.

18 "Video gaming operation" means the conducting of video
19 gaming and all related activities.

20 "Location" means a space within a mall containing a
21 separate business, a place for a separate business, or a place
22 subject to a separate leasing arrangement by the mall owner.

23 "Licensed video gaming location" means a licensed
24 establishment, licensed fraternal establishment, licensed
25 veterans establishment, or licensed truck stop.

26 "Local concentration of licensed video gaming locations"

1 means that the combined number of licensed video gaming
2 locations within a mall exceed half of the separate locations
3 within the mall.

4 (i) Undue economic concentration. In addition to
5 considering all other requirements under this Act, in deciding
6 whether to approve the operation of video gaming terminals by a
7 terminal operator in a location, the Board shall consider the
8 impact of any economic concentration of such operation of video
9 gaming terminals. The Board shall not allow a terminal operator
10 to operate video gaming terminals if the Board determines such
11 operation will result in undue economic concentration. For
12 purposes of this Section, "undue economic concentration" means
13 that a terminal operator would have such actual or potential
14 influence over video gaming terminals in Illinois as to:

15 (1) substantially impede or suppress competition among
16 terminal operators;

17 (2) adversely impact the economic stability of the
18 video gaming industry in Illinois; or

19 (3) negatively impact the purposes of the Video Gaming
20 Act.

21 The Board shall adopt rules concerning undue economic
22 concentration with respect to the operation of video gaming
23 terminals in Illinois. The rules shall include, but not be
24 limited to, (i) limitations on the number of video gaming
25 terminals operated by any terminal operator within a defined
26 geographic radius and (ii) guidelines on the discontinuation of

1 operation of any such video gaming terminals the Board
2 determines will cause undue economic concentration.

3 (j) The provisions of the Illinois Antitrust Act are fully
4 and equally applicable to the activities of any licensee under
5 this Act.

6 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
7 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

8 (230 ILCS 40/45)

9 Sec. 45. Issuance of license.

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

19 (a-5) The Board shall not grant a license to a person who
20 has facilitated, enabled, or participated in the use of
21 coin-operated devices for gambling purposes or who is under the
22 significant influence or control of such a person. For the
23 purposes of this Act, "facilitated, enabled, or participated in
24 the use of coin-operated amusement devices for gambling
25 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
- 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 \$100

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. 100-1152, eff. 12-14-18.)

8 (230 ILCS 40/60)

9 Sec. 60. Imposition and distribution of tax.

10 (a) A tax of 30% is imposed on net terminal income and
11 shall be collected by the Board.

12 ~~(b)~~ Of the tax collected under this subsection (a) ~~Section~~,
13 five-sixths shall be deposited into the Capital Projects Fund
14 and one-sixth shall be deposited into the Local Government
15 Video Gaming Distributive Fund.

16 (b) Beginning on July 1, 2019, an additional tax of 3% is
17 imposed on net terminal income and shall be collected by the
18 Board.

19 Beginning on July 1, 2020, an additional tax of 1% is
20 imposed on net terminal income and shall be collected by the
21 Board.

22 The tax collected under this subsection (b) shall be
23 deposited into the Capital Projects Fund.

24 (c) Revenues generated from the play of video gaming
25 terminals shall be deposited by the terminal operator, who is

1 responsible for tax payments, in a specially created, separate
2 bank account maintained by the video gaming terminal operator
3 to allow for electronic fund transfers of moneys for tax
4 payment.

5 (d) Each licensed establishment, licensed truck stop
6 establishment, licensed fraternal establishment, and licensed
7 veterans establishment shall maintain an adequate video gaming
8 fund, with the amount to be determined by the Board.

9 (e) The State's percentage of net terminal income shall be
10 reported and remitted to the Board within 15 days after the
11 15th day of each month and within 15 days after the end of each
12 month by the video terminal operator. A video terminal operator
13 who falsely reports or fails to report the amount due required
14 by this Section is guilty of a Class 4 felony and is subject to
15 termination of his or her license by the Board. Each video
16 terminal operator shall keep a record of net terminal income in
17 such form as the Board may require. All payments not remitted
18 when due shall be paid together with a penalty assessment on
19 the unpaid balance at a rate of 1.5% per month.

20 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

21 (230 ILCS 40/79)

22 Sec. 79. Investigators. Investigators appointed by the
23 Board pursuant to the powers conferred upon the Board by
24 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
25 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have

1 authority to conduct investigations, searches, seizures,
2 arrests, and other duties imposed under this Act and the
3 Illinois Riverboat Gambling Act, as deemed necessary by the
4 Board. These investigators have and may exercise all of the
5 rights and powers of peace officers, provided that these powers
6 shall be (1) limited to offenses or violations occurring or
7 committed in connection with conduct subject to this Act,
8 including, but not limited to, the manufacture, distribution,
9 supply, operation, placement, service, maintenance, or play of
10 video gaming terminals and the distribution of profits and
11 collection of revenues resulting from such play, and (2)
12 exercised, to the fullest extent practicable, in cooperation
13 with the local police department of the applicable municipality
14 or, if these powers are exercised outside the boundaries of an
15 incorporated municipality or within a municipality that does
16 not have its own police department, in cooperation with the
17 police department whose jurisdiction encompasses the
18 applicable locality.

19 (Source: P.A. 97-809, eff. 7-13-12.)

20 (230 ILCS 40/80)

21 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.
22 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
23 rules promulgated thereunder, shall apply to the Video Gaming
24 Act, except where there is a conflict between the 2 Acts. In
25 the event of a conflict between the 2 Acts, the provisions of

1 the Illinois Gambling Act shall prevail. All current supplier
2 licensees under the Illinois ~~Riverboat~~ Gambling Act shall be
3 entitled to licensure under the Video Gaming Act as
4 manufacturers, distributors, or suppliers without additional
5 Board investigation or approval, except by vote of the Board;
6 however, they are required to pay application and annual fees
7 under this Act. All provisions of the Uniform Penalty and
8 Interest Act shall apply, as far as practicable, to the subject
9 matter of this Act to the same extent as if such provisions
10 were included herein.

11 (Source: P.A. 100-1152, eff. 12-14-18.)

12 Section 35-65. The Liquor Control Act of 1934 is amended by
13 changing Sections 5-1 and 6-30 as follows:

14 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

15 Sec. 5-1. Licenses issued by the Illinois Liquor Control
16 Commission shall be of the following classes:

17 (a) Manufacturer's license - Class 1. Distiller, Class 2.
18 Rectifier, Class 3. Brewer, Class 4. First Class Wine
19 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
20 First Class Winemaker, Class 7. Second Class Winemaker, Class
21 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
22 10. Class 1 Brewer, Class 11. Class 2 Brewer,

23 (b) Distributor's license,

24 (c) Importing Distributor's license,

- 1 (d) Retailer's license,
- 2 (e) Special Event Retailer's license (not-for-profit),
- 3 (f) Railroad license,
- 4 (g) Boat license,
- 5 (h) Non-Beverage User's license,
- 6 (i) Wine-maker's premises license,
- 7 (j) Airplane license,
- 8 (k) Foreign importer's license,
- 9 (l) Broker's license,
- 10 (m) Non-resident dealer's license,
- 11 (n) Brew Pub license,
- 12 (o) Auction liquor license,
- 13 (p) Caterer retailer license,
- 14 (q) Special use permit license,
- 15 (r) Winery shipper's license,
- 16 (s) Craft distiller tasting permit,
- 17 (t) Brewer warehouse permit.

18 No person, firm, partnership, corporation, or other legal
19 business entity that is engaged in the manufacturing of wine
20 may concurrently obtain and hold a wine-maker's license and a
21 wine manufacturer's license.

22 (a) A manufacturer's license shall allow the manufacture,
23 importation in bulk, storage, distribution and sale of
24 alcoholic liquor to persons without the State, as may be
25 permitted by law and to licensees in this State as follows:

26 Class 1. A Distiller may make sales and deliveries of

1 alcoholic liquor to distillers, rectifiers, importing
2 distributors, distributors and non-beverage users and to no
3 other licensees.

4 Class 2. A Rectifier, who is not a distiller, as defined
5 herein, may make sales and deliveries of alcoholic liquor to
6 rectifiers, importing distributors, distributors, retailers
7 and non-beverage users and to no other licensees.

8 Class 3. A Brewer may make sales and deliveries of beer to
9 importing distributors and distributors and may make sales as
10 authorized under subsection (e) of Section 6-4 of this Act.

11 Class 4. A first class wine-manufacturer may make sales and
12 deliveries of up to 50,000 gallons of wine to manufacturers,
13 importing distributors and distributors, and to no other
14 licensees.

15 Class 5. A second class Wine manufacturer may make sales
16 and deliveries of more than 50,000 gallons of wine to
17 manufacturers, importing distributors and distributors and to
18 no other licensees.

19 Class 6. A first-class wine-maker's license shall allow the
20 manufacture of up to 50,000 gallons of wine per year, and the
21 storage and sale of such wine to distributors in the State and
22 to persons without the State, as may be permitted by law. A
23 person who, prior to June 1, 2008 (the effective date of Public
24 Act 95-634), is a holder of a first-class wine-maker's license
25 and annually produces more than 25,000 gallons of its own wine
26 and who distributes its wine to licensed retailers shall cease

1 this practice on or before July 1, 2008 in compliance with
2 Public Act 95-634.

3 Class 7. A second-class wine-maker's license shall allow
4 the manufacture of between 50,000 and 150,000 gallons of wine
5 per year, and the storage and sale of such wine to distributors
6 in this State and to persons without the State, as may be
7 permitted by law. A person who, prior to June 1, 2008 (the
8 effective date of Public Act 95-634), is a holder of a
9 second-class wine-maker's license and annually produces more
10 than 25,000 gallons of its own wine and who distributes its
11 wine to licensed retailers shall cease this practice on or
12 before July 1, 2008 in compliance with Public Act 95-634.

13 Class 8. A limited wine-manufacturer may make sales and
14 deliveries not to exceed 40,000 gallons of wine per year to
15 distributors, and to non-licensees in accordance with the
16 provisions of this Act.

17 Class 9. A craft distiller license shall allow the
18 manufacture of up to 100,000 gallons of spirits by distillation
19 per year and the storage of such spirits. If a craft distiller
20 licensee, including a craft distiller licensee who holds more
21 than one craft distiller license, is not affiliated with any
22 other manufacturer of spirits, then the craft distiller
23 licensee may sell such spirits to distributors in this State
24 and up to 2,500 gallons of such spirits to non-licensees to the
25 extent permitted by any exemption approved by the Commission
26 pursuant to Section 6-4 of this Act. A craft distiller license

1 holder may store such spirits at a non-contiguous licensed
2 location, but at no time shall a craft distiller license holder
3 directly or indirectly produce in the aggregate more than
4 100,000 gallons of spirits per year.

5 A craft distiller licensee may hold more than one craft
6 distiller's license. However, a craft distiller that holds more
7 than one craft distiller license shall not manufacture, in the
8 aggregate, more than 100,000 gallons of spirits by distillation
9 per year and shall not sell, in the aggregate, more than 2,500
10 gallons of such spirits to non-licensees in accordance with an
11 exemption approved by the State Commission pursuant to Section
12 6-4 of this Act.

13 Any craft distiller licensed under this Act who on July 28,
14 2010 (the effective date of Public Act 96-1367) was licensed as
15 a distiller and manufactured no more spirits than permitted by
16 this Section shall not be required to pay the initial licensing
17 fee.

18 Class 10. A class 1 brewer license, which may only be
19 issued to a licensed brewer or licensed non-resident dealer,
20 shall allow the manufacture of up to 930,000 gallons of beer
21 per year provided that the class 1 brewer licensee does not
22 manufacture more than a combined 930,000 gallons of beer per
23 year and is not a member of or affiliated with, directly or
24 indirectly, a manufacturer that produces more than 930,000
25 gallons of beer per year or any other alcoholic liquor. A class
26 1 brewer licensee may make sales and deliveries to importing

1 distributors and distributors and to retail licensees in
2 accordance with the conditions set forth in paragraph (18) of
3 subsection (a) of Section 3-12 of this Act. If the State
4 Commission provides prior approval, a class 1 brewer may
5 annually transfer up to 930,000 gallons of beer manufactured by
6 that class 1 brewer to the premises of a licensed class 1
7 brewer wholly owned and operated by the same licensee.

8 Class 11. A class 2 brewer license, which may only be
9 issued to a licensed brewer or licensed non-resident dealer,
10 shall allow the manufacture of up to 3,720,000 gallons of beer
11 per year provided that the class 2 brewer licensee does not
12 manufacture more than a combined 3,720,000 gallons of beer per
13 year and is not a member of or affiliated with, directly or
14 indirectly, a manufacturer that produces more than 3,720,000
15 gallons of beer per year or any other alcoholic liquor. A class
16 2 brewer licensee may make sales and deliveries to importing
17 distributors and distributors, but shall not make sales or
18 deliveries to any other licensee. If the State Commission
19 provides prior approval, a class 2 brewer licensee may annually
20 transfer up to 3,720,000 gallons of beer manufactured by that
21 class 2 brewer licensee to the premises of a licensed class 2
22 brewer wholly owned and operated by the same licensee.

23 A class 2 brewer may transfer beer to a brew pub wholly
24 owned and operated by the class 2 brewer subject to the
25 following limitations and restrictions: (i) the transfer shall
26 not annually exceed more than 31,000 gallons; (ii) the annual

1 amount transferred shall reduce the brew pub's annual permitted
2 production limit; (iii) all beer transferred shall be subject
3 to Article VIII of this Act; (iv) a written record shall be
4 maintained by the brewer and brew pub specifying the amount,
5 date of delivery, and receipt of the product by the brew pub;
6 and (v) the brew pub shall be located no farther than 80 miles
7 from the class 2 brewer's licensed location.

8 A class 2 brewer shall, prior to transferring beer to a
9 brew pub wholly owned by the class 2 brewer, furnish a written
10 notice to the State Commission of intent to transfer beer
11 setting forth the name and address of the brew pub and shall
12 annually submit to the State Commission a verified report
13 identifying the total gallons of beer transferred to the brew
14 pub wholly owned by the class 2 brewer.

15 (a-1) A manufacturer which is licensed in this State to
16 make sales or deliveries of alcoholic liquor to licensed
17 distributors or importing distributors and which enlists
18 agents, representatives, or individuals acting on its behalf
19 who contact licensed retailers on a regular and continual basis
20 in this State must register those agents, representatives, or
21 persons acting on its behalf with the State Commission.

22 Registration of agents, representatives, or persons acting
23 on behalf of a manufacturer is fulfilled by submitting a form
24 to the Commission. The form shall be developed by the
25 Commission and shall include the name and address of the
26 applicant, the name and address of the manufacturer he or she

1 represents, the territory or areas assigned to sell to or
2 discuss pricing terms of alcoholic liquor, and any other
3 questions deemed appropriate and necessary. All statements in
4 the forms required to be made by law or by rule shall be deemed
5 material, and any person who knowingly misstates any material
6 fact under oath in an application is guilty of a Class B
7 misdemeanor. Fraud, misrepresentation, false statements,
8 misleading statements, evasions, or suppression of material
9 facts in the securing of a registration are grounds for
10 suspension or revocation of the registration. The State
11 Commission shall post a list of registered agents on the
12 Commission's website.

13 (b) A distributor's license shall allow the wholesale
14 purchase and storage of alcoholic liquors and sale of alcoholic
15 liquors to licensees in this State and to persons without the
16 State, as may be permitted by law, and the sale of beer, cider,
17 or both beer and cider to brewers, class 1 brewers, and class 2
18 brewers that, pursuant to subsection (e) of Section 6-4 of this
19 Act, sell beer, cider, or both beer and cider to non-licensees
20 at their breweries. No person licensed as a distributor shall
21 be granted a non-resident dealer's license.

22 (c) An importing distributor's license may be issued to and
23 held by those only who are duly licensed distributors, upon the
24 filing of an application by a duly licensed distributor, with
25 the Commission and the Commission shall, without the payment of
26 any fee, immediately issue such importing distributor's

1 license to the applicant, which shall allow the importation of
2 alcoholic liquor by the licensee into this State from any point
3 in the United States outside this State, and the purchase of
4 alcoholic liquor in barrels, casks or other bulk containers and
5 the bottling of such alcoholic liquors before resale thereof,
6 but all bottles or containers so filled shall be sealed,
7 labeled, stamped and otherwise made to comply with all
8 provisions, rules and regulations governing manufacturers in
9 the preparation and bottling of alcoholic liquors. The
10 importing distributor's license shall permit such licensee to
11 purchase alcoholic liquor from Illinois licensed non-resident
12 dealers and foreign importers only. No person licensed as an
13 importing distributor shall be granted a non-resident dealer's
14 license.

15 (d) A retailer's license shall allow the licensee to sell
16 and offer for sale at retail, only in the premises specified in
17 the license, alcoholic liquor for use or consumption, but not
18 for resale in any form. Nothing in Public Act 95-634 shall
19 deny, limit, remove, or restrict the ability of a holder of a
20 retailer's license to transfer, deliver, or ship alcoholic
21 liquor to the purchaser for use or consumption subject to any
22 applicable local law or ordinance. Any retail license issued to
23 a manufacturer shall only permit the manufacturer to sell beer
24 at retail on the premises actually occupied by the
25 manufacturer. For the purpose of further describing the type of
26 business conducted at a retail licensed premises, a retailer's

1 licensee may be designated by the State Commission as (i) an on
2 premise consumption retailer, (ii) an off premise sale
3 retailer, or (iii) a combined on premise consumption and off
4 premise sale retailer.

5 Notwithstanding any other provision of this subsection
6 (d), a retail licensee may sell alcoholic liquors to a special
7 event retailer licensee for resale to the extent permitted
8 under subsection (e).

9 (e) A special event retailer's license (not-for-profit)
10 shall permit the licensee to purchase alcoholic liquors from an
11 Illinois licensed distributor (unless the licensee purchases
12 less than \$500 of alcoholic liquors for the special event, in
13 which case the licensee may purchase the alcoholic liquors from
14 a licensed retailer) and shall allow the licensee to sell and
15 offer for sale, at retail, alcoholic liquors for use or
16 consumption, but not for resale in any form and only at the
17 location and on the specific dates designated for the special
18 event in the license. An applicant for a special event retailer
19 license must (i) furnish with the application: (A) a resale
20 number issued under Section 2c of the Retailers' Occupation Tax
21 Act or evidence that the applicant is registered under Section
22 2a of the Retailers' Occupation Tax Act, (B) a current, valid
23 exemption identification number issued under Section 1g of the
24 Retailers' Occupation Tax Act, and a certification to the
25 Commission that the purchase of alcoholic liquors will be a
26 tax-exempt purchase, or (C) a statement that the applicant is

1 not registered under Section 2a of the Retailers' Occupation
2 Tax Act, does not hold a resale number under Section 2c of the
3 Retailers' Occupation Tax Act, and does not hold an exemption
4 number under Section 1g of the Retailers' Occupation Tax Act,
5 in which event the Commission shall set forth on the special
6 event retailer's license a statement to that effect; (ii)
7 submit with the application proof satisfactory to the State
8 Commission that the applicant will provide dram shop liability
9 insurance in the maximum limits; and (iii) show proof
10 satisfactory to the State Commission that the applicant has
11 obtained local authority approval.

12 Nothing in this Act prohibits an Illinois licensed
13 distributor from offering credit or a refund for unused,
14 salable alcoholic liquors to a holder of a special event
15 retailer's license or ~~from~~ the special event retailer's
16 licensee from accepting the credit or refund of alcoholic
17 liquors at the conclusion of the event specified in the
18 license.

19 (f) A railroad license shall permit the licensee to import
20 alcoholic liquors into this State from any point in the United
21 States outside this State and to store such alcoholic liquors
22 in this State; to make wholesale purchases of alcoholic liquors
23 directly from manufacturers, foreign importers, distributors
24 and importing distributors from within or outside this State;
25 and to store such alcoholic liquors in this State; provided
26 that the above powers may be exercised only in connection with

1 the importation, purchase or storage of alcoholic liquors to be
2 sold or dispensed on a club, buffet, lounge or dining car
3 operated on an electric, gas or steam railway in this State;
4 and provided further, that railroad licensees exercising the
5 above powers shall be subject to all provisions of Article VIII
6 of this Act as applied to importing distributors. A railroad
7 license shall also permit the licensee to sell or dispense
8 alcoholic liquors on any club, buffet, lounge or dining car
9 operated on an electric, gas or steam railway regularly
10 operated by a common carrier in this State, but shall not
11 permit the sale for resale of any alcoholic liquors to any
12 licensee within this State. A license shall be obtained for
13 each car in which such sales are made.

14 (g) A boat license shall allow the sale of alcoholic liquor
15 in individual drinks, on any passenger boat regularly operated
16 as a common carrier on navigable waters in this State or on any
17 riverboat operated under the Illinois Riverboat ~~Riverboat~~ Gambling Act,
18 which boat or riverboat maintains a public dining room or
19 restaurant thereon.

20 (h) A non-beverage user's license shall allow the licensee
21 to purchase alcoholic liquor from a licensed manufacturer or
22 importing distributor, without the imposition of any tax upon
23 the business of such licensed manufacturer or importing
24 distributor as to such alcoholic liquor to be used by such
25 licensee solely for the non-beverage purposes set forth in
26 subsection (a) of Section 8-1 of this Act, and such licenses

1 shall be divided and classified and shall permit the purchase,
2 possession and use of limited and stated quantities of
3 alcoholic liquor as follows:

- 4 Class 1, not to exceed 500 gallons
- 5 Class 2, not to exceed 1,000 gallons
- 6 Class 3, not to exceed 5,000 gallons
- 7 Class 4, not to exceed 10,000 gallons
- 8 Class 5, not to exceed 50,000 gallons

9 (i) A wine-maker's premises license shall allow a licensee
10 that concurrently holds a first-class wine-maker's license to
11 sell and offer for sale at retail in the premises specified in
12 such license not more than 50,000 gallons of the first-class
13 wine-maker's wine that is made at the first-class wine-maker's
14 licensed premises per year for use or consumption, but not for
15 resale in any form. A wine-maker's premises license shall allow
16 a licensee who concurrently holds a second-class wine-maker's
17 license to sell and offer for sale at retail in the premises
18 specified in such license up to 100,000 gallons of the
19 second-class wine-maker's wine that is made at the second-class
20 wine-maker's licensed premises per year for use or consumption
21 but not for resale in any form. A wine-maker's premises license
22 shall allow a licensee that concurrently holds a first-class
23 wine-maker's license or a second-class wine-maker's license to
24 sell and offer for sale at retail at the premises specified in
25 the wine-maker's premises license, for use or consumption but
26 not for resale in any form, any beer, wine, and spirits

1 purchased from a licensed distributor. Upon approval from the
2 State Commission, a wine-maker's premises license shall allow
3 the licensee to sell and offer for sale at (i) the wine-maker's
4 licensed premises and (ii) at up to 2 additional locations for
5 use and consumption and not for resale. Each location shall
6 require additional licensing per location as specified in
7 Section 5-3 of this Act. A wine-maker's premises licensee shall
8 secure liquor liability insurance coverage in an amount at
9 least equal to the maximum liability amounts set forth in
10 subsection (a) of Section 6-21 of this Act.

11 (j) An airplane license shall permit the licensee to import
12 alcoholic liquors into this State from any point in the United
13 States outside this State and to store such alcoholic liquors
14 in this State; to make wholesale purchases of alcoholic liquors
15 directly from manufacturers, foreign importers, distributors
16 and importing distributors from within or outside this State;
17 and to store such alcoholic liquors in this State; provided
18 that the above powers may be exercised only in connection with
19 the importation, purchase or storage of alcoholic liquors to be
20 sold or dispensed on an airplane; and provided further, that
21 airplane licensees exercising the above powers shall be subject
22 to all provisions of Article VIII of this Act as applied to
23 importing distributors. An airplane licensee shall also permit
24 the sale or dispensing of alcoholic liquors on any passenger
25 airplane regularly operated by a common carrier in this State,
26 but shall not permit the sale for resale of any alcoholic

1 liquors to any licensee within this State. A single airplane
2 license shall be required of an airline company if liquor
3 service is provided on board aircraft in this State. The annual
4 fee for such license shall be as determined in Section 5-3.

5 (k) A foreign importer's license shall permit such licensee
6 to purchase alcoholic liquor from Illinois licensed
7 non-resident dealers only, and to import alcoholic liquor other
8 than in bulk from any point outside the United States and to
9 sell such alcoholic liquor to Illinois licensed importing
10 distributors and to no one else in Illinois; provided that (i)
11 the foreign importer registers with the State Commission every
12 brand of alcoholic liquor that it proposes to sell to Illinois
13 licensees during the license period, (ii) the foreign importer
14 complies with all of the provisions of Section 6-9 of this Act
15 with respect to registration of such Illinois licensees as may
16 be granted the right to sell such brands at wholesale, and
17 (iii) the foreign importer complies with the provisions of
18 Sections 6-5 and 6-6 of this Act to the same extent that these
19 provisions apply to manufacturers.

20 (l) (i) A broker's license shall be required of all persons
21 who solicit orders for, offer to sell or offer to supply
22 alcoholic liquor to retailers in the State of Illinois, or who
23 offer to retailers to ship or cause to be shipped or to make
24 contact with distillers, rectifiers, brewers or manufacturers
25 or any other party within or without the State of Illinois in
26 order that alcoholic liquors be shipped to a distributor,

1 importing distributor or foreign importer, whether such
2 solicitation or offer is consummated within or without the
3 State of Illinois.

4 No holder of a retailer's license issued by the Illinois
5 Liquor Control Commission shall purchase or receive any
6 alcoholic liquor, the order for which was solicited or offered
7 for sale to such retailer by a broker unless the broker is the
8 holder of a valid broker's license.

9 The broker shall, upon the acceptance by a retailer of the
10 broker's solicitation of an order or offer to sell or supply or
11 deliver or have delivered alcoholic liquors, promptly forward
12 to the Illinois Liquor Control Commission a notification of
13 said transaction in such form as the Commission may by
14 regulations prescribe.

15 (ii) A broker's license shall be required of a person
16 within this State, other than a retail licensee, who, for a fee
17 or commission, promotes, solicits, or accepts orders for
18 alcoholic liquor, for use or consumption and not for resale, to
19 be shipped from this State and delivered to residents outside
20 of this State by an express company, common carrier, or
21 contract carrier. This Section does not apply to any person who
22 promotes, solicits, or accepts orders for wine as specifically
23 authorized in Section 6-29 of this Act.

24 A broker's license under this subsection (1) shall not
25 entitle the holder to buy or sell any alcoholic liquors for his
26 own account or to take or deliver title to such alcoholic

1 liquors.

2 This subsection (1) shall not apply to distributors,
3 employees of distributors, or employees of a manufacturer who
4 has registered the trademark, brand or name of the alcoholic
5 liquor pursuant to Section 6-9 of this Act, and who regularly
6 sells such alcoholic liquor in the State of Illinois only to
7 its registrants thereunder.

8 Any agent, representative, or person subject to
9 registration pursuant to subsection (a-1) of this Section shall
10 not be eligible to receive a broker's license.

11 (m) A non-resident dealer's license shall permit such
12 licensee to ship into and warehouse alcoholic liquor into this
13 State from any point outside of this State, and to sell such
14 alcoholic liquor to Illinois licensed foreign importers and
15 importing distributors and to no one else in this State;
16 provided that (i) said non-resident dealer shall register with
17 the Illinois Liquor Control Commission each and every brand of
18 alcoholic liquor which it proposes to sell to Illinois
19 licensees during the license period, (ii) it shall comply with
20 all of the provisions of Section 6-9 hereof with respect to
21 registration of such Illinois licensees as may be granted the
22 right to sell such brands at wholesale by duly filing such
23 registration statement, thereby authorizing the non-resident
24 dealer to proceed to sell such brands at wholesale, and (iii)
25 the non-resident dealer shall comply with the provisions of
26 Sections 6-5 and 6-6 of this Act to the same extent that these

1 provisions apply to manufacturers. No person licensed as a
2 non-resident dealer shall be granted a distributor's or
3 importing distributor's license.

4 (n) A brew pub license shall allow the licensee to only (i)
5 manufacture up to 155,000 gallons of beer per year only on the
6 premises specified in the license, (ii) make sales of the beer
7 manufactured on the premises or, with the approval of the
8 Commission, beer manufactured on another brew pub licensed
9 premises that is wholly owned and operated by the same licensee
10 to importing distributors, distributors, and to non-licensees
11 for use and consumption, (iii) store the beer upon the
12 premises, (iv) sell and offer for sale at retail from the
13 licensed premises for off-premises consumption no more than
14 155,000 gallons per year so long as such sales are only made
15 in-person, (v) sell and offer for sale at retail for use and
16 consumption on the premises specified in the license any form
17 of alcoholic liquor purchased from a licensed distributor or
18 importing distributor, and (vi) with the prior approval of the
19 Commission, annually transfer no more than 155,000 gallons of
20 beer manufactured on the premises to a licensed brew pub wholly
21 owned and operated by the same licensee.

22 A brew pub licensee shall not under any circumstance sell
23 or offer for sale beer manufactured by the brew pub licensee to
24 retail licensees.

25 A person who holds a class 2 brewer license may
26 simultaneously hold a brew pub license if the class 2 brewer

1 (i) does not, under any circumstance, sell or offer for sale
2 beer manufactured by the class 2 brewer to retail licensees;
3 (ii) does not hold more than 3 brew pub licenses in this State;
4 (iii) does not manufacture more than a combined 3,720,000
5 gallons of beer per year, including the beer manufactured at
6 the brew pub; and (iv) is not a member of or affiliated with,
7 directly or indirectly, a manufacturer that produces more than
8 3,720,000 gallons of beer per year or any other alcoholic
9 liquor.

10 Notwithstanding any other provision of this Act, a licensed
11 brewer, class 2 brewer, or non-resident dealer who before July
12 1, 2015 manufactured less than 3,720,000 gallons of beer per
13 year and held a brew pub license on or before July 1, 2015 may
14 (i) continue to qualify for and hold that brew pub license for
15 the licensed premises and (ii) manufacture more than 3,720,000
16 gallons of beer per year and continue to qualify for and hold
17 that brew pub license if that brewer, class 2 brewer, or
18 non-resident dealer does not simultaneously hold a class 1
19 brewer license and is not a member of or affiliated with,
20 directly or indirectly, a manufacturer that produces more than
21 3,720,000 gallons of beer per year or that produces any other
22 alcoholic liquor.

23 (o) A caterer retailer license shall allow the holder to
24 serve alcoholic liquors as an incidental part of a food service
25 that serves prepared meals which excludes the serving of snacks
26 as the primary meal, either on or off-site whether licensed or

1 unlicensed.

2 (p) An auction liquor license shall allow the licensee to
3 sell and offer for sale at auction wine and spirits for use or
4 consumption, or for resale by an Illinois liquor licensee in
5 accordance with provisions of this Act. An auction liquor
6 license will be issued to a person and it will permit the
7 auction liquor licensee to hold the auction anywhere in the
8 State. An auction liquor license must be obtained for each
9 auction at least 14 days in advance of the auction date.

10 (q) A special use permit license shall allow an Illinois
11 licensed retailer to transfer a portion of its alcoholic liquor
12 inventory from its retail licensed premises to the premises
13 specified in the license hereby created, and to sell or offer
14 for sale at retail, only in the premises specified in the
15 license hereby created, the transferred alcoholic liquor for
16 use or consumption, but not for resale in any form. A special
17 use permit license may be granted for the following time
18 periods: one day or less; 2 or more days to a maximum of 15 days
19 per location in any 12-month period. An applicant for the
20 special use permit license must also submit with the
21 application proof satisfactory to the State Commission that the
22 applicant will provide dram shop liability insurance to the
23 maximum limits and have local authority approval.

24 (r) A winery shipper's license shall allow a person with a
25 first-class or second-class wine manufacturer's license, a
26 first-class or second-class wine-maker's license, or a limited

1 wine manufacturer's license or who is licensed to make wine
2 under the laws of another state to ship wine made by that
3 licensee directly to a resident of this State who is 21 years
4 of age or older for that resident's personal use and not for
5 resale. Prior to receiving a winery shipper's license, an
6 applicant for the license must provide the Commission with a
7 true copy of its current license in any state in which it is
8 licensed as a manufacturer of wine. An applicant for a winery
9 shipper's license must also complete an application form that
10 provides any other information the Commission deems necessary.
11 The application form shall include all addresses from which the
12 applicant for a winery shipper's license intends to ship wine,
13 including the name and address of any third party, except for a
14 common carrier, authorized to ship wine on behalf of the
15 manufacturer. The application form shall include an
16 acknowledgement consenting to the jurisdiction of the
17 Commission, the Illinois Department of Revenue, and the courts
18 of this State concerning the enforcement of this Act and any
19 related laws, rules, and regulations, including authorizing
20 the Department of Revenue and the Commission to conduct audits
21 for the purpose of ensuring compliance with Public Act 95-634,
22 and an acknowledgement that the wine manufacturer is in
23 compliance with Section 6-2 of this Act. Any third party,
24 except for a common carrier, authorized to ship wine on behalf
25 of a first-class or second-class wine manufacturer's licensee,
26 a first-class or second-class wine-maker's licensee, a limited

1 wine manufacturer's licensee, or a person who is licensed to
2 make wine under the laws of another state shall also be
3 disclosed by the winery shipper's licensee, and a copy of the
4 written appointment of the third-party wine provider, except
5 for a common carrier, to the wine manufacturer shall be filed
6 with the State Commission as a supplement to the winery
7 shipper's license application or any renewal thereof. The
8 winery shipper's license holder shall affirm under penalty of
9 perjury, as part of the winery shipper's license application or
10 renewal, that he or she only ships wine, either directly or
11 indirectly through a third-party provider, from the licensee's
12 own production.

13 Except for a common carrier, a third-party provider
14 shipping wine on behalf of a winery shipper's license holder is
15 the agent of the winery shipper's license holder and, as such,
16 a winery shipper's license holder is responsible for the acts
17 and omissions of the third-party provider acting on behalf of
18 the license holder. A third-party provider, except for a common
19 carrier, that engages in shipping wine into Illinois on behalf
20 of a winery shipper's license holder shall consent to the
21 jurisdiction of the State Commission and the State. Any
22 third-party, except for a common carrier, holding such an
23 appointment shall, by February 1 of each calendar year and upon
24 request by the State Commission or the Department of Revenue,
25 file with the State Commission a statement detailing each
26 shipment made to an Illinois resident. The statement shall

1 include the name and address of the third-party provider filing
2 the statement, the time period covered by the statement, and
3 the following information:

4 (1) the name, address, and license number of the winery
5 shipper on whose behalf the shipment was made;

6 (2) the quantity of the products delivered; and

7 (3) the date and address of the shipment.

8 If the Department of Revenue or the State Commission requests a
9 statement under this paragraph, the third-party provider must
10 provide that statement no later than 30 days after the request
11 is made. Any books, records, supporting papers, and documents
12 containing information and data relating to a statement under
13 this paragraph shall be kept and preserved for a period of 3
14 years, unless their destruction sooner is authorized, in
15 writing, by the Director of Revenue, and shall be open and
16 available to inspection by the Director of Revenue or the State
17 Commission or any duly authorized officer, agent, or employee
18 of the State Commission or the Department of Revenue, at all
19 times during business hours of the day. Any person who violates
20 any provision of this paragraph or any rule of the State
21 Commission for the administration and enforcement of the
22 provisions of this paragraph is guilty of a Class C
23 misdemeanor. In case of a continuing violation, each day's
24 continuance thereof shall be a separate and distinct offense.

25 The State Commission shall adopt rules as soon as
26 practicable to implement the requirements of Public Act 99-904

1 and shall adopt rules prohibiting any such third-party
2 appointment of a third-party provider, except for a common
3 carrier, that has been deemed by the State Commission to have
4 violated the provisions of this Act with regard to any winery
5 shipper licensee.

6 A winery shipper licensee must pay to the Department of
7 Revenue the State liquor gallonage tax under Section 8-1 for
8 all wine that is sold by the licensee and shipped to a person
9 in this State. For the purposes of Section 8-1, a winery
10 shipper licensee shall be taxed in the same manner as a
11 manufacturer of wine. A licensee who is not otherwise required
12 to register under the Retailers' Occupation Tax Act must
13 register under the Use Tax Act to collect and remit use tax to
14 the Department of Revenue for all gallons of wine that are sold
15 by the licensee and shipped to persons in this State. If a
16 licensee fails to remit the tax imposed under this Act in
17 accordance with the provisions of Article VIII of this Act, the
18 winery shipper's license shall be revoked in accordance with
19 the provisions of Article VII of this Act. If a licensee fails
20 to properly register and remit tax under the Use Tax Act or the
21 Retailers' Occupation Tax Act for all wine that is sold by the
22 winery shipper and shipped to persons in this State, the winery
23 shipper's license shall be revoked in accordance with the
24 provisions of Article VII of this Act.

25 A winery shipper licensee must collect, maintain, and
26 submit to the Commission on a semi-annual basis the total

1 number of cases per resident of wine shipped to residents of
2 this State. A winery shipper licensed under this subsection (r)
3 must comply with the requirements of Section 6-29 of this Act.

4 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
5 Section 3-12, the State Commission may receive, respond to, and
6 investigate any complaint and impose any of the remedies
7 specified in paragraph (1) of subsection (a) of Section 3-12.

8 As used in this subsection, "third-party provider" means
9 any entity that provides fulfillment house services, including
10 warehousing, packaging, distribution, order processing, or
11 shipment of wine, but not the sale of wine, on behalf of a
12 licensed winery shipper.

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 A brewer warehouse permit may be issued to the holder of a

1 class 1 brewer license or a class 2 brewer license. If the
2 holder of the permit is a class 1 brewer licensee, the brewer
3 warehouse permit shall allow the holder to store or warehouse
4 up to 930,000 gallons of tax-determined beer manufactured by
5 the holder of the permit at the premises specified on the
6 permit. If the holder of the permit is a class 2 brewer
7 licensee, the brewer warehouse permit shall allow the holder to
8 store or warehouse up to 3,720,000 gallons of tax-determined
9 beer manufactured by the holder of the permit at the premises
10 specified on the permit. Sales to non-licensees are prohibited
11 at the premises specified in the brewer warehouse permit.

12 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
13 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
14 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816,
15 eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18;
16 revised 10-2-18.)

17 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

18 Sec. 6-30. Notwithstanding any other provision of this Act,
19 the Illinois Gaming Board shall have exclusive authority to
20 establish the hours for sale and consumption of alcoholic
21 liquor on board a riverboat during riverboat gambling
22 excursions and in a casino conducted in accordance with the
23 Illinois Riverboat ~~Riverboat~~ Gambling Act.

24 (Source: P.A. 87-826.)

1 Section 35-70. The Illinois Public Aid Code is amended by
2 changing Section 10-17.15 as follows:

3 (305 ILCS 5/10-17.15)

4 Sec. 10-17.15. Certification of information to State
5 gaming licensees.

6 (a) For purposes of this Section, "State gaming licensee"
7 means, as applicable, an organization licensee or advance
8 deposit wagering licensee licensed under the Illinois Horse
9 Racing Act of 1975, an owners licensee licensed under the
10 Illinois Riverboat Gambling Act, or a licensee that operates,
11 under any law of this State, one or more facilities or gaming
12 locations at which lawful gambling is authorized and licensed
13 as provided in the Illinois Riverboat Gambling Act.

14 (b) The Department may provide, by rule, for certification
15 to any State gaming licensee of past due child support owed by
16 a responsible relative under a support order entered by a court
17 or administrative body of this or any other State on behalf of
18 a resident or non-resident receiving child support services
19 under this Article in accordance with the requirements of Title
20 IV-D, Part D, of the Social Security Act. The State gaming
21 licensee shall have the ability to withhold from winnings
22 required to be reported to the Internal Revenue Service on Form
23 W-2G, up to the full amount of winnings necessary to pay the
24 winner's past due child support. The rule shall provide for
25 notice to and an opportunity to be heard by each responsible

1 relative affected and any final administrative decision
2 rendered by the Department shall be reviewed only under and in
3 accordance with the Administrative Review Law.

4 (c) For withholding of winnings, the State gaming licensee
5 shall be entitled to an administrative fee not to exceed the
6 lesser of 4% of the total amount of cash winnings paid to the
7 gambling winner or \$150.

8 (d) In no event may the total amount withheld from the cash
9 payout, including the administrative fee, exceed the total cash
10 winnings claimed by the obligor. If the cash payout claimed is
11 greater than the amount sufficient to satisfy the obligor's
12 delinquent child support payments, the State gaming licensee
13 shall pay the obligor the remaining balance of the payout, less
14 the administrative fee authorized by subsection (c) of this
15 Section, at the time it is claimed.

16 (e) A State gaming licensee who in good faith complies with
17 the requirements of this Section shall not be liable to the
18 gaming winner or any other individual or entity.

19 (Source: P.A. 98-318, eff. 8-12-13.)

20 Section 35-75. The Firearm Concealed Carry Act is amended
21 by changing Section 65 as follows:

22 (430 ILCS 66/65)

23 Sec. 65. Prohibited areas.

24 (a) A licensee under this Act shall not knowingly carry a

1 firearm on or into:

2 (1) Any building, real property, and parking area under
3 the control of a public or private elementary or secondary
4 school.

5 (2) Any building, real property, and parking area under
6 the control of a pre-school or child care facility,
7 including any room or portion of a building under the
8 control of a pre-school or child care facility. Nothing in
9 this paragraph shall prevent the operator of a child care
10 facility in a family home from owning or possessing a
11 firearm in the home or license under this Act, if no child
12 under child care at the home is present in the home or the
13 firearm in the home is stored in a locked container when a
14 child under child care at the home is present in the home.

15 (3) Any building, parking area, or portion of a
16 building under the control of an officer of the executive
17 or legislative branch of government, provided that nothing
18 in this paragraph shall prohibit a licensee from carrying a
19 concealed firearm onto the real property, bikeway, or trail
20 in a park regulated by the Department of Natural Resources
21 or any other designated public hunting area or building
22 where firearm possession is permitted as established by the
23 Department of Natural Resources under Section 1.8 of the
24 Wildlife Code.

25 (4) Any building designated for matters before a
26 circuit court, appellate court, or the Supreme Court, or

1 any building or portion of a building under the control of
2 the Supreme Court.

3 (5) Any building or portion of a building under the
4 control of a unit of local government.

5 (6) Any building, real property, and parking area under
6 the control of an adult or juvenile detention or
7 correctional institution, prison, or jail.

8 (7) Any building, real property, and parking area under
9 the control of a public or private hospital or hospital
10 affiliate, mental health facility, or nursing home.

11 (8) Any bus, train, or form of transportation paid for
12 in whole or in part with public funds, and any building,
13 real property, and parking area under the control of a
14 public transportation facility paid for in whole or in part
15 with public funds.

16 (9) Any building, real property, and parking area under
17 the control of an establishment that serves alcohol on its
18 premises, if more than 50% of the establishment's gross
19 receipts within the prior 3 months is from the sale of
20 alcohol. The owner of an establishment who knowingly fails
21 to prohibit concealed firearms on its premises as provided
22 in this paragraph or who knowingly makes a false statement
23 or record to avoid the prohibition on concealed firearms
24 under this paragraph is subject to the penalty under
25 subsection (c-5) of Section 10-1 of the Liquor Control Act
26 of 1934.

1 (10) Any public gathering or special event conducted on
2 property open to the public that requires the issuance of a
3 permit from the unit of local government, provided this
4 prohibition shall not apply to a licensee who must walk
5 through a public gathering in order to access his or her
6 residence, place of business, or vehicle.

7 (11) Any building or real property that has been issued
8 a Special Event Retailer's license as defined in Section
9 1-3.17.1 of the Liquor Control Act during the time
10 designated for the sale of alcohol by the Special Event
11 Retailer's license, or a Special use permit license as
12 defined in subsection (q) of Section 5-1 of the Liquor
13 Control Act during the time designated for the sale of
14 alcohol by the Special use permit license.

15 (12) Any public playground.

16 (13) Any public park, athletic area, or athletic
17 facility under the control of a municipality or park
18 district, provided nothing in this Section shall prohibit a
19 licensee from carrying a concealed firearm while on a trail
20 or bikeway if only a portion of the trail or bikeway
21 includes a public park.

22 (14) Any real property under the control of the Cook
23 County Forest Preserve District.

24 (15) Any building, classroom, laboratory, medical
25 clinic, hospital, artistic venue, athletic venue,
26 entertainment venue, officially recognized

1 university-related organization property, whether owned or
2 leased, and any real property, including parking areas,
3 sidewalks, and common areas under the control of a public
4 or private community college, college, or university.

5 (16) Any building, real property, or parking area under
6 the control of a gaming facility licensed under the
7 Illinois Riverboat Gambling Act or the Illinois Horse
8 Racing Act of 1975, including an inter-track wagering
9 location licensee.

10 (17) Any stadium, arena, or the real property or
11 parking area under the control of a stadium, arena, or any
12 collegiate or professional sporting event.

13 (18) Any building, real property, or parking area under
14 the control of a public library.

15 (19) Any building, real property, or parking area under
16 the control of an airport.

17 (20) Any building, real property, or parking area under
18 the control of an amusement park.

19 (21) Any building, real property, or parking area under
20 the control of a zoo or museum.

21 (22) Any street, driveway, parking area, property,
22 building, or facility, owned, leased, controlled, or used
23 by a nuclear energy, storage, weapons, or development site
24 or facility regulated by the federal Nuclear Regulatory
25 Commission. The licensee shall not under any circumstance
26 store a firearm or ammunition in his or her vehicle or in a

1 compartment or container within a vehicle located anywhere
2 in or on the street, driveway, parking area, property,
3 building, or facility described in this paragraph.

4 (23) Any area where firearms are prohibited under
5 federal law.

6 (a-5) Nothing in this Act shall prohibit a public or
7 private community college, college, or university from:

8 (1) prohibiting persons from carrying a firearm within
9 a vehicle owned, leased, or controlled by the college or
10 university;

11 (2) developing resolutions, regulations, or policies
12 regarding student, employee, or visitor misconduct and
13 discipline, including suspension and expulsion;

14 (3) developing resolutions, regulations, or policies
15 regarding the storage or maintenance of firearms, which
16 must include designated areas where persons can park
17 vehicles that carry firearms; and

18 (4) permitting the carrying or use of firearms for the
19 purpose of instruction and curriculum of officially
20 recognized programs, including but not limited to military
21 science and law enforcement training programs, or in any
22 designated area used for hunting purposes or target
23 shooting.

24 (a-10) The owner of private real property of any type may
25 prohibit the carrying of concealed firearms on the property
26 under his or her control. The owner must post a sign in

1 accordance with subsection (d) of this Section indicating that
2 firearms are prohibited on the property, unless the property is
3 a private residence.

4 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
5 this Section except under paragraph (22) or (23) of subsection
6 (a), any licensee prohibited from carrying a concealed firearm
7 into the parking area of a prohibited location specified in
8 subsection (a), (a-5), or (a-10) of this Section shall be
9 permitted to carry a concealed firearm on or about his or her
10 person within a vehicle into the parking area and may store a
11 firearm or ammunition concealed in a case within a locked
12 vehicle or locked container out of plain view within the
13 vehicle in the parking area. A licensee may carry a concealed
14 firearm in the immediate area surrounding his or her vehicle
15 within a prohibited parking lot area only for the limited
16 purpose of storing or retrieving a firearm within the vehicle's
17 trunk. For purposes of this subsection, "case" includes a glove
18 compartment or console that completely encloses the concealed
19 firearm or ammunition, the trunk of the vehicle, or a firearm
20 carrying box, shipping box, or other container.

21 (c) A licensee shall not be in violation of this Section
22 while he or she is traveling along a public right of way that
23 touches or crosses any of the premises under subsection (a),
24 (a-5), or (a-10) of this Section if the concealed firearm is
25 carried on his or her person in accordance with the provisions
26 of this Act or is being transported in a vehicle by the

1 licensee in accordance with all other applicable provisions of
2 law.

3 (d) Signs stating that the carrying of firearms is
4 prohibited shall be clearly and conspicuously posted at the
5 entrance of a building, premises, or real property specified in
6 this Section as a prohibited area, unless the building or
7 premises is a private residence. Signs shall be of a uniform
8 design as established by the Department and shall be 4 inches
9 by 6 inches in size. The Department shall adopt rules for
10 standardized signs to be used under this subsection.

11 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

12 Section 35-80. The Criminal Code of 2012 is amended by
13 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
14 follows:

15 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

16 Sec. 28-1. Gambling.

17 (a) A person commits gambling when he or she:

18 (1) knowingly plays a game of chance or skill for money
19 or other thing of value, unless excepted in subsection (b)
20 of this Section;

21 (2) knowingly makes a wager upon the result of any
22 game, contest, or any political nomination, appointment or
23 election;

24 (3) knowingly operates, keeps, owns, uses, purchases,

1 exhibits, rents, sells, bargains for the sale or lease of,
2 manufactures or distributes any gambling device;

3 (4) contracts to have or give himself or herself or
4 another the option to buy or sell, or contracts to buy or
5 sell, at a future time, any grain or other commodity
6 whatsoever, or any stock or security of any company, where
7 it is at the time of making such contract intended by both
8 parties thereto that the contract to buy or sell, or the
9 option, whenever exercised, or the contract resulting
10 therefrom, shall be settled, not by the receipt or delivery
11 of such property, but by the payment only of differences in
12 prices thereof; however, the issuance, purchase, sale,
13 exercise, endorsement or guarantee, by or through a person
14 registered with the Secretary of State pursuant to Section
15 8 of the Illinois Securities Law of 1953, or by or through
16 a person exempt from such registration under said Section
17 8, of a put, call, or other option to buy or sell
18 securities which have been registered with the Secretary of
19 State or which are exempt from such registration under
20 Section 3 of the Illinois Securities Law of 1953 is not
21 gambling within the meaning of this paragraph (4);

22 (5) knowingly owns or possesses any book, instrument or
23 apparatus by means of which bets or wagers have been, or
24 are, recorded or registered, or knowingly possesses any
25 money which he has received in the course of a bet or
26 wager;

1 (6) knowingly sells pools upon the result of any game
2 or contest of skill or chance, political nomination,
3 appointment or election;

4 (7) knowingly sets up or promotes any lottery or sells,
5 offers to sell or transfers any ticket or share for any
6 lottery;

7 (8) knowingly sets up or promotes any policy game or
8 sells, offers to sell or knowingly possesses or transfers
9 any policy ticket, slip, record, document or other similar
10 device;

11 (9) knowingly drafts, prints or publishes any lottery
12 ticket or share, or any policy ticket, slip, record,
13 document or similar device, except for such activity
14 related to lotteries, bingo games and raffles authorized by
15 and conducted in accordance with the laws of Illinois or
16 any other state or foreign government;

17 (10) knowingly advertises any lottery or policy game,
18 except for such activity related to lotteries, bingo games
19 and raffles authorized by and conducted in accordance with
20 the laws of Illinois or any other state;

21 (11) knowingly transmits information as to wagers,
22 betting odds, or changes in betting odds by telephone,
23 telegraph, radio, semaphore or similar means; or knowingly
24 installs or maintains equipment for the transmission or
25 receipt of such information; except that nothing in this
26 subdivision (11) prohibits transmission or receipt of such

1 information for use in news reporting of sporting events or
2 contests; or

3 (12) knowingly establishes, maintains, or operates an
4 Internet site that permits a person to play a game of
5 chance or skill for money or other thing of value by means
6 of the Internet or to make a wager upon the result of any
7 game, contest, political nomination, appointment, or
8 election by means of the Internet. This item (12) does not
9 apply to activities referenced in items (6) and (6.1) of
10 subsection (b) of this Section.

11 (b) Participants in any of the following activities shall
12 not be convicted of gambling:

13 (1) Agreements to compensate for loss caused by the
14 happening of chance including without limitation contracts
15 of indemnity or guaranty and life or health or accident
16 insurance.

17 (2) Offers of prizes, award or compensation to the
18 actual contestants in any bona fide contest for the
19 determination of skill, speed, strength or endurance or to
20 the owners of animals or vehicles entered in such contest.

21 (3) Pari-mutuel betting as authorized by the law of
22 this State.

23 (4) Manufacture of gambling devices, including the
24 acquisition of essential parts therefor and the assembly
25 thereof, for transportation in interstate or foreign
26 commerce to any place outside this State when such

1 transportation is not prohibited by any applicable Federal
2 law; or the manufacture, distribution, or possession of
3 video gaming terminals, as defined in the Video Gaming Act,
4 by manufacturers, distributors, and terminal operators
5 licensed to do so under the Video Gaming Act.

6 (5) The game commonly known as "bingo", when conducted
7 in accordance with the Bingo License and Tax Act.

8 (6) Lotteries when conducted by the State of Illinois
9 in accordance with the Illinois Lottery Law. This exemption
10 includes any activity conducted by the Department of
11 Revenue to sell lottery tickets pursuant to the provisions
12 of the Illinois Lottery Law and its rules.

13 (6.1) The purchase of lottery tickets through the
14 Internet for a lottery conducted by the State of Illinois
15 under the program established in Section 7.12 of the
16 Illinois Lottery Law.

17 (7) Possession of an antique slot machine that is
18 neither used nor intended to be used in the operation or
19 promotion of any unlawful gambling activity or enterprise.
20 For the purpose of this subparagraph (b)(7), an antique
21 slot machine is one manufactured 25 years ago or earlier.

22 (8) Raffles and poker runs when conducted in accordance
23 with the Raffles and Poker Runs Act.

24 (9) Charitable games when conducted in accordance with
25 the Charitable Games Act.

26 (10) Pull tabs and jar games when conducted under the

1 Illinois Pull Tabs and Jar Games Act.

2 (11) Gambling games ~~conducted on riverboats~~ when
3 authorized by the Illinois Riverboat Gambling Act.

4 (12) Video gaming terminal games at a licensed
5 establishment, licensed truck stop establishment, licensed
6 fraternal establishment, or licensed veterans
7 establishment when conducted in accordance with the Video
8 Gaming Act.

9 (13) Games of skill or chance where money or other
10 things of value can be won but no payment or purchase is
11 required to participate.

12 (14) Savings promotion raffles authorized under
13 Section 5g of the Illinois Banking Act, Section 7008 of the
14 Savings Bank Act, Section 42.7 of the Illinois Credit Union
15 Act, Section 5136B of the National Bank Act (12 U.S.C.
16 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
17 1463).

18 (c) Sentence.

19 Gambling is a Class A misdemeanor. A second or subsequent
20 conviction under subsections (a) (3) through (a) (12), is a Class
21 4 felony.

22 (d) Circumstantial evidence.

23 In prosecutions under this Section circumstantial evidence
24 shall have the same validity and weight as in any criminal
25 prosecution.

26 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

1 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

2 Sec. 28-1.1. Syndicated gambling.

3 (a) Declaration of Purpose. Recognizing the close
4 relationship between professional gambling and other organized
5 crime, it is declared to be the policy of the legislature to
6 restrain persons from engaging in the business of gambling for
7 profit in this State. This Section shall be liberally construed
8 and administered with a view to carrying out this policy.

9 (b) A person commits syndicated gambling when he or she
10 operates a "policy game" or engages in the business of
11 bookmaking.

12 (c) A person "operates a policy game" when he or she
13 knowingly uses any premises or property for the purpose of
14 receiving or knowingly does receive from what is commonly
15 called "policy":

16 (1) money from a person other than the bettor or player
17 whose bets or plays are represented by the money; or

18 (2) written "policy game" records, made or used over
19 any period of time, from a person other than the bettor or
20 player whose bets or plays are represented by the written
21 record.

22 (d) A person engages in bookmaking when he or she knowingly
23 receives or accepts more than five bets or wagers upon the
24 result of any trials or contests of skill, speed or power of
25 endurance or upon any lot, chance, casualty, unknown or

1 contingent event whatsoever, which bets or wagers shall be of
2 such size that the total of the amounts of money paid or
3 promised to be paid to the bookmaker on account thereof shall
4 exceed \$2,000. Bookmaking is the receiving or accepting of bets
5 or wagers regardless of the form or manner in which the
6 bookmaker records them.

7 (e) Participants in any of the following activities shall
8 not be convicted of syndicated gambling:

9 (1) Agreements to compensate for loss caused by the
10 happening of chance including without limitation contracts
11 of indemnity or guaranty and life or health or accident
12 insurance;

13 (2) Offers of prizes, award or compensation to the
14 actual contestants in any bona fide contest for the
15 determination of skill, speed, strength or endurance or to
16 the owners of animals or vehicles entered in the contest;

17 (3) Pari-mutuel betting as authorized by law of this
18 State;

19 (4) Manufacture of gambling devices, including the
20 acquisition of essential parts therefor and the assembly
21 thereof, for transportation in interstate or foreign
22 commerce to any place outside this State when the
23 transportation is not prohibited by any applicable Federal
24 law;

25 (5) Raffles and poker runs when conducted in accordance
26 with the Raffles and Poker Runs Act;

1 (6) Gambling games conducted on riverboats, in
2 casinos, or at organization gaming facilities when
3 authorized by the Illinois ~~Riverboat~~ Gambling Act;

4 (7) Video gaming terminal games at a licensed
5 establishment, licensed truck stop establishment, licensed
6 fraternal establishment, or licensed veterans
7 establishment when conducted in accordance with the Video
8 Gaming Act; and

9 (8) Savings promotion raffles authorized under Section
10 5g of the Illinois Banking Act, Section 7008 of the Savings
11 Bank Act, Section 42.7 of the Illinois Credit Union Act,
12 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
13 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

14 (f) Sentence. Syndicated gambling is a Class 3 felony.
15 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

16 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

17 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
18 any real estate, vehicle, boat or any other property whatsoever
19 used for the purposes of gambling other than gambling conducted
20 in the manner authorized by the Illinois ~~Riverboat~~ Gambling Act
21 or the Video Gaming Act. Any person who knowingly permits any
22 premises or property owned or occupied by him or under his
23 control to be used as a gambling place commits a Class A
24 misdemeanor. Each subsequent offense is a Class 4 felony. When
25 any premises is determined by the circuit court to be a

1 gambling place:

2 (a) Such premises is a public nuisance and may be proceeded
3 against as such, and

4 (b) All licenses, permits or certificates issued by the
5 State of Illinois or any subdivision or public agency thereof
6 authorizing the serving of food or liquor on such premises
7 shall be void; and no license, permit or certificate so
8 cancelled shall be reissued for such premises for a period of
9 60 days thereafter; nor shall any person convicted of keeping a
10 gambling place be reissued such license for one year from his
11 conviction and, after a second conviction of keeping a gambling
12 place, any such person shall not be reissued such license, and

13 (c) Such premises of any person who knowingly permits
14 thereon a violation of any Section of this Article shall be
15 held liable for, and may be sold to pay any unsatisfied
16 judgment that may be recovered and any unsatisfied fine that
17 may be levied under any Section of this Article.

18 (Source: P.A. 96-34, eff. 7-13-09.)

19 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

20 Sec. 28-5. Seizure of gambling devices and gambling funds.

21 (a) Every device designed for gambling which is incapable
22 of lawful use or every device used unlawfully for gambling
23 shall be considered a "gambling device", and shall be subject
24 to seizure, confiscation and destruction by the Department of
25 State Police or by any municipal, or other local authority,

1 within whose jurisdiction the same may be found. As used in
2 this Section, a "gambling device" includes any slot machine,
3 and includes any machine or device constructed for the
4 reception of money or other thing of value and so constructed
5 as to return, or to cause someone to return, on chance to the
6 player thereof money, property or a right to receive money or
7 property. With the exception of any device designed for
8 gambling which is incapable of lawful use, no gambling device
9 shall be forfeited or destroyed unless an individual with a
10 property interest in said device knows of the unlawful use of
11 the device.

12 (b) Every gambling device shall be seized and forfeited to
13 the county wherein such seizure occurs. Any money or other
14 thing of value integrally related to acts of gambling shall be
15 seized and forfeited to the county wherein such seizure occurs.

16 (c) If, within 60 days after any seizure pursuant to
17 subparagraph (b) of this Section, a person having any property
18 interest in the seized property is charged with an offense, the
19 court which renders judgment upon such charge shall, within 30
20 days after such judgment, conduct a forfeiture hearing to
21 determine whether such property was a gambling device at the
22 time of seizure. Such hearing shall be commenced by a written
23 petition by the State, including material allegations of fact,
24 the name and address of every person determined by the State to
25 have any property interest in the seized property, a
26 representation that written notice of the date, time and place

1 of such hearing has been mailed to every such person by
2 certified mail at least 10 days before such date, and a request
3 for forfeiture. Every such person may appear as a party and
4 present evidence at such hearing. The quantum of proof required
5 shall be a preponderance of the evidence, and the burden of
6 proof shall be on the State. If the court determines that the
7 seized property was a gambling device at the time of seizure,
8 an order of forfeiture and disposition of the seized property
9 shall be entered: a gambling device shall be received by the
10 State's Attorney, who shall effect its destruction, except that
11 valuable parts thereof may be liquidated and the resultant
12 money shall be deposited in the general fund of the county
13 wherein such seizure occurred; money and other things of value
14 shall be received by the State's Attorney and, upon
15 liquidation, shall be deposited in the general fund of the
16 county wherein such seizure occurred. However, in the event
17 that a defendant raises the defense that the seized slot
18 machine is an antique slot machine described in subparagraph
19 (b) (7) of Section 28-1 of this Code and therefore he is exempt
20 from the charge of a gambling activity participant, the seized
21 antique slot machine shall not be destroyed or otherwise
22 altered until a final determination is made by the Court as to
23 whether it is such an antique slot machine. Upon a final
24 determination by the Court of this question in favor of the
25 defendant, such slot machine shall be immediately returned to
26 the defendant. Such order of forfeiture and disposition shall,

1 for the purposes of appeal, be a final order and judgment in a
2 civil proceeding.

3 (d) If a seizure pursuant to subparagraph (b) of this
4 Section is not followed by a charge pursuant to subparagraph
5 (c) of this Section, or if the prosecution of such charge is
6 permanently terminated or indefinitely discontinued without
7 any judgment of conviction or acquittal (1) the State's
8 Attorney shall commence an in rem proceeding for the forfeiture
9 and destruction of a gambling device, or for the forfeiture and
10 deposit in the general fund of the county of any seized money
11 or other things of value, or both, in the circuit court and (2)
12 any person having any property interest in such seized gambling
13 device, money or other thing of value may commence separate
14 civil proceedings in the manner provided by law.

15 (e) Any gambling device displayed for sale to a riverboat
16 gambling operation, casino gambling operation, or organization
17 gaming facility or used to train occupational licensees of a
18 riverboat gambling operation, casino gambling operation, or
19 organization gaming facility as authorized under the Illinois
20 ~~Riverboat~~ Gambling Act is exempt from seizure under this
21 Section.

22 (f) Any gambling equipment, devices, and supplies provided
23 by a licensed supplier in accordance with the Illinois
24 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
25 casino, or organization gaming facility for repair are exempt
26 from seizure under this Section.

1 (g) The following video gaming terminals are exempt from
2 seizure under this Section:

3 (1) Video gaming terminals for sale to a licensed
4 distributor or operator under the Video Gaming Act.

5 (2) Video gaming terminals used to train licensed
6 technicians or licensed terminal handlers.

7 (3) Video gaming terminals that are removed from a
8 licensed establishment, licensed truck stop establishment,
9 licensed fraternal establishment, or licensed veterans
10 establishment for repair.

11 (h) Property seized or forfeited under this Section is
12 subject to reporting under the Seizure and Forfeiture Reporting
13 Act.

14 (Source: P.A. 100-512, eff. 7-1-18.)

15 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

16 Sec. 28-7. Gambling contracts void.

17 (a) All promises, notes, bills, bonds, covenants,
18 contracts, agreements, judgments, mortgages, or other
19 securities or conveyances made, given, granted, drawn, or
20 entered into, or executed by any person whatsoever, where the
21 whole or any part of the consideration thereof is for any money
22 or thing of value, won or obtained in violation of any Section
23 of this Article are null and void.

24 (b) Any obligation void under this Section may be set aside
25 and vacated by any court of competent jurisdiction, upon a

1 complaint filed for that purpose, by the person so granting,
2 giving, entering into, or executing the same, or by his
3 executors or administrators, or by any creditor, heir, legatee,
4 purchaser or other person interested therein; or if a judgment,
5 the same may be set aside on motion of any person stated above,
6 on due notice thereof given.

7 (c) No assignment of any obligation void under this Section
8 may in any manner affect the defense of the person giving,
9 granting, drawing, entering into or executing such obligation,
10 or the remedies of any person interested therein.

11 (d) This Section shall not prevent a licensed owner of a
12 riverboat gambling operation, a casino gambling operation, or
13 an organization gaming licensee under the Illinois Gambling Act
14 and the Illinois Horse Racing Act of 1975 from instituting a
15 cause of action to collect any amount due and owing under an
16 extension of credit to a ~~riverboat~~ gambling patron as
17 authorized under Section 11.1 of the Illinois Riverboat
18 Gambling Act.

19 (Source: P.A. 87-826.)

20 Section 35-85. The Payday Loan Reform Act is amended by
21 changing Section 3-5 as follows:

22 (815 ILCS 122/3-5)

23 Sec. 3-5. Licensure.

24 (a) A license to make a payday loan shall state the

1 address, including city and state, at which the business is to
2 be conducted and shall state fully the name of the licensee.
3 The license shall be conspicuously posted in the place of
4 business of the licensee and shall not be transferable or
5 assignable.

6 (b) An application for a license shall be in writing and in
7 a form prescribed by the Secretary. The Secretary may not issue
8 a payday loan license unless and until the following findings
9 are made:

10 (1) that the financial responsibility, experience,
11 character, and general fitness of the applicant are such as
12 to command the confidence of the public and to warrant the
13 belief that the business will be operated lawfully and
14 fairly and within the provisions and purposes of this Act;
15 and

16 (2) that the applicant has submitted such other
17 information as the Secretary may deem necessary.

18 (c) A license shall be issued for no longer than one year,
19 and no renewal of a license may be provided if a licensee has
20 substantially violated this Act and has not cured the violation
21 to the satisfaction of the Department.

22 (d) A licensee shall appoint, in writing, the Secretary as
23 attorney-in-fact upon whom all lawful process against the
24 licensee may be served with the same legal force and validity
25 as if served on the licensee. A copy of the written
26 appointment, duly certified, shall be filed in the office of

1 the Secretary, and a copy thereof certified by the Secretary
2 shall be sufficient evidence to subject a licensee to
3 jurisdiction in a court of law. This appointment shall remain
4 in effect while any liability remains outstanding in this State
5 against the licensee. When summons is served upon the Secretary
6 as attorney-in-fact for a licensee, the Secretary shall
7 immediately notify the licensee by registered mail, enclosing
8 the summons and specifying the hour and day of service.

9 (e) A licensee must pay an annual fee of \$1,000. In
10 addition to the license fee, the reasonable expense of any
11 examination or hearing by the Secretary under any provisions of
12 this Act shall be borne by the licensee. If a licensee fails to
13 renew its license by December 1, its license shall
14 automatically expire; however, the Secretary, in his or her
15 discretion, may reinstate an expired license upon:

16 (1) payment of the annual fee within 30 days of the
17 date of expiration; and

18 (2) proof of good cause for failure to renew.

19 (f) Not more than one place of business shall be maintained
20 under the same license, but the Secretary may issue more than
21 one license to the same licensee upon compliance with all the
22 provisions of this Act governing issuance of a single license.
23 The location, except those locations already in existence as of
24 June 1, 2005, may not be within one mile of a horse race track
25 subject to the Illinois Horse Racing Act of 1975, within one
26 mile of a facility at which gambling is conducted under the

1 Illinois ~~Riverboat~~ Gambling Act, within one mile of the
2 location at which a riverboat subject to the Illinois ~~Riverboat~~
3 Gambling Act docks, or within one mile of any State of Illinois
4 or United States military base or naval installation.

5 (g) No licensee shall conduct the business of making loans
6 under this Act within any office, suite, room, or place of
7 business in which (1) any loans are offered or made under the
8 Consumer Installment Loan Act other than title secured loans as
9 defined in subsection (a) of Section 15 of the Consumer
10 Installment Loan Act and governed by Title 38, Section 110.330
11 of the Illinois Administrative Code or (2) any other business
12 is solicited or engaged in unless the other business is
13 licensed by the Department or, in the opinion of the Secretary,
14 the other business would not be contrary to the best interests
15 of consumers and is authorized by the Secretary in writing.

16 (g-5) Notwithstanding subsection (g) of this Section, a
17 licensee may obtain a license under the Consumer Installment
18 Loan Act (CILA) for the exclusive purpose and use of making
19 title secured loans, as defined in subsection (a) of Section 15
20 of CILA and governed by Title 38, Section 110.300 of the
21 Illinois Administrative Code. A licensee may continue to
22 service Consumer Installment Loan Act loans that were
23 outstanding as of the effective date of this amendatory Act of
24 the 96th General Assembly.

25 (h) The Secretary shall maintain a list of licensees that
26 shall be available to interested consumers and lenders and the

1 public. The Secretary shall maintain a toll-free number whereby
2 consumers may obtain information about licensees. The
3 Secretary shall also establish a complaint process under which
4 an aggrieved consumer may file a complaint against a licensee
5 or non-licensee who violates any provision of this Act.

6 (Source: P.A. 100-958, eff. 8-19-18.)

7 Section 35-90. The Travel Promotion Consumer Protection
8 Act is amended by changing Section 2 as follows:

9 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

10 Sec. 2. Definitions.

11 (a) "Travel promoter" means a person, including a tour
12 operator, who sells, provides, furnishes, contracts for,
13 arranges or advertises that he or she will arrange wholesale or
14 retail transportation by air, land, sea or navigable stream,
15 either separately or in conjunction with other services.
16 "Travel promoter" does not include (1) an air carrier; (2) a
17 sea carrier; (3) an officially appointed agent of an air
18 carrier who is a member in good standing of the Airline
19 Reporting Corporation; (4) a travel promoter who has in force
20 \$1,000,000 or more of liability insurance coverage for
21 professional errors and omissions and a surety bond or
22 equivalent surety in the amount of \$100,000 or more for the
23 benefit of consumers in the event of a bankruptcy on the part
24 of the travel promoter; or (5) a riverboat subject to

1 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

2 (b) "Advertise" means to make any representation in the
3 solicitation of passengers and includes communication with
4 other members of the same partnership, corporation, joint
5 venture, association, organization, group or other entity.

6 (c) "Passenger" means a person on whose behalf money or
7 other consideration has been given or is to be given to
8 another, including another member of the same partnership,
9 corporation, joint venture, association, organization, group
10 or other entity, for travel.

11 (d) "Ticket or voucher" means a writing or combination of
12 writings which is itself good and sufficient to obtain
13 transportation and other services for which the passenger has
14 contracted.

15 (Source: P.A. 91-357, eff. 7-29-99.)

16 (30 ILCS 105/5.490 rep.)

17 Section 35-95. The State Finance Act is amended by
18 repealing Section 5.490.

19 (230 ILCS 5/2.1 rep.)

20 (230 ILCS 5/54 rep.)

21 Section 35-100. The Illinois Horse Racing Act of 1975 is
22 amended by repealing Sections 2.1 and 54.

23 Article 99. Severability; Effective Date

1 Section 99-95. No acceleration or delay. Where this Act
2 makes changes in a statute that is represented in this Act by
3 text that is not yet or no longer in effect (for example, a
4 Section represented by multiple versions), the use of that text
5 does not accelerate or delay the taking effect of (i) the
6 changes made by this Act or (ii) provisions derived from any
7 other Public Act.

8 Section 99-97. Severability. The provisions of this Act are
9 severable under Section 1.31 of the Statute on Statutes.

10 Section 99-99. Effective date. This Act takes effect upon
11 becoming law, except that the changes made to Section 2 of the
12 Use Tax Act take effect on January 1, 2020."